

Fighting Public Corruption
in the
United States

Compiled and Edited by

Michael Erbschloe

Connect with Michael on LinkedIn



©2019 Michael Erbschloe

Table of Contents

Section	Page Number
About the Editor	3
U.S. Department of Justice	4
The Federal Bureau of Investigation (FBI)	10
House Judiciary Committee Unveils Investigation into Threats Against the Rule of Law	26
U.S. Navy Admiral Plus Eight Officers Indicted as Part of Corrupt Team that Worked Together to Trade Navy Secrets for Sex Parties	31
Philadelphia Congressman and Associates Convicted in Corruption Case	37
Public Corruption Fugitive Extradited to U.S. State Official Returns to Face Justice	39
Appendix A: Examples of Public Corruption Investigations	41
Appendix B: Recent Prosecutions on Public Corruption Charges	51
Appendix C: Examples of recent cases of public corruption investigated by the FBI	55
Appendix D: Regional Corruption Hotlines	59
Appendix E: Nationwide Federal Prosecutions Of Corrupt Public Officials 2017	60

About the Editor

Michael Erbschloe has worked for over 30 years performing analysis of the economics of information technology, public policy relating to technology, and utilizing technology in reengineering organization processes. He has authored several books on social and management issues of information technology that were published by McGraw Hill and other major publishers. He has also taught at several universities and developed technology-related curriculum. His career has focused on several interrelated areas:

- Technology strategy, analysis, and forecasting
- Teaching and curriculum development
- Writing books and articles
- Publishing and editing
- Public policy analysis and program evaluation

Books by Michael Erbschloe

Extremist Propaganda in Social Media: A Threat to Homeland Security (CRC Press)

Threat Level Red: Cybersecurity Research Programs of the U.S. Government (Auerbach Publications)

Social Media Warfare: Equal Weapons for All (Auerbach Publications)

Walling Out the Insiders: Controlling Access to Improve Organizational Security (Auerbach Publications)

Physical Security for IT (Elsevier Science)

Trojans, Worms, and Spyware (Butterworth-Heinemann)

Implementing Homeland Security in Enterprise IT (Digital Press)

Guide to Disaster Recovery (Course Technology)

Socially Responsible IT Management (Digital Press)

Information Warfare: How to Survive Cyber Attacks (McGraw Hill)

The Executive's Guide to Privacy Management (McGraw Hill)

Net Privacy: A Guide to Developing & Implementing an e-business Privacy Plan (McGraw Hill)

U.S. Department of Justice

The prosecution of public corruption is a top priority for the U.S. Attorney's offices. Public corruption is a breach of the public's trust by government officials who use their public office to obtain personal gain. It is a violation of federal law for any federal, state, or local government official to ask for or receive anything of value in exchange for, or because of, any official act. Under federal law, any person who offers or pays a bribe is also guilty. These crimes are the result of secret deals, sealed with whispered conversations, quick handshakes, and money paid "under the table." Because of the secretive nature of bribes and shady deals, such crimes are often difficult to detect and even more difficult to prove without the assistance of concerned citizens. As a result, the Federal Bureau of Investigation has established a task force to target public corruption.

The Public Integrity Section in the U.S. Department of Justice (DOJ) was created in 1976 in order to consolidate in one unit of the Criminal Division the Department's oversight responsibilities for the prosecution of criminal abuses of the public trust by government officials. Section attorneys prosecute selected cases involving federal, state, or local officials, and also provide advice and assistance to prosecutors and agents in the field regarding the handling of public corruption cases. In addition, the Section serves as the Justice Department's center for handling various issues that arise regarding public corruption statutes and cases.

An Election Crimes Branch was created within the Section in 1980 to supervise the Department's nationwide response to election crimes, such as voter fraud and campaign-financing offenses. The Director of Election Crimes reviews all major election crime investigations throughout the country and all proposed criminal charges relating to election crime.

The vast majority of federal corruption prosecutions are handled by the local United States Attorney's Office for the geographic district where the crime occurred, a fact demonstrated by the statistical charts in Part III of this Report. At times, however, it may be inappropriate for the local United States Attorney's Office to handle a particular corruption case.

Public corruption cases tend to raise unique problems of public perception that are generally absent in more routine criminal cases. An investigation of alleged corruption by a government official, whether at the federal, state, or local level, or someone associated with such an official, always has the potential of becoming a high-profile case simply because its focus is on the conduct of a public official. In addition, these cases are often politically sensitive because their ultimate targets tend to be politicians or government officials appointed by politicians.

A successful public corruption prosecution requires both the appearance and the reality of fairness and impartiality. This means that a successful corruption case involves not just a conviction but public perception that the conviction was warranted, not the result of improper motivation by the prosecutor, and is free of conflicts of interest. In a case in which the local conflict of interest is substantial, the local office is removed from the case by a procedure called recusal. Recusal occurs when the local office either asks to step aside, or is asked to step aside by Department headquarters, as primary prosecutor. Federal cases involving corruption allegations in which the conflict is substantial are usually referred to the Public Integrity Section either for prosecution or direct operational supervision.

Allegations involving possible crimes by federal judges almost always require recusals of the local offices for significant policy, as well as practical reasons. Having the case handled outside the local offices eliminates the possible appearance of bias, as well as the practical difficulties and awkwardness that would arise if an office investigating a judge were to appear before the judge on other matters. Thus, as a matter of established Department practice, federal judicial corruption cases generally are handled by the Public Integrity Section.

Similar concerns regarding the appearance of bias also arise when the target of an investigation is a federal prosecutor, a federal investigator, or other employee assigned to work in or closely with a particular United States Attorney's Office. Thus, cases involving United States Attorneys, Assistant United States Attorneys (AUSAs), or federal investigators or employees working with AUSAs in the field generally result in a recusal of the local office. These cases are typically referred to the Public Integrity Section.

In addition to recusals, the Public Integrity Section handles other special categories of cases. At the request of the Assistant Attorney General for the Criminal Division, the Section handles cases that are highly sensitive and cases that involve the jurisdiction of more than one United States Attorney's Office.

Cases may be sensitive for a number of reasons. Because of its importance, a particular case may require close coordination with high-level Department officials. Alternatively, the case may require substantial coordination with other federal agencies in Washington. The latter includes cases involving classified information that require careful coordination with intelligence agencies. Sensitive cases may also include those that are so politically controversial on a local level that they are most appropriately handled in Washington.

In addition to sensitive cases, this category encompasses multi-district cases, that is, cases involving allegations that cross judicial district lines and, as a result, fall under the jurisdiction of two or more United States Attorneys' Offices. In these cases, the Section occasionally is asked to coordinate the investigation among the various United States Attorneys' Offices, to handle a case jointly with one or more United States Attorney's Office, or, when appropriate, to assume operational responsibility for the entire case.

In another area of major responsibility, the Section handles matters referred directly by federal agencies concerning possible federal crimes by agency employees. The Section reviews these allegations to determine whether an investigation of the matter is warranted and, ultimately, whether the matter should be prosecuted.

Agency referrals of possible employee wrongdoing are an important part of the Section's mission. The Section works closely with the Offices of Inspector General (OIGs) of the executive branch agencies, as well as with other agency investigative components, such as the Offices of Internal Affairs and the Criminal Investigative Divisions. In addition, the Section invests substantial time in training agency investigators in the statutes involved in corruption cases and the investigative approaches that work best in these cases. These referrals from the various agencies require close consultation with the referring agency's investigative component and prompt prosecutive evaluation.

The final category of cases in which the Section becomes involved is cases that are handled jointly by the Section and a United States Attorney's Office or other component of the Department. At times, the available prosecutorial resources in a United States Attorney's Office

may be insufficient to undertake sole responsibility for a significant corruption case. In this situation the local office may request the assistance of an experienced Section prosecutor to share responsibility for prosecuting the case. On occasion, the Section may also be asked to provide operational assistance or to assume supervisory responsibility for a case due to a partial recusal of the local office. Finally, the Public Integrity Section may be assigned to supervise or assist with a case initially assigned to another Department component.

One of the Section's law enforcement priorities is its supervision of the Justice Department's nationwide response to election crimes. The prosecution of all forms of election crime is a high Departmental priority, and headquarters' oversight in this area is designed to ensure that the Department's nationwide response to election crime matters is uniform, impartial, and effective. In 1980, the Election Crimes Branch was created within the Section to handle this supervisory responsibility.

The Election Crimes Branch oversees the Department's handling of all election crime allegations other than those involving federal voting rights, which are handled by the Civil Rights Division. Specifically, the Branch provides advice and guidance on three types of election crime cases: (1) vote frauds, such as vote buying and absentee ballot fraud; (2) campaign-financing crimes, most notably under the Federal Election Campaign Act (FECA); and (3) patronage crimes, such as political shakedowns and misuse of federal programs for political purposes. Vote frauds and campaign-financing offenses are the most significant, and most common types of election crimes. The election-related work of the Section and its Election Crimes Branch falls into the following categories:

a. Consultation and Field Support. Under long-established Department procedures, the Section's Election Crimes Branch reviews all major election crime investigations, including all proposed grand jury investigations and FBI full-field investigations, and all election crime charges proposed by the various United States Attorneys' Offices for legal and factual sufficiency. (United States Attorneys' Manual 9-85.210.) The Branch is also often consulted before a United States Attorney's Office opens a preliminary investigation into a vote fraud allegation, although this is not required.

In the area of campaign-financing crimes, Department procedures require consultation with headquarters before any investigation, including a preliminary investigation, is commenced by a United States Attorney's Office. U.S.A.M. 9-85-5210. The increased coordination with the Section at the initial stage of a criminal investigation of a FECA matter enables the Department to coordinate, when necessary, with another federal agency, the Federal Election Commission, which has civil enforcement authority over FECA violations.

The Section's consultation responsibility for election matters includes providing advice to prosecutors and investigators regarding the application of federal criminal laws to vote fraud, patronage crimes, and campaign-financing crimes, and the most effective investigative techniques for particular types of election offenses. In addition, the Election Crimes Branch helps draft election crime charges and other pleadings when requested.

The majority of the Branch's consultations are in the following two categories: vote fraud, also known as election fraud or ballot fraud; and campaign financing crimes arising under the FECA. During 2017, the Branch assisted in evaluating allegations, helping to structure investigations, and drafting charges for United States Attorneys' Offices around the country in these areas of law enforcement.

The Public Integrity Section is staffed with specialists who have considerable experience investigating and prosecuting corruption cases. Section attorneys participate in a wide range of formal training events for federal prosecutors and investigators. They are also available to provide informal advice on investigative methods, charging decisions, and trial strategy in specific cases.

The Section also conducts a public corruption seminar, held annually, at the National Advocacy Center. Speakers at this seminar typically include both the Section's senior prosecutors and Assistant United States Attorneys from the field who have handled significant corruption cases. The seminar provides training for federal prosecutors regarding the statutes most commonly used in corruption cases, guidance in the use of the complex and difficult investigative techniques necessary to investigate government corruption, and advice from experienced prosecutors on conducting corruption trials.

Pursuant to the Inspector General Reform Act of 2008, Pub. L. No. 110-409, 122 Stat. 4302 (Oct. 14, 2008), the designee of the Chief of the Public Integrity Section serves as Legal Advisor to the Integrity Committee of the Council of Inspectors General on Integrity and Efficiency (CIGIE). The CIGIE is a body composed of the Inspectors General of the various agencies of the executive branch of the federal government. The Integrity Committee of the CIGIE is charged with handling allegations against Inspectors General and senior members of their staff.

In addition, the Integrity Committee is charged with establishing policies and procedures to ensure consistency in conducting administrative investigations. The Committee's procedures, drafted with the assistance of the Public Integrity Section, provide a framework for the investigative function of the Committee. Allegations of wrongdoing by Inspectors General and their senior staff are initially reviewed by an Integrity Committee working group, with assistance from the Public Integrity Section, for potential criminal prosecution. In noncriminal matters, the procedures guide the Committee's process for reviewing or investigating alleged misconduct and for reporting on its findings. The Public Integrity Section also advises the Integrity Committee on matters of law and policy relating to its investigations.

An important responsibility of the Public Integrity Section is the review of proposed legislation that may affect, directly or indirectly, the investigation and prosecution of public officials and those who seek to corrupt these officials. The Section is often called upon to comment on legislation proposed by Congress, by the Administration, or by other departments of the executive branch; to draft or review testimony for congressional hearings; and to respond to congressional inquiries concerning legislative proposals. On occasion, the Section drafts legislative proposals relating to various corruption matters.

Public corruption cases are often controversial, complex, and highly visible. These factors may warrant Departmental supervision and review of a particular case. On occasion Section attorneys are called upon to conduct a careful review of a sensitive public corruption case, evaluating the quality of the investigative work and the adequacy of any proposed indictments. Based on its experience in this area, the Section can often identify tactical or evidentiary problems early on and either provide needed assistance or, if necessary, assume operational responsibility for the prosecution.

The Section also has considerable expertise in the supervision of the use of undercover operations in serious corruption cases. The Section serves on the FBI's Criminal Undercover Operations Review Committee. A number of the Section's senior prosecutors have experience in

the practical and legal problems involved in such operations and have the expertise to employ this sensitive investigative technique effectively and to advise law enforcement personnel on its use.

The Public Integrity Section actively participates in the area of international law enforcement. The Section regularly provides briefings and training on United States public corruption issues to visiting foreign delegations and continues the efforts of the United States to assist foreign countries in their quest to combat public corruption and election crime in their respective countries. This assistance includes participation in international proceedings and coordination with other components of the Justice Department and the State Department on the Administration's positions in this area.

Section experts continue to address visiting foreign officials in investigations and prosecutions of public corruption. These presentations are generally conducted under the auspices of the State Department's Foreign Visitor Program and the Justice Department's Office of Overseas Prosecutorial Development, Assistance, and Training. During 2017, the Section made presentations to officials from Afghanistan, Algeria, Argentina, Austria, Belize, Brazil, Burma, Colombia, the Czech Republic, Egypt, Guatemala, Italy, Kenya, Kosovo, Kuwait, Latvia, Lesotho, Malaysia, Namibia, Nigeria, Papua New Guinea, Peru, Serbia, Sri Lanka, Taiwan, Trinidad and Tobago, Tunisia, Uganda, Ukraine, and Uzbekistan.

The Public Integrity Section plays a central role in the effort to combat corruption in the federal legislative branch. These cases raise unique issues of inter-branch comity, and they are always sensitive given the high-profile stature of elected officials. The Section has developed substantial expertise regarding the unique protections provided to Members of Congress and their staff by the Speech or Debate Clause set forth in Article I of the Constitution and has worked closely and effectively with House and Senate counsel and the Ethics Committees in both houses. In addition to handling its own cases, the Section routinely provides advice and guidance to prosecutors across the country regarding these sensitive investigations. During 2017, the Section handled a number of cases involving legislative branch corruption, including one described below.

United States v. Corrine Brown, et al., Middle District of Florida: Former U.S. Congresswoman Corrine Brown was convicted by a federal jury in Jacksonville, Florida, on May 11, 2017, for her role in a conspiracy and fraud scheme involving a fraudulent scholarship charity. Brown was convicted on 18 counts of an indictment charging her with participating in a conspiracy involving a fraudulent education charity, concealing material facts on required financial disclosure forms, obstructing the due administration of the internal revenue laws and filing false tax returns. Brown's co-conspirators, Elias "Ronnie" Simmons, Brown's long-time Chief of Staff, and Carla Wiley, the president of the fraudulent charity, previously pleaded guilty to their roles in the education charity scheme on February 8, 2017, and March 3, 2016, respectively.

Evidence at trial showed that between late 2012 and early 2016, Brown participated in a conspiracy and fraud scheme involving One Door for Education – Amy Anderson Scholarship Fund (One Door) in which Brown, Simmons, Wiley and others acting on their behalf solicited more than \$800,000 in charitable donations based on false representations that the donations would be used for college scholarships and school computer drives, among other charitable causes. Donors were misled to believe that One Door was a properly registered 501(c)(3) non-profit organization. Brown, Simmons, Wiley and others used the vast majority of One Door donations for their personal and professional benefit. According to evidence presented at trial,

despite raising over \$800,000 in donations, One Door granted only two scholarships totaling \$1,200. Additionally, the trial evidence demonstrated that Brown failed to disclose the reportable income she received from One Door and falsely claimed deductions on her tax returns for donations that she did not make.

Brown was sentenced to 60 months in prison; Elias “Ronnie” Simmons was sentenced to 48 months in prison; and Carla Wiley was sentenced to 21 months in prison. Brown and Wiley were ordered to forfeit \$654,292.39, and Simmons was ordered to forfeit \$727,964.90. All three defendants were ordered to pay total restitution of \$452,515.87 to victims of the fraud scheme. Brown was ordered to pay an additional \$62,650.99 in restitution to the Internal Revenue Service, and Simmons was ordered to pay an additional \$91,621.38 in restitution to the U.S. House of Representatives.

The Public Integrity Section frequently receives allegations of corruption in the executive branch from federal law enforcement agencies, including the FBI, the Inspectors General for the various departments and agencies, and United States military investigators. These matters involve a careful balancing of the requirements of a criminal investigation and the operational needs of the executive offices involved. During 2017, the Section handled a number of cases involving executive branch corruption, several of which are described below.

United States v. Christopher Ciccione, et al., Southern District of Florida: Christopher Ciccione, a former U.S. Homeland Security Investigations (HSI) Special Agent, pleaded guilty on November 30, 2017, to accepting bribes in exchange for orchestrating, through multiple misrepresentations to numerous government agencies, the dismissal of a drug trafficking indictment filed against a fugitive Colombian narcotics kingpin.

According to admissions in his plea agreement, Ciccione accepted cash and other things of value and used his official position to cause a drug trafficking indictment against Colombian national Jose Bayron Piedrahita to be dismissed and to obtain official authorization for Piedrahita and his family to enter the United States. Piedrahita and Colombian national Juan Carlos Velasco Cano gave Ciccione approximately \$20,000 in cash, as well as dinner, drinks, and prostitution during an extended hotel stay in Bogota, Colombia, in exchange for official acts that resulted in the dismissal of the indictment against Piedrahita. Velasco pleaded guilty on November 3, 2017, to his role as the intermediary between Ciccione and Piedrahita.

Ciccione admitted that, in furtherance of this scheme to obstruct justice, he misled the U.S. Attorney’s Office and HSI management and altered law enforcement records to represent to decision makers that Piedrahita was a “former” suspect of a closed investigation rather than a “current” subject, was “never positively identified,” and that his case should be dismissed—all while maintaining contact with Piedrahita. Ciccione also falsified the concurrence of several other federal agents and attempted to parole Piedrahita into the United States. Piedrahita is currently incarcerated in the Republic of Colombia. Velasco was sentenced to 27 months in prison, and Ciccione was sentenced to 36 months in prison.

United States v. Carla Sena, District of New Mexico: On December 5, 2017, Carla Sena, a former procurement officer employed by Sandia Corporation, pleaded guilty to one count of wire fraud and one count of money laundering for orchestrating a scheme to fraudulently obtain a \$2.3 million federal contract. Sena’s employer, Sandia Corporation, managed and operated Sandia National Laboratories (SNL), a nuclear research and development facility owned by the federal government under sponsorship of the U.S. Department of Energy.

According to admissions in her plea agreement, in late 2010, Sena managed the bidding process for the award of a multi-million-dollar contract for moving services at SNL. Sena admitted that, in anticipation of the bidding process for this contract, she created the company, New Mexico Express Movers LLC (Movers LLC), to which she eventually awarded the multi-million-dollar contract. In order to conceal her involvement, Sena prepared a bid for Movers LLC containing fraudulent misrepresentations and submitted the bid under the name of an individual who had no knowledge of Movers LLC or Sena's scheme. Sena also admitted that she used her position as a procurement officer with SNL to access inside information and competing bidders' documents that she leveraged in the Movers LLC bid.

As a direct result of Sena's fraudulent scheme, Movers LLC received approximately \$2.3 million in federal funds between May 2011 and April 2016. Sena also admitted that, between October 2011 and April 2015, she transferred via negotiated checks at least \$643,000 of the fraudulently obtained proceeds to businesses owned by her father with the intent to conceal the source and control of those funds and her subsequent personal gain from the proceeds. Sena was sentenced to 30 months in prison.

The Federal Bureau of Investigation (FBI)

Public corruption, the FBI's top criminal investigative priority, poses a fundamental threat to national security and the American way of life. It can affect everything from how well borders are secured and neighborhoods protected to how verdicts are handed down in courts to how public infrastructure such as roads and schools are built. It also takes a significant toll on the public's pocketbooks by siphoning off tax dollars—it is estimated that public corruption costs the U.S. government and the public billions of dollars each year. The FBI is uniquely situated to combat corruption, with the skills and capabilities to run complex undercover operations and surveillance. For example, on October 10, 2010, 89 law enforcement officers and 44 others were arrested and charged in Puerto Rico as part of Operation Guard Shack, the largest police corruption investigation in the history of the FBI. Close to 750 FBI agents were flown in to Puerto Rico from across the country to assist in the arrests. This two-year multi-jurisdictional, multi-agency operation sent a powerful message—that corruption among our public officials will not be tolerated. The Bureau's Public Corruption program focuses on:

- Investigating violations of federal law by public officials at the federal, state, and local levels of government;
- Overseeing the nationwide investigation of allegations of fraud related to federal government procurement, contracts, and federally funded programs;
- Combating the threat of public corruption along the nation's borders and points of entry in order to decrease the country's vulnerability to drug and weapons trafficking, alien smuggling, espionage, and terrorism.
- Addressing environmental crime, election fraud, and matters concerning the federal government procurement, contracts, and federally funded programs.

In 2008, the FBI created the International Corruption Unit (ICU) to oversee the increasing number of investigations involving global fraud against the U.S. government and the corruption of federal public officials outside of the continental U.S. involving U.S. funds, persons, businesses, etc. The ICU's tasks include:

- Overseeing the Bureau's Foreign Corrupt Practices Act (FCPA) and antitrust cases;
- Maintaining operational oversight of several International Contract Corruption Task Forces, which investigate and prosecute individuals and firms engaged in bribery, illegal gratuities, contract extortion, bid rigging, collusion, conflicts of interest, product substitution, items and/or services invoiced without delivery, theft, diversion of goods, and individual and corporate conspiracies on every level of U.S. government operations.

No other law enforcement agency has attained the kind of success the FBI has achieved in combating corruption. This success is due largely to the cooperation and coordination from a number of federal, state, local, and tribal law enforcement agencies to combat public corruption. These partnerships include, but are not limited to the Department of Justice, Agency Offices of Inspector General; law enforcement agencies' internal affairs divisions; federal, state and local law enforcement and regulatory investigative agencies; and state and county prosecutor's offices.

Does the FBI investigate graft and corruption in local government and in state and local police departments? Yes. The FBI uses applicable federal laws, including the Hobbs Act, to investigate violations by public officials in federal, state, and local governments. A public official is any person elected, appointed, employed, or otherwise having a duty to maintain honest and faithful public service. Most violations occur when the official solicits, accepts, receives, or agrees to receive something of value in return for influence in the performance of an official act. The categories of public corruption investigated by the FBI include legislative, judicial, regulatory, contractual, and law enforcement.

Types of Corruption

Prison Corruption: The FBI's prison corruption initiative, which began in June 2014, addresses contraband smuggling by local, state, and federal prison officials in exchange for bribe payments. Through this initiative, the Bureau works to develop and strengthen collaborative relationships with state/local corrections departments and the U.S. Department of Justice Office of Inspector General to help identify prison facilities plagued with systemic corruption and employ appropriate criminal investigative techniques to combat the threat. Prison officials and staff being co-opted, even if unwittingly, betrays the public trust, threatens the integrity of the justice system in the U.S., and threaten national security interests overall. Schemes to corrupt prison officials come in a variety of forms, including:

- **Testing:** An offer of simple items, like prison commissary goods, is made to prison officials. If accepted, the inmate confirms the official's administrative misstep, then urges the official to smuggle contraband under threat of reporting the official's misconduct.
- **Active recruiting:** Civilian gang members with no prior criminal history are recruited by incarcerated gang members to apply to become correctional officers, with promises of additional income paid by the inmates' criminal enterprise.
- **Empathy:** Prison inmates study corrections personnel working in the facility and determine whether particular staff members are susceptible to exploitation. This ploy typically results in improper interpersonal relationships and the corrupted official's integrity being compromised to the benefit of the inmate.

Border Corruption: The federal government is responsible for protecting approximately 7,000 miles along the U.S. border and 95,000 miles of U.S. shoreline, and every day, over a million

people visit the U.S. and enter through one of the more than 300 official ports of entry into the U.S., as well as through seaports and international airports. The FBI recognizes the very real threat public corruption at nation's borders and all other ports of entry pose.

Common acts of border corruption involve drug trafficking and alien smuggling. Throughout the U.S., the FBI has investigated corrupt government and law enforcement officials who accept bribes and gratuities in return for allowing loads of drugs or aliens to pass through ports of entry or checkpoints; protecting and escorting loads of contraband; overlooking contraband; providing needed documents, such as immigration papers and driver's licenses; leaking sensitive law enforcement information; and conducting unauthorized records checks.

Border corruption potentially impacts national security as well—corrupt officers might believe they are accepting a bribe simply in return for allowing a carload of illegal aliens to enter the U.S., when they might actually be facilitating the entry of a group of terrorists. Or a corrupt official who expedites immigration paperwork or helps obtain an identification document in return for a bribe or gratuity might actually be facilitating an operation of a terrorist cell, foreign counterintelligence network, or criminal enterprise.

Oftentimes the FBI brings its expertise to bear on joint investigations with its partners in federal, state, and local law enforcement. Many of these investigations involve FBI border corruption task forces and working groups located in nearly two dozen cities along our borders. Members of these task forces and working groups stand shoulder to shoulder to combat corrupt officials, both operationally and through the sharing of intelligence and information, along with the use of trend analysis, lessons learned, and best practices.

Federally, the FBI coordinates investigative efforts along the borders with the Department of Homeland Security Office of Inspector General; Customs and Border Protection Internal Affairs; Transportation Security Administration; Drug Enforcement Administration; Bureau of Alcohol, Tobacco, Firearms, and Explosives; U.S. Immigration and Customs Enforcement-Office of Professional Responsibility.

Kevin L. Perkins, Assistant Director, Federal Bureau of Investigation, in a Statement before the Senate Homeland Security and Governmental Affairs Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration in Washington, DC on March 11, 2010 said that the FBI recognizes that fighting public corruption is vital to preserving our democracy, protecting our borders, and securing our communities. In fact, it is one of the top investigative priorities, along with counterterrorism, counterintelligence, and cyber crimes. Whether in the back of a squad car, at a border crossing, in a courtroom, or within the halls of Congress, public officials must carry out their duties in a just and legal manner. Perkins continued by offering the following testimony:

The FBI is directing resources to root out public corruption across the country, but we cannot and, fortunately, do not do it alone. We rely heavily on our partners at all levels of law enforcement. To address this particular threat, the FBI continues to focus on areas where our involvement will have a substantial and lasting impact and where the FBI has a specific skill or expertise that will contribute to the success of the operation or investigation. Often times we bring our expertise to bear on joint investigations with our partners in federal, state, and local law enforcement. We stand shoulder to shoulder to combat corrupt officials, both operationally and through the sharing of vital intelligence.

Through our vigilance, we have achieved some notable successes. In the past two years alone, our efforts have helped convict 1,600 federal, state, and local officials. We have another 3,200 public corruption cases pending, approximately 2,500 of which involve corruption of public officials. But more remains to be done. Because the interests at stake are so important and the magnitude of the problem so great, we have deployed approximately 700 agents to fight corruption around the country.

The Southwest border is a particular focus of our corruption-fighting efforts. Of the 700 agents leading our charge against public corruption, approximately 120 are working along the Southwest border. We coordinate our investigative efforts along the borders with the Department of Homeland Security Office of Inspector General (DHS OIG), Customs and Border Protection Internal Affairs (CBP-IA), Transportation Security Administration (TSA), the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), and the U.S. Immigration and Customs Enforcement - Office of Professional Responsibility. The result is over 400 public corruption cases originating from that region. In fiscal year (FY) 2009, there were over 100 arrests and over 130 state and federal cases prosecuted.

Our 12 border corruption task forces along the Southwest border share information with the Southwest Intelligence Group (SWIG), the El Paso Intelligence Center (EPIC), and Mexican legal attachés to both identify and disrupt Mexican drug trafficking organizations (DTOs) from utilizing and soliciting United States public officials to commit criminal activities.

Stronger cooperation with the governments of Mexico and countries in Central America is an interagency goal of the United States government and one that we are working hard to realize. Most recently, the FBI's McAllen office hosted 30 Mexican police officers from all levels of law enforcement—local, state, and federal—for a week of training and information sharing. The Mexican American Liaison and Law Enforcement Training, or MALLET, is a week-long program, featuring modules in ethics, firearms, and various investigative techniques to build law enforcement contacts with the Mexican government and foster international cooperation generally.

One particular case highlights the potential national security implications of public corruption along our nation's borders. In that case, an individual gained employment as a border inspector for the specific purpose of trafficking in drugs. Through our collaborative efforts and a year-long investigation, this former public official pled guilty to one count of conspiracy to import more than 1000 kilograms of marijuana into the United States and received more than \$5 million in bribe payments. This individual has since been sentenced to 22 years in prison.

In another extensive undercover investigation, the FBI and its partners netted corrupt officials from 12 different federal, state, and local government agencies who allegedly used their positions to traffic in drugs. To date, 84 of those subjects have pled guilty to related charges.

While the threat posed in the region is real, the Southwest border is not and should not remain the only focus of our efforts. As with other criminal priorities, the FBI utilizes a threat-based, intelligence-driven proactive approach to combating all criminal enterprise.

Through information sharing, collaboration, and coordination, we are able to identify and address threats early on.

The FBI recognizes the very real threat public corruption at our nation's borders and all other ports of entry pose. We are working lock-step with our law enforcement partners to address that threat. At FBI Headquarters, for example, we have established the National Border Corruption Task Force. Consisting of representatives from the FBI, DHS OIG, U.S. Customs and Border Protection - Internal Affairs, and TSA, this task force ensures general guidance and oversight of border corruption programs across the country.

In July 2008, for example, the FBI and DEA supported Canadian law enforcement in the arrest of eight people, including a customs agent, suspected of smuggling cocaine and marijuana, contraband cigarettes, and illegal immigrants over the Quebec-New York border. This underground network reportedly ferried hundreds of kilograms of cocaine from Colombia into Canada via the Saint-Bernard-de-Lacolle border crossing. This is one of many investigations along our northern border.

In fact, in FY 2009 alone, FBI field offices along the nation's Canadian border conducted nearly 300 public corruption investigations. A corrupt border official might think that a bribe is sufficient payment for allowing a carload of drugs through the nation's borders. The ultimate cost, however, might be significantly higher if that carload includes members of a terrorist cell or ingredients for a weapon of mass destruction.

Through trend analysis, intelligence and information sharing, and the utilization of lessons learned and best practices, we are uniquely positioned to address the very real threat of border corruption and the risk it poses to our national security head-on. To that end, our National Border Corruption Task Force is coordinating with other impacted divisions at FBI Headquarters. These include the FBI's Directorate of Intelligence, Counterintelligence Division, Counterterrorism Division, and Weapons of Mass Destruction Directorate. By working together, sharing information, and becoming more nimble in our approach, we are making great strides.

Election Crimes: In democratic societies like the United States, the voting process is a means by which citizens hold their government accountable; conflicts are channeled into resolutions and power transfers peacefully. Our system of representative government works only when honest ballots are not diluted by fraudulent ballots. The FBI, through its Public Corruption Unit, has an important but limited role in ensuring fair and free elections. Election crimes become federal cases when:

- The ballot includes one or more federal candidates;
- The crime involves an election official abusing his duties;
- The crime pertains to fraudulent voter registration;
- Voters are not U.S. citizens.

Federal election crimes fall into three broad categories—campaign finance crimes, voter/ballot fraud, and civil rights violations.

Campaign finance

- A person gives more than \$4,600 to a federal candidate (various limits apply for donations to and from committees and groups);
- A donor asks a friend to give money to a federal candidate, promising to reimburse the friend; the friend makes the donation and the real donor reimburses him;
- A corporation gives corporate money to a federal candidate;
- A person who is neither a citizen nor a green card holder gives money to a federal, state, or local candidate.

Civil rights violations

- Someone threatens a voter with physical or economic harm unless the voter casts his ballot in a particular way;
- Someone tries to prevent qualified voters from getting to the polls in a federal election;
- A scheme exists to prevent minorities from voting.

Voter/ballot fraud

- A voter intentionally gives false information when registering to vote;
- A voter receives money or something of value in exchange for voting in a federal election or registering to vote;
- Someone votes more than once in a federal election;
- An election official corrupts his or her office to benefit a candidate or party (e.g., lets unqualified voters cast ballots).

What is NOT a federal election crime:

- Giving voters a ride to the polls;
- Offering voters a stamp to mail an absentee ballot;
- Giving voters time off to vote;
- Violating state campaign finance laws;
- Distributing inaccurate campaign literature;
- Campaigning too close to the polls;
- Trying to convince an opponent to withdraw from a race.

International Corruption: The FBI's International Corruption Unit (ICU) is the leading investigative entity in combating foreign corruption. ICU manages five programs:

- Foreign Bribery/Foreign Corrupt Practices Act (FCPA)
- Foreign Corruption/Kleptocracy Program
- Antitrust
- International Fraud Against the Government
- International Corruption of Federal Public Officials

Foreign Corrupt Practices Act: ICU has management responsibility and program oversight for FBI investigations under the FCPA. The 1977 legislation has two main provisions. The first deals with bribery of foreign officials, and the second deals with accounting transparency requirements under the Securities Exchange Act. The dual elements were designed to facilitate parallel criminal and civil enforcement to stem corruption and promote fair business practices worldwide. The anti-bribery provision makes it illegal for U.S. companies and certain foreign companies to bribe foreign officials to obtain or retain business. The bribes can be in the form of money or any other items of value. The accounting provision of the FCPA focuses on the Securities Exchange Act requirements applying to all foreign companies whose securities are listed on the U.S. stock exchanges and U.S. companies.

The United States cannot charge the foreign official under the FCPA; rather, the United States works together with international law enforcement partners to investigate U.S. subjects who are complicit in paying bribes to foreign officials. The supply and demand equation of bribe paying and receiving illustrates the FCPA and kleptocracy violations as two sides of the same coin. For more information, see this detailed FCPA Resource Guide.

Kleptocracy: literally meaning "the rule by thieves," is a form of political corruption in which the ruling government seeks personal gain and status at the expense of the governed. Through graft and embezzlement of state funds, corrupt leaders amass tremendous wealth at the expense of the broader populace. Some of the most egregious examples have occurred in countries with very high rates of poverty. The inherent challenge for corrupt leaders is covertly expatriating and holding money in secure locations where it can be accessed in the future. Generally, that requires international movement of funds. When transfers occur in U.S. dollars or transit the U.S. banking system, federal money laundering jurisdiction is established. The FBI initiates money laundering investigations to trace the international movement of assets and, in conjunction with foreign partners, forfeit and repatriate assets back to legitimate authorities in victim countries.

Antitrust: ICU has program management responsibility for the FBI's antitrust investigations, both domestic and international, which target conspiracies among competitors to fix prices, rig bids, or allocate markets or customers. These conspiracies deprive U.S. consumers of true competition, an economic bedrock of a free and democratic society. Perpetrators often operate in multinational companies that bask in illegal profits at the expense of U.S. consumers. Stolen by cartels, the ill-gotten gains and competitive advantages reduce supply, eliminate incentives to compete by offering better and more innovative products and services, and destabilize economic markets.

International Contract Corruption: ICU has program management responsibility over cases involving international fraud against the government and international corruption of federal public officials. The FBI was a co-founder of the International Contract Corruption Task Force, which was created in 2006 with the goal of addressing contract fraud concerns. These concerns stemmed from overseas U.S. government spending during the wars in Afghanistan and Iraq. These cases typically involve bribery, gratuities, contract extortion, bid rigging, collusion, conflicts of interest, product substitution, items/services invoiced without delivery, diversion of goods, and corporate and individual conspiracies at various levels of U.S. government operations.

ICU's program extends beyond the war effort to include worldwide contingency operations involving U.S. military actions, foreign aid and development, and humanitarian aid in any international region. Spending on these programs is highly susceptible to corruption and fraud by those wishing to take advantage of the chaotic circumstances surrounding these benevolent endeavors. Misuse of U.S. funds overseas poses a threat to the United States and other countries by promoting corruption within the host nation, damaging diplomatic relations, inadvertently supporting insurgent activity, and potentially strengthening criminal and terrorist organizations.

ICU Initiatives: ICU oversees two large initiatives: the program management of four international corruption squads dedicated to investigating FCPA, kleptocracy, and antitrust cases and the development of a robust private sector outreach program.

International Corruption Squads: The international corruption squads (ICS), based in Los Angeles, Miami, New York City, and Washington, D.C., were created to address the national impact of foreign bribery, kleptocracy, and antitrust schemes. These schemes negatively affect U.S. financial markets and economic growth when inadequately addressed. They are unique in nature in that they are international matters with the overt criminal acts typically occurring outside U.S. borders. Without these dedicated resources, it was difficult for FBI divisions to investigate international matters that did not directly affect their area of responsibility as clearly as other violations; therefore, the FBI created four international corruption squads to enable a focus on international corruption matters without draining resources from the field.

The ICS are a vital resource to combat international cartels and corruption. The violations addressed by the ICS are equally recognized by both DOJ and the FBI as risks to U.S. national interests. These squads not only lend additional resources to a global threat, but they also allow the FBI to attack the matters and use sophisticated investigative techniques that have long been successfully utilized by the FBI to address complex criminal matters.

Private Sector Outreach: In an effort to combat international corruption and cartels, the FBI's ICU created a proactive strategy that places an emphasis on strengthening existing relationships and forging new partnerships in the private sector. This is not new to the FBI. We have leveraged relationships throughout our 100+ years of investigations--from fighting organized crime to combatting terrorism. Nonetheless, we believe by fostering these vital relationships, the FBI will be able to effectively fight international corruption to ensure a fair and competitive global market environment for companies resulting in a strong U.S. economy.

Public corruption investigations by the IRS encompass a wide variety of criminal offenses including bribery, extortion, embezzlement, illegal kickbacks, tax evasion, and money laundering. Criminal Investigation concentrates its resources on the tax and money laundering aspects of these investigations in cooperation with other federal, state, and local law enforcement agencies. Since actions on a specific investigation may cross fiscal years, the data shown in cases initiated may not always represent the same universe of cases shown in other actions within the same fiscal year.

	FY 2016	FY 2015	FY 2014
Investigations Initiated	84	68	106

	FY 2016	FY 2015	FY 2014
Prosecution Recommendations	59	68	76
Indictments/Informations	61	69	66
Sentenced	57	60	80
Incarceration Rate*	80.7%	73.3%	85.0%
Average Months to Serve	29	25	35

*Incarceration includes confinement to federal prison, halfway house, home detention, or some combination thereof.
Data Source: Criminal Investigation Management Information System

Robert S. Mueller, III, Director Federal Bureau of Investigation presentation at the City Club of San Diego May 11, 2006 Transcript

Good afternoon, and thank you, Mayor Sanders, for that kind introduction. It is an honor to receive the key to this great city, and I am pleased to join you here today.

I would like to thank San Diego County Sheriff Bill Kolender for being here. He is a true legend in California law enforcement.

I understand that his Undersheriff, Bill Gore, could not be here today. It is a sign of the great relationship the FBI has with local law enforcement that the Undersheriff is the former Special Agent in Charge of the FBI San Diego office.

And I would like to thank San Diego Police Chief Bill Landsdowne for being here as well. Bill and I worked together when we were both in the Bay area. The FBI could not do its job without our partners in law enforcement around the country. Indeed, we have some of our best partners right here in San Diego.

Later today, I will be visiting with the men and women of the FBI's San Diego field office. It is an outstanding group, and they are working hard to protect the security of this region.

National security concerns, such as counterterrorism, counterintelligence, and cyber attacks, are the top priorities of the FBI and of our San Diego office. Because of the work done by state and local law enforcement, the FBI, and our federal and international partners, the United States is much safer today than it was five years ago.

But as we approach the five-year anniversary of the September 11 terrorist attacks, we must not become complacent about the threats we face. Recent arrests in terrorism cases in Georgia, New York, and last fall up the road in Torrance, California, demonstrate that the threat is still real. Preventing another terrorist attack on the United States remains the FBI's top priority.

Today, however, I am going to focus on another threat that has hit home here and in many other communities around the country—public corruption.

The vast majority of public officials—both elected and non-elected—are honest in their work and committed to serving their fellow citizens. Unfortunately, a small percentage abuse the public trust. As anyone who follows the news is aware, there are countless examples of corrupt acts around the country.

For a nation built on the rule of law, and faith in a government of the people, by the people, and for the people, we can and should do better.

I want to talk today about how the FBI is engaged in the fight against public corruption, the impact our program is having nationally, and how we can continue to work together toward better government and a more secure United States.

To see how focused the FBI is on public corruption, one need look no further than here in San Diego.

As many of you are no doubt aware, the FBI has played an active role in several recent and ongoing investigations of public corruption. Just last year, a city council member was convicted on federal public corruption charges. A jury found that the politician conspired with an owner of an adult entertainment club to ease restrictions on such clubs.

Also last year, former Congressman Duke Cunningham pled guilty to accepting \$2.4 million in return for helping defense contractors secure Pentagon contracts.

Even more recently, five members of the San Diego Retirement board were indicted. As alleged in that indictment, they engaged in a scheme to defraud the citizens of San Diego of their right to honest services.

San Diego is not alone. Philadelphia, Pennsylvania; Chicago, Illinois; Dallas, Texas; Tennessee; and Connecticut are just some of the cities and states in which we have seen significant investigations and prosecutions.

Nor are we in the FBI immune. In 2002, a former FBI special agent was sentenced to 10 years in prison for protecting a source who committed numerous crimes, including murder.

Public corruption is not just an American problem, of course. It plagues many countries around the world.

Although the FBI cannot fight public corruption in other countries, we can help those who do. Our International Law Enforcement Academy in Budapest, Hungary, and our National Academy, here in the United States, provide critical training to foreign law enforcement officers. That training promotes the growth of stable governments and respect for the rule of law.

It is a struggle for many countries. I recently met with the Attorney General of the Dominican Republic, who has made rooting out public corruption in his country a priority. He said that when he first started prosecuting these cases, a defendant approached him. The defendant said, "If you are intent on prosecuting public corruption in the Dominican Republic, you are going to need a stadium to hold all the defendants."

To which the Attorney General replied, "I have a stadium, and I am going to do my best to fill it."

We do not need a stadium here in the United States, but the problem of public corruption is significant. And we in the FBI are responding.

Since 9/11, we have had to prioritize how we use our resources, placing our national security programs first. But at the same time, we made public corruption our top criminal investigative priority.

We did this because public corruption is different from other crimes. It does not just strike at the heart of good government—it can strike at the security of our communities and our nation.

Last year, we ran an investigation in Tucson, Arizona, called “Operation Lively Green.” The investigation exposed serious corruption along our southern border. Fifty current and former U.S. soldiers and law enforcement officers pled guilty to accepting \$650,000 in bribes. They conspired to smuggle cocaine, drug money, and illegal immigrants across our borders.

If public officials violate their oath to uphold the law by smuggling drugs or humans, where would they draw the line? For the right price, would they assist terrorists to smuggle a bomb into the country, or help terrorist operatives cross the border?

In this way, public corruption can permeate all aspects of society, and as well affect national security. Corrupt officials can allow organized crime to operate with impunity, allow drugs to flow into our cities, and even allow terrorists to enter the country.

Public corruption is a betrayal of the public’s sacred trust. It erodes public confidence and undermines the strength of our democracy. Unchecked, it threatens our government and our way of life.

That is why I believe it belongs as our top criminal investigative priority. And that is why, more than ever, the FBI must be actively engaged in combating public corruption.

Rooting out corruption is exceptionally difficult, but it is a mission for which the FBI is singularly situated. We have the skills to conduct necessary undercover operations and the ability to perform electronic surveillance. But more than that, we have insulation from political pressure.

Investigating public corruption is an FBI commitment as old as the Bureau itself. When the FBI was founded in 1908, its responsibilities included the investigation of land fraud, which often involved public corruption. The first head of the Bureau, Stanley Finch, took great pride in this line of work. He wrote, “I am always particularly glad to see brought to justice a person guilty of wrongdoing by injuring persons who it was his sworn duty as a government officer to protect.”

Given what is at stake, today’s FBI must have that same dedication—and we do.

Since 2001, when we marked public corruption as our top criminal priority, we have significantly increased the number of special agents working these cases. As a result, we are seeing tremendous returns on that investment.

We now have approximately 2,200 public corruption cases pending nationwide. Indictments are up 40 percent. And in the last two years, FBI investigations have led to the conviction of more than 1,000 government employees involved in corrupt activities.

Some of these cases are well-known examples of public corruption:

The former governor of Illinois, George Ryan, was convicted of a pattern of fraud committed while in office. Former Washington lobbyist Jack Abramoff pled guilty to conspiracy, mail fraud, and tax evasion. He will have to pay more than \$26 million in restitution.

For every scheme on Abramoff's scale, there are many more cases that involve less money, but are no less a violation of the public trust. In Baltimore, two police officers were convicted of robbing drug dealers. In Alabama, a police chief pled guilty to shaking down motorists.

It does not matter if it is a big city or a small town. It does not matter if it is millions of dollars or just hundreds of dollars. There is no level of "acceptable corruption." The violation of the oath of office is the same.

These investigations do not tell the whole story. The more we uproot public corruption, the more we drive reform throughout all levels of government.

Let me give you a couple of examples. Last year, we arrested five Tennessee state legislators. They were charged with accepting \$146,000 in bribes. This investigation spurred sweeping ethics reform in the state of Tennessee.

And in Philadelphia, multiple city officials and contractors were convicted of mail fraud, money laundering, and extortion. In response, the citizens of Philadelphia voted to amend the city charter, enacting some of the nation's strictest ethics laws.

Now is the time to build on this momentum.

Our most important partner in this fight is you the public. The support the FBI receives from our partners in federal, state, and local law enforcement is valuable. But our most important asset truly is the American public.

Many of our investigations start with a tip from someone who encounters corruption. There is a growing intolerance by the American people of public corruption—an intolerance reflected in the willingness to come forward and report abuse of public office. We are always grateful for those who have come forward to report corruption. That information is critical to our work.

Unfortunately, for many reasons, corruption is not always reported. Some may fear retribution at work or in business. Others may be indifferent, thinking that corruption is just the cost of doing business. Still others may not know to whom they should turn.

Because of this, we are working to make it easier for the public to report public corruption.

In the wake of Hurricane Katrina, we set up a telephone hotline to receive tips about public corruption related to the rebuilding of New Orleans. We received 2,500 calls, initiated more than 400 investigations, and have already netted a public official who allegedly extorted a kickback of \$100,000.

The tip line was successful because people knew where to direct their information. We want to replicate that success nationwide. We have established a website to enable the public to send information about public corruption to the FBI. The website is reportcorruption.fbi.gov.

When you type in that address, you will see a page that gives you instructions on how to report corruption to the FBI—by phone or through the Internet. Our analysts will then review that information case-by-case and ensure there is follow-up.

Through this website, and with help from the public, we will continue to build on our efforts to root out public corruption.

Theodore Roosevelt once said, “Unless a man is honest, we have no right to keep him in public life.” That sentiment is as true today as it was in Roosevelt’s time.

We are fortunate to live in a country where public corruption is the exception, rather than the rule. But we must never relax our efforts against those who betray the public trust.

Public corruption, unfortunately, will never be totally eradicated. But the will of the American people to fight it, so as to preserve our freedoms and protect our democracy, is strong. And the FBI stands committed to working with the citizens of this great country, this great city, and our partners in law enforcement to ensure that public servants serve the public good.

ABSCAM

On February 2, 1980, the world learned of a high-level investigation into public corruption and organized crime, infamously code-named ABSCAM.

The unfolding details were riveting: everything from mobsters hocking stolen paintings and fake securities in the Big Apple to politicians peddling influence in the nation's capitol. There were high-ranking government officials caught on tape stuffing wads of bribe money in their pockets and saying things like, "I've got larceny in my blood," and FBI agents posing as representatives of a fictitious Middle Eastern sheik, gathering evidence of these big league crimes.

It all started in July 1978, when the FBI set out to catch New York City underworld figures dealing in stolen art. We set up a bogus company in Long Island—Abdul Enterprises, thus the name "AB(dul)SCAM"—said to be owned by a wealthy Arab sheik who wished to invest oil money in valuable artworks. Then, the FBI recruited an informer who connected us with crooks willing to sell them stolen treasures. It worked. Within months, they had recovered two paintings worth a combined \$1 million.

Through that operation, the FBI was introduced to criminals who were dealing in fake stocks and bonds. Again, success. The undercover work ended up halting the sale of nearly \$600 million worth of fraudulent securities. From there, the investigation led to southern New Jersey and on to Washington, D.C. The criminal contacts led the FBI to politicians in Camden who were willing to offer bribes to get a "business" a gambling license in Atlantic City. Then, when the FBI expressed interest in their suggestion to get the sheik asylum in the U.S., these corrupt politicians arranged for us to meet some U.S. Congressmen who could make it happen with private legislation. For a price, of course: \$50,000 up front and an extra \$50,000 later.

When the dust settled, one senator, six congressman, and more than a dozen other criminals and corrupt officials were arrested and found guilty.

Like many high-profile, sensitive investigations, ABSCAM generated its share of controversy. In particular, questions were raised about whether undercover efforts led to entrapment. The courts ruled otherwise, upholding all convictions. In the end, the case reaffirmed the importance of undercover operations and led to stronger rules and safeguards on these kinds of investigations within the FBI.

Judge Gets Jail Time in Racketeering Case

In a case that exposed widespread corruption in a South Texas county's judicial system—reaching all the way to the district attorney's office—a former state judge was recently sentenced to six years in prison for taking bribes and kickbacks in return for favorable rulings from his bench. Abel Limas, 59, a lifelong resident of Brownsville, Texas, served as a police officer and practiced law before becoming a state judge in Cameron County in 2001. He served eight years on the bench, during which time he turned his courtroom into a criminal enterprise to line his own pockets.

“The depth of the corruption was shocking,” said Mark Gripka, a special agent in the FBI San Antonio Division who was part of the team that investigated the case. “What was more shocking was how cheaply Judge Limas sold his courtroom—\$300 here, \$500 there—in return for a favorable ruling.” There was plenty of big money involved as well. Limas received more than \$250,000 in bribes and kickbacks while he was on the bench. He took money from attorneys with civil cases pending in his court in return for favorable pre-trial rulings, most notably in a case involving a Texas helicopter crash that was later settled for \$14 million. Referring to an \$8,000 payment Limas received in that case, our investigators listened on the telephone as he described the cash to an accomplice as eight golf balls. “Their code language didn't fool anybody,” Gripka said.

Evidence also showed that Limas made a deal with the attorneys in the helicopter crash case to become an “of counsel” attorney with the firm. He was promised an advance of \$100,000 and 10 percent of the settlement—all while the case was still pending in his court. Over a 14-month period beginning in November 2007, investigators used court-authorized wiretaps to listen to the judge's phone calls. “That's when we really learned the scope of what he was doing,” Gripka explained. The judge's nearly \$100,000 annual salary was not enough to support his lifestyle, which included regular gambling trips to Las Vegas.

In 2010, when Limas was faced with the overwhelming evidence against him, he began to cooperate in a wider public corruption investigation—and FBI agents learned that the Cameron County district attorney at the time, Armando Villalobos, was also corrupt. The investigation showed, among other criminal activities, that Villalobos accepted \$80,000 in cash in exchange for taking actions that allowed a convicted murderer to be released for 60 days without bond prior to reporting to prison. The murderer failed to report to prison and remains a fugitive.

Limas pled guilty to racketeering in 2011. By that time, he had helped authorities uncover wide-ranging corruption in the Cameron County judicial system. To date, 10 other defendants have been convicted by a jury or pled guilty as part of the FBI's six-year investigation, including a former Texas state representative, three attorneys, a former investigator for the district attorney's office, and Villalobos, who was scheduled to be sentenced the next month on racketeering, extortion, and bribery charges.

House Judiciary Committee Unveils Investigation into Threats Against the Rule of Law

Investigation will extend to allegations of corruption, obstruction, and abuses of power.

The U.S. House Judiciary Chairman Jerrold Nadler (D-NY) unveiled an investigation by the House Judiciary Committee into the alleged obstruction of justice, public corruption, and other abuses of power by President Trump, his associates, and members of his Administration on March 4, 2019. As a first step, the Committee has served document requests to 81 agencies, entities, and individuals believed to have information relevant to the investigation.

“Over the last several years, President Trump has evaded accountability for his near-daily attacks on our basic legal, ethical, and constitutional rules and norms,” said Chairman Jerrold Nadler. “Investigating these threats to the rule of law is an obligation of Congress and a core function of the House Judiciary Committee. We have seen the damage done to our democratic institutions in the two years that the Congress refused to conduct responsible oversight. Congress must provide a check on abuses of power. Equally, we must protect and respect the work of Special Counsel Mueller, but we cannot rely on others to do the investigative work for us. Our work is even more urgent after senior Justice Department officials have suggested that they may conceal the work of the Special Counsel’s investigation from the public.

“We have sent these document requests in order to begin building the public record. The Special Counsel’s office and the Southern District of New York are aware that we are taking these steps. We will act quickly to gather this information, assess the evidence, and follow the facts where they lead with full transparency with the American people. This is a critical time for our nation, and we have a responsibility to investigate these matters and hold hearings for the public to have all the facts. That is exactly what we intend to do.”

The Committee’s investigation will cover three main areas:

- Obstruction of Justice, including the possibility of interference by the President and others in a number of criminal investigations and other official proceedings, as well as the alleged cover-up of violations of the law;
- Public Corruption, including potential violations of the emoluments clauses of the U.S. Constitution, conspiracy to violate federal campaign and financial reporting laws, and other criminal misuses of official positions for personal gain; and
- Abuses of Power, including attacks on the press, the judiciary, and law enforcement agencies; misuse of the pardon power and other presidential authorities; and attempts to misuse the power of the Office of the Presidency.

A list of individuals served with document requests today can be found here and below, with links to their respective letters:

1. Alan Garten ([letter](#), [document requests](#))
2. Alexander Nix ([letter](#), [document requests](#))

3. Allen Weisselberg ([letter](#), [document requests](#))
4. American Media Inc ([letter](#), [document requests](#))
5. Anatoli Samochornov ([letter](#), [document requests](#))
6. Andrew Intrater ([letter](#), [document requests](#))
7. Annie Donaldson ([letter](#), [document requests](#))
8. Brad Parscale ([letter](#), [document requests](#))
9. Brittany Kaiser ([letter](#), [document requests](#))
10. Cambridge Analytica ([letter](#), [document requests](#))
11. Carter Page ([letter](#), [document requests](#))
12. Columbus Nova ([letter](#), [document requests](#))
13. Concord Management and Consulting ([letter](#), [document requests](#))
14. Corey Lewandowski ([letter](#), [document requests](#))
15. David Pecker ([letter](#), [document requests](#))
16. Department of Justice ([letter](#), [document requests](#))
17. Don McGahn ([letter](#), [document requests](#))
18. Donald J Trump Revocable Trust ([letter](#), [document requests](#))
19. Donald Trump Jr. ([letter](#), [document requests](#))
20. Dylan Howard ([letter](#), [document requests](#))
21. Eric Trump ([letter](#), [document requests](#))
22. Erik Prince ([letter](#), [document requests](#))
23. Federal Bureau of Investigation ([letter](#), [document requests](#))
24. Felix Sater ([letter](#), [document requests](#))
25. Flynn Intel Group ([letter](#), [document requests](#))
26. General Services Administration ([letter](#), [document requests](#))
27. George Nader ([letter](#), [document requests](#))
28. George Papadopoulos ([letter](#), [document requests](#))
29. Hope Hicks ([letter](#), [document requests](#))
30. Irakly Kaveladze ([letter](#), [document requests](#))
31. Jared Kushner ([letter](#), [document requests](#))
32. Jason Maloni ([letter](#), [document requests](#))
33. Jay Sekulow ([letter](#), [document requests](#))
34. Jeff Sessions ([letter](#), [document requests](#))
35. Jerome Corsi ([letter](#), [document requests](#))
36. John Szobocsan ([letter](#), [document requests](#))
37. Julian Assange ([letter](#), [document requests](#))
38. Julian David Wheatland ([letter](#), [document requests](#))
39. Keith Davidson ([letter](#), [document requests](#))
40. KT McFarland ([letter](#), [document requests](#))
41. Mark Corallo ([letter](#), [document requests](#))
42. Matt Tait ([letter](#), [document requests](#))
43. Matthew Calamari ([letter](#), [document requests](#))
44. Michael Caputo ([letter](#), [document requests](#))
45. Michael Cohen ([letter](#), [document requests](#))
46. Michael Flynn ([letter](#), [document requests](#))
47. Michael Flynn Jr ([letter](#), [document requests](#))
48. Paul Erickson ([letter](#), [document requests](#))

49. Paul Manafort ([letter](#), [document requests](#))
50. Peter Smith (Estate) ([letter](#), [document requests](#))
51. Randy Credico ([letter](#), [document requests](#))
52. Reince Priebus ([letter](#), [document requests](#))
53. Rhona Graff ([letter](#), [document requests](#))
54. Rinat Akhmetshin ([letter](#), [document requests](#))
55. Rob Goldstone ([letter](#), [document requests](#))
56. Roger Stone ([letter](#), [document requests](#))
57. Ronald Lieberman ([letter](#), [document requests](#))
58. Sam Nunberg ([letter](#), [document requests](#))
59. SCL Group Limited ([letter](#), [document requests](#))
60. Sean Spicer ([letter](#), [document requests](#))
61. Sheri Dillon ([letter](#), [document requests](#))
62. Stefan Passantino ([letter](#), [document requests](#))
63. Steve Bannon ([letter](#), [document requests](#))
64. Ted Malloch ([letter](#), [document requests](#))
65. The White House ([letter](#), [document requests](#))
66. Trump Campaign ([letter](#), [document requests](#))
67. Trump Foundation ([letter](#), [document requests](#))
68. Trump Organization ([letter](#), [document requests](#))
69. Trump Transition ([letter](#), [document requests](#))
70. Viktor Vekselberg ([letter](#), [document requests](#))
71. Wikileaks ([letter](#), [document requests](#))
72. 58th Presidential Inaugural Committee ([letter](#), [document requests](#))
73. Christopher Bancroft Burnham ([letter](#), [document requests](#))
74. Frontier Services Group ([letter](#), [document requests](#))
75. J.D. Gordon ([letter](#), [document requests](#))
76. Kushner Companies ([letter](#), [document requests](#))
77. NRA ([letter](#), [document requests](#))
78. Rick Gates ([letter](#), [document requests](#))
79. Tom Barrack ([letter](#), [document requests](#))
80. Tom Bossert ([letter](#), [document requests](#))
81. Tony Fabrizio ([letter](#), [document requests](#))

For two years, in the absence of responsible oversight by the Republican Majority, House Judiciary Committee Democrats wrote over one hundred letters to the White House, the Administration, and House Republican Leadership documenting the failings of the Trump Administration and demanding accountability.

Throughout the 115th Congress, House Judiciary Committee Democrats remained committed to pursuing active oversight of the executive branch. In ordinary times, under the leadership of either party, the Committee would have focused its attention on election security, enforcement of federal ethics rules, breaches of the Foreign Emoluments Clause of the Constitution, allegations of obstruction of justice, and preserving the rule of law, among other matters.

But these are not ordinary times. The Trump Administration appears to have failed the country on all of these fronts at the same time. Committee Democrats pursued meaningful oversight throughout these past two years by, among other things, writing oversight letters to the Administration and House leadership, requesting minority hearings, seeking to discharge important bills from Committee and the House floor, offering motions to move into executive session, holding and participating in forums, forcing votes on resolutions of inquiry, requesting and releasing reports, introducing oversight-related legislation, and filing lawsuits and amicus briefs.

The Committee published an interim report in April 2018, at which time the Democratic Members of the Committee had sent 64 letters to the Administrative and 39 letters to Republican Majority. This final report highlights more than 180 letters to the Administration during the 115th Congress regarding oversight of the President and federal agencies, and received responses to less than one-third of these requests. Furthermore, a majority of these responses were not substantive. The Members received no response to any of their correspondence to the Majority, and all resolutions of inquiry were rejected by a party-line vote in Committee. The silence speaks to an Administration run amok.

In November 2018—following the mid-term election—then Ranking Member Nadler sent letters to Acting Attorney General Matthew Whitaker, FBI Director Christopher Wray, Secretary of Homeland Security Kirstjen Nielsen, and Secretary of Health and Human Services Alex Azar requesting responses to a number of letters that went unanswered throughout the Congress (oversight letters 168, 176, 177, 178, and 179). These letters addressed the Administration’s immigration and detention policies, its refusal to defend the Affordable Care Act in federal court, President Trump’s continued attacks on the FBI and Department of Justice, as well as a variety of questions regarding the Administration’s antipathy towards voting rights enforcement and failures to counter violent extremism and domestic terrorism.

The oversight efforts of the House Judiciary Committee Democrats during the 115th Congress include the following:

Sent **187 oversight letters** to the Administration (received responses to less than one-third of requests)

Sent **9 letters** to the Inspector General of the Department of Justice

Sent **54 letters** to the House Judiciary Committee and House Majority Leadership (no responses)

Sent **14 oversight letters** to outside entities

Issued **1 request for a minority day of hearings**

Sent **2 committee discharge letters pursuant to House Rule XI, Clause (C)(2)**

Introduced **2 floor discharge petitions**

Introduced **3 motions to move into executive session**

Led **14 oversight-related press conferences**

Held and participated in **20 Democratic forums**

Released and assisted with **14 Reports**

Requested **7 Government Accountability Office (GAO) reports**

Introduced and supported **6 Resolutions of Inquiry**

Introduced **2 Censure Resolutions**

Introduced **96 oversight-related bills and resolutions**

Led or assisted in **2 lawsuits** to preserve the rule of law

Led **21 amicus briefs**

House Judiciary Democrats spearheaded a lawsuit against the President for his apparent violations of the Emoluments Clause. The lawsuit had over **200 co-plaintiffs**, including **171 Members of Congress** and **30 Senators**. It was originally filed in federal district court on Wednesday, June 14 2017.

U.S. Navy Admiral Plus Eight Officers Indicted as Part of Corrupt Team that Worked Together to Trade Navy Secrets for Sex Parties

On March 14, 2017 it was announced that Retired U.S. Navy Rear Admiral Bruce Loveless and David Newland, chief of staff to the Commander of the Navy's Seventh Fleet, along with seven other high-ranking Navy officers were charged in a federal grand jury indictment with acting as a team of moles for a foreign defense contractor, trading military secrets and substantial influence for sex parties with prostitutes, extravagant dinners and luxury travel.

According to a federal grand jury indictment, the Navy officers worked together to help Singapore-based defense contractor Leonard Glenn Francis and his company, Glenn Defense Marine Asia, pull off a colossal fraud that ultimately cost the Navy – and U.S. taxpayers – tens of millions of dollars.

Navy officers were arrested early on March 14, 2017 in California, Texas, Florida, Colorado and Virginia. The United States sought their removal to face charges in San Diego. Admiral Loveless was taken into custody at his home in Coronado and was expected to make his first appearance in federal court in San Diego at 2 p.m. before U.S. Magistrate Judge Mitchell D. Dembin. The other defendants are Captains David Newland, James Dolan, Donald Hornbeck and David Lausman; Marine Corps Colonel Enrico DeGuzman; Commander Mario Herrera; Lt. Commander Stephen Shedd and Chief Warrant Officer Robert Gorsuch. DeGuzman is also scheduled to appear before Judge Dembin at 2 p.m.

The defendants face various charges including bribery, conspiracy to commit bribery, honest services fraud and obstruction of justice and making false statements to federal investigators when confronted about their actions. Two defendants – Shedd and Herrera - are active duty; the others are recently retired.

The indictment is a veritable 78-page list of allegations in which Francis spent tens of thousands of dollars on bribing the defendants and the actions the officers took to reciprocate. Francis plied the officers with things like foie gras terrine, duck leg confit, ox-tail soup, \$2,000 boxes of cigars and \$2,000 bottles of rare cognac, plus wild sex parties in fancy hotels.

For their part, the defendants allegedly worked in concert to help Francis and GDMA win and keep defense contracts to provide port services to U.S. Navy ships; to redirect ships to ports controlled by Francis in Southeast Asia so he could overbill the Navy for supplies and services such as food, water, fuel, tugboats, and sewage removal; to sabotage competing defense contractors; to recruit new members for the conspiracy by spreading the “Glenn Gospel” to incoming Seventh Fleet leaders; and to keep the conspiracy secret by using fake names and foreign email service providers.

Including defendants, a total of 25 named individuals have been charged in connection with the GDMA corruption and fraud investigation. Of those, 20 were current or former U.S. Navy officials; five are GDMA executives. Thirteen have pleaded guilty; other cases were pending.

“This is a fleecing and betrayal of the United States Navy in epic proportions, and it was allegedly carried out by the Navy’s highest-ranking officers,” said Acting U.S. Attorney Alana W. Robinson. “The alleged conduct amounts to a staggering degree of corruption by the most prominent leaders of the Seventh Fleet – the largest fleet in the U.S. Navy - actively worked together as a team to trade secrets for sex, serving the interests of a greedy foreign defense contractor, and not those of their own country.”

“The defendants in this indictment were entrusted with the honor and responsibility of administering the operations of the U.S. Navy’s Seventh Fleet, which is tasked with protecting our nation by guarding an area of responsibility that spanned from Russia to Southeast Asia and the Indian Ocean,” said Acting Assistant Attorney General Kenneth A. Blanco. “With this honor and awesome responsibility came a duty to make decisions based on the best interests of the Navy and the 40,000 Sailors and Marines under their care who put their lives at risk every day to keep us secure and free. Unfortunately, however, these defendants are alleged to have sold their honor and responsibility in exchange for personal enrichment.”

“The allegations contained in the indictment expose flagrant corruption among several senior officers previously assigned to the U.S. Navy's Seventh Fleet. The charges and subsequent arrests are yet another deplorable example of those who place their own greed above their responsibility to serve this nation with honor,” said Dermot F. O'Reilly, Director, Defense Criminal Investigative Service.

“Naval Criminal Investigative Service, in concert with our partner agencies, remains resolved to follow the evidence wherever it leads, and to help hold accountable those who make personal gain a higher priority than professional responsibility,” Special Agent Andrew L. Traver, NCIS Director. “It's unconscionable that some individuals choose to enrich themselves at the expense of military security.”

Here’s a sampling of bribes alleged in the indictment:

-During the U.S.S. Blue Ridge’s port visit to Sydney Australia on June 17, 2007, Francis hosted and paid for a dinner event at the Altitude Restaurant within the Shangri-La Hotel. Some of the defendants dined on saute of scallops, foie gras, and beef loin for a cost of \$11,898. During dinner, defendant Gorsuch handed Francis two floppy disks containing classified port visit information for many U.S. Navy ships, according to the indictment.

-In March 2007, Francis hosted and paid for a multi-course dinner for several of the defendants at the Oak Door in Tokyo, Japan. The menu included foie gras, Lobster Thermidor, Sendai Tenderloin, and for dessert, Liberte Sauvage, the winning cake of the 10th Coupe du Monde de la Patisserie 2007, followed by cognac and cigars. Each course was paired with fine champagne or wine. Attendees posed for photographs wearing custom-made GDMA neckties that Francis had given them as gifts.

-During one port visit in Singapore on March 9, 2006, Francis seduced the leaders of the Seventh Fleet with foie gras terrine, duck leg confit, ox-tail soup, roasted Chilean sea bass, paired with expensive wine and champagne, followed by digestifs and cigars. The extravagance included

\$600-a-bottle Hennessy Private Reserve, \$2,000-a-bottle Paradis Extra and \$2,000-a-box Cohiba Cigars.

According to the indictment, the group of officers referred to themselves using various terms, such as “the Cool Kids,” “the Band of Brothers,” “the Brotherhood,” “the Wolfpack,” “the familia,” and “the Lion King’s Harem.” The officers tried to conceal their corrupt relationships by using fictitious names to create email addresses using foreign-based email services.

This is the first time multiple officers are charged as working all together in a multi-layered conspiracy, pooling their individual and collective resources and influence on behalf of Francis.

In addition to performing various official acts in return for Francis’s booty, these officers are also accused of violating many of the sworn official duties required of them as Navy officers, including duties related to the handling of classified information and duties related to the identification and reporting of foreign intelligence threats.

The U.S. Navy’s Seventh Fleet represents a vital piece of the United States military’s projection of power as well as American foreign policy and national security. The largest numbered fleet in the U.S. Navy, the Seventh Fleet comprises 60-70 ships, 200-300 aircraft and approximately 40,000 Sailors and Marines. The Seventh Fleet is responsible for U.S. Navy ships and subordinate commands which operate in the Western Pacific Ocean throughout Southeast Asia, Pacific Islands, Australia, and Russia as well as the Indian Ocean territories, as well ships and personnel from other U.S. Navy Fleets that enter the Seventh Fleet’s area of responsibility. The U.S.S. Blue Ridge is the command-and-control ship of the Seventh Fleet and housed at-sea facilities for Seventh Fleet senior officials.

The Seventh Fleet’s motto: Ready Power for Peace.

In addition to the nine defendants charged, the 11 Navy officials charged in the fraud and bribery investigation were: Admiral Robert Gilbeau; Captain Michael Brooks; Captain Daniel Dusek; Commander Jose Luis Sanchez; Commander Michael Misiewicz; Commander Bobby Pitts; Lt. Commander Gentry Debord; Lt. Commander Todd Malaki; Petty Officer First Class Daniel Layug; Naval Criminal Investigative Service Supervisory Special Agent John Beliveau; and Paul Simpkins, a former DoD civilian employee, who oversaw contracting in Singapore.

Gilbeau, Brooks, Dusek, Misiewicz, Sanchez, Debord, Malaki, Layug, Beliveau, and Simpkins have pleaded guilty. On Jan. 21, 2016, Layug was sentenced to 27 months in prison and a \$15,000 fine; on Jan. 29, 2016, Malaki was sentenced to 40 months in prison and to pay \$15,000 in restitution to the Navy and a \$15,000 fine. On March 25, 2016, Dusek was sentenced to 46 months in prison and to pay \$30,000 in restitution to the Navy and a \$70,000 fine; and on April 29, 2016, Misiewicz was sentenced to 78 months in prison and to pay a fine of \$100,000 and to pay \$95,000 in restitution to the Navy. Beliveau was sentenced on October 14, 2016 to 12 years in prison and to pay \$20 million in restitution; Simpkins was sentenced on December 2, 2016 to 72 months in prison; Gilbeau, Brooks, and Sanchez await sentencing. Pitts was charged in May 2016 and his case was pending.

Also charged are five GDMA executives – Francis, Alex Wisidagama, Edmund Aruffo, Neil Peterson and Linda Raja. Three pleaded guilty; Wisidagama was sentenced on March 18, 2016 to 63 months in prison and \$34.8 million in restitution to the U.S. Navy. Francis and Aruffo await sentencing. Peterson and Raja were extradited to the United States from Singapore in September 2016 and their cases remain pending.

The Defense Criminal Investigative Service, Naval Criminal Investigative Service, and the Defense Contract Audit Agency are investigating. Assistant U.S. Attorneys Mark W. Pletcher and Patrick Hovakimian of the Southern District of California and Assistant Chief Brian R. Young of the Criminal Division's Fraud Section are prosecuting the case.

DEFENDANTS Case Number: 17CR0623-JLS

Captain David Newland Age 60 San Antonio, Texas
Chief of Staff to the Commander of the Seventh Fleet

Colonel Enrico DeGuzman Age 58 Honolulu, Hawaii
Fleet Marine Office of the Seventh Fleet, responsible for coordinating the missions of the U.S. Marine Corps with the Seventh Fleet; and Assistant Chief of Staff of Operations for U.S. Marine Corps Forces, Pacific

Captain James Dolan Age 58 Gettysburg, Pennsylvania
Assistant Chief of Staff for Logistics for the Seventh Fleet, responsible for meeting the logistical needs of every ship within the Seventh Fleet's area of responsibility

Captain Donald Hornbeck Age 56 United Kingdom
Deputy Chief of Staff for Operations for the Seventh Fleet, responsible for directing the operations of all combatant ships in the Seventh Fleet area of responsibility

Rear Admiral, Retired, Bruce Loveless Age 53 Coronado, CA
Previously a Captain and Assistant Chief of Staff for Intelligence for the Seventh Fleet, responsible for assessing and counteracting foreign intelligence threats within the Seventh Fleet's area of responsibility

Captain David Lausman Age 62 The Villages, Florida
Executive Officer of the aircraft carrier U.S.S. Abraham Lincoln; Commanding Officer of U.S.S. Blue Ridge; Commanding Officer of U.S.S. George Washington

Lt. Commander Stephen Shedd Age 43 Colorado Springs, CO
Seventh Fleet's South Asia Policy and Planning Officer, responsible for identifying ports that U.S. Navy ships would visit; and once promoted to Commander, served as Executive Officer and Commanding Officer of the U.S.S. Milius

Commander Mario Herrera Age 48 Helotes, Texas
Fleet Operations and Schedules Officer for the Seventh Fleet, responsible for scheduling the port visits for ships and submarines in the Seventh Fleet's area of responsibility (Herrera was previously charged in February 2017 via complaint)

Chief Warrant Officer Robert Gorsuch Age 49 Virginia Beach, Virginia
Seventh Fleet's Flag Administration Officer, responsible for providing administrative support to the Seventh Fleet Commander and other senior officers on the Seventh Fleet staff

SUMMARY OF CHARGES

Conspiracy to Commit Bribery, in violation of 18 U.S.C. § 371

Maximum Penalty: 5 years in prison, a \$250,000 fine, or twice the gross pecuniary gain or twice the gross pecuniary loss, whichever is greater

Bribery, in violation of 18 U.S.C. § 201

Maximum Penalty: 15 years in prison, a \$250,000 fine or twice the gross pecuniary gain or gross pecuniary loss from the offense, or three times the monetary equivalent of the thing of value, whichever is greater

False Statements, in violation of 18 U.S.C. § 1001

Maximum Penalty: 5 years in prison, a \$250,000 fine

Obstruction of Justice, in violation of 18 U.S.C. § 1519

Maximum Penalty: 20 years in prison, a \$250,000 fine

Conspiracy to Commit Honest Services Wire Fraud, in violation of 18 U.S.C. §§ 1349, 1346, 1343

Maximum Penalty: 20 years in prison, a \$250,000 fine

INVESTIGATING AGENCIES

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Defense Contract Audit Agency

BREAKDOWN OF COUNTS

Counts	Code	Description	Defendant(s)
1	18 U.S.C. § 371	Conspiracy to Commit Bribery	All
2	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Newland
3	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	DeGuzman
4	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Hornbeck
5	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Dolan
6	18 U.S.C § 201(b)(2)(C)	Bribery	Loveless
7	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Lausman
8	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Herrera
9	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Shedd

10	18 U.S.C § 201(b)(2)(A) and (C)	Bribery	Gorsuch
11	18 U.S.C. § 1001(a)(2)	False Statements	Lausman
12	18 U.S.C. § 1519	Obstruction	Lausman
13	18 U.S.C. §§ 1349, 1346, and 1343	Conspiracy to Commit Honest Services Wire Fraud	All

Philadelphia Congressman and Associates Convicted in Corruption Case

On June 21, 2016 a federal jury sitting in Philadelphia found Congressman Chaka Fattah Sr., 59, guilty of all charges against him. Fattah and three of his four associates were found guilty of taking part in a racketeering conspiracy involving several schemes that were intended to further their political and financial interests by misappropriating federal, charitable and campaign funds, among other schemes

Fattah, Robert Brand, 70, of Philadelphia; Karen Nicholas, 58, of Williamstown, New Jersey; and Herbert Vederman, 70, of Palm Beach, Florida, were found guilty of participating in a racketeering conspiracy. Fattah was also found guilty of conspiracy to commit bribery, bribery, conspiracy to commit wire fraud, conspiracy to commit honest services fraud, mail fraud, money laundering conspiracy, money laundering, bank fraud, false statements to a financial institution, six counts of mail fraud and five counts of falsification of records.

Vederman was also convicted of conspiracy to commit bribery, bribery, bank fraud, making false statements to the Credit Union Mortgage Association, falsification of records and two counts of money laundering. Brand was also convicted of conspiracy to commit wire fraud.

Nicholas was also convicted of conspiracy to commit wire fraud, two counts of wire fraud and two counts of falsification of records. Bonnie Bowser, 60, of Philadelphia, was acquitted of racketeering conspiracy but convicted of conspiracy to commit bribery, bank fraud, making false statements to the Credit Union Mortgage Association, falsification of records and money laundering.

“Congressman Fattah corruptly abused his office for his own personal and political gain,” said Assistant Attorney General Caldwell. “He took bribes, committed fraud and even stole money from his own campaigns. In short, Congressman Fattah and his co-defendants deprived the people of eastern Pennsylvania of their right to the honest services of their elected representative. today’s convictions should send a message that the Justice Department will vigorously investigate and prosecute political corruption wherever it takes place, and uphold the principles of honesty and integrity that are the foundation of our government.”

“Chaka Fattah Sr. and his co-defendants betrayed the public trust and undermined our faith in government,” said U.S. Attorney Memeger. “Today’s verdict makes clear that the citizens of the Eastern District of Pennsylvania expect their public officials to act with honesty and integrity, and to not sell their office for personal gain. Hopefully, our elected officials in Philadelphia and elsewhere hear today’s message loud and clear.”

According to the evidence presented at trial, Fattah and certain associates borrowed \$1 million from a wealthy supporter for his failed 2007 campaign for mayor of Philadelphia, and disguised the funds as a loan to a consulting company. After he lost the election, Fattah returned to the donor \$400,000 that the campaign had not used and arranged for Educational Advancement Alliance (EAA), a non-profit entity that Fattah founded and controlled, to repay the remaining \$600,000 using charitable and federal grant funds that passed through two other companies, including one run by Brand. To conceal the contribution and repayment scheme, the defendants

and others created sham contracts and made false entries in accounting records, tax returns and campaign finance disclosure statements.

Following his defeat, Fattah also sought to extinguish approximately \$130,000 in campaign debt owed to a political consultant by agreeing to arrange for the award of federal grant funds to the consultant. Fattah directed the consultant to apply for a \$15 million grant (which ultimately he did not receive) on behalf of a then-non-existent non-profit entity. In exchange for Fattah's efforts to arrange the award, the consultant agreed to forgive the campaign debt.

In addition, Fattah misappropriated funds from his mayoral and congressional campaigns to repay his son's student loan debt. To execute the scheme, Fattah arranged for his campaigns to make payments to a political consulting company, which funds the company then used to lessen Fattah's son's student loan debt. Between 2007 and 2011, the consultant made 34 successful loan payments on behalf of Fattah's son, totaling approximately \$23,000.

Beginning in 2008, Fattah communicated with individuals in the legislative and executive branches in an effort to secure for Vederman an ambassadorship or an appointment to the U.S. Trade Commission. In exchange, Vederman provided money and other items of value to Fattah. As part of this scheme, the defendants sought to conceal an \$18,000 bribe payment from Vederman to Fattah by disguising it as a payment for a sham car sale.

Nicholas was found guilty of obtaining \$50,000 in federal grant funds that she falsely claimed would be used by EAA to support a conference on higher education. Instead, Nicholas used the grant funds to pay \$20,000 to a political consultant, \$10,000 to her attorney and write several checks to herself from EAA's operating account.

Public Corruption Fugitive Extradited to U.S. State Official Returns to Face Justice

The investigation into Amer Ahmad, former deputy treasurer for the state of Ohio, began with allegations of corruption involving that office's awarding of lucrative contracts to manage state-owned securities. It ended with guilty pleas and subsequent federal prison sentences for Ahmad and his three co-conspirators, but Ahmad was sentenced in absentia because he had fled to Pakistan, the birthplace of his parents.

How it all started. The Ohio treasurer is the state's cash manager and chief investment officer with the duty of collecting and overseeing public funds, and the treasurer's office has an investments department responsible for actively handling the state's multi-billion investment portfolios. Amer Ahmad became the chief financial officer for the treasurer's office in 2008, and the following year, he was also appointed deputy treasurer.

But by 2010, following allegations of corruption with the treasurer's office, the FBI's Columbus Resident Agency opened a case (and was later assisted by its partners at the Ohio Bureau of Criminal Investigation—members of the newly formed Central Ohio Public Corruption Task Force).

As the case unfolded, investigators identified Ahmad and three other individuals as the primary players in the corruption scheme. Ahmad's co-conspirators included:

- Douglas Hampton, a high school classmate of Ahmad's who worked as a broker and financial adviser (and in whose financial firm—Hampton Capital Management—Ahmad and his wife maintained a personal investment account);
- Joseph Chiavaroli, a Columbus businessman who co-owned a landscaping company with Ahmad; and
- Mohammed Noure Alo, a close friend of Ahmad's who was a lawyer in a Columbus-based law firm and registered as a lobbyist in the state of Ohio.

The scheme. From January 2009 to January 2011, Ahmad used his position to direct official state business to the financial firm run by Hampton in return for more than \$500,000 in bribe payments. Records showed that Hampton Capital Management became an approved Ohio treasurer's office broker in 2009 through a process personally overseen by Ahmad and had received the most trades—360—of any broker for the state of Ohio in 2009 and 2010. Hampton made approximately \$3.2 million in commissions from those trades.

Ahmad conspired with Chiavaroli to conceal the illegal payments from Hampton by passing them through the accounts of their landscaping company. (In late 2009, Chiavaroli had executed a bill of sale transferring 46 percent ownership of his landscaping company to Ahmad.)

Hampton also funneled a number of payments to Ahmad through Alo, who profited from the scheme by keeping some of the money himself.

Investigators were able to obtain evidence of the corruption—and of the conspiracy—from a variety of sources, including e-mails, financial records, and interviews.

All four subjects were indicted on corruption charges in August 2013. At the time of his indictment, Ahmad had already left his job in Ohio to take another government position, this one

with the city of Chicago. After guilty pleas by Hampton, Chiavaroli, and Alo, Ahmad pled guilty in December 2013.

The flight. In April 2014, while awaiting sentencing, Ahmad fled the country and eventually flew to Pakistan. But upon his arrival at the airport, he was arrested by Pakistani authorities for attempting to enter the country using false documentation and taken into custody.

Immediately upon discovering that Ahmad was in Pakistan, U.S. authorities began extradition proceedings. In the meantime, in December 2014, Ahmad was sentenced—without physically being in court—to 15 years in federal prison. His co-conspirators also received prison terms.

And by August 2015, Ahmad was on another plane—this time in the company of FBI agents and U.S. marshals—bound for Ohio.

Appendix A: The following **examples of Public Corruption Investigations** are written from public record documents on file in the courts within the judicial district where the cases were prosecuted.

Former Chippewa Cree Tribal Chairman Sentenced on Federal Charges

On July 29, 2015, in Great Falls, Montana, John Chance Houle, of Box Elder, was sentenced to 68 months in prison, three years of supervised release and ordered to pay \$646,456 in restitution and \$400 in special assessments. Houle, the former Chippewa Cree Tribal Chairman, pleaded guilty in December 2014 to accepting kick-back payments from Hunter Burns Construction and Dr. James Eastlick in exchange for facilitating the award and payment on tribal contracts. In another indictment, Houle pleaded guilty to embezzling hundreds of thousands of dollars from the Chippewa Cree Rodeo Association and obstructing a federal grand jury investigation. In a third indictment, Houle pleaded guilty to one of four counts of tax evasion.

New Jersey Woman Sentenced for Paying \$671,000 in Bribes to Fraudulently Obtain Government Contracts

On July 13, 2015, in Trenton, New Jersey, Donna Doremus, of Hopewell, was sentenced to 37 months in prison and one year of supervised release. Restitution will be determined at a later date, however, Doremus agreed to a forfeiture money judgment of \$671,975. Doremus previously pleaded guilty to bribing a public official, conspiracy to defraud the United States and making and subscribing to false federal tax returns. According to court documents, from 2007 to July 2012, Doremus paid approximately \$671,000 in bribes to Jarod Machinga, a former Department of Veterans Affairs (VA) supervisory engineer at the VA's campus in East Orange, in order to direct \$6 million in construction contracts to Doremus' companies. Doremus conspired with Machinga to make false representations about one of her companies, Tyro General Construction (Tyro), to enter into a service-disabled, veteran-owned small business contract with the VA which paid more than \$3 million to Tyro. For tax years 2009 and 2010, Doremus falsely reported that certain bribe payments she made to Machinga, as well some personal expenditures, were her companies' business expenses. As a result, she failed to pay \$250,374 in federal income taxes that she owed the IRS. On June 30, 2015, Machinga was sentenced to 46 months in prison in connection with accepting kickbacks from Doremus and engaging in a scheme to defraud the VA.

Three Sentenced On Bribery Charges In Connection With Gulf Coast Community Action Agency

On July 1, 2015, in Gulfport, Mississippi, Linda Harvey-Irvin, of Jackson, Donald Walton, of Vicksburg, and Markuntala Croom, of Columbia, were sentenced on bribery charges involving the Gulf Coast Community Action Agency (GCAA), a non-profit organization, partially funded by federal grants, which runs the Head Start Preschool in Gulfport. Harvey-Irvin was sentenced to 85 months in prison, two years of supervised release and ordered to pay \$531,236 in restitution. Walton was sentenced to 37 months in prison, two years of supervised release and ordered to pay a \$10,000 fine and a \$31,000 forfeiture. Croom was sentenced to 57 months in prison, two years of supervised release and ordered to pay \$531,236 in restitution. According to court documents, Harvey-Irvin was the deputy director of the Mississippi GCAA. Harvey-Irvin

accepted bribes from Walton, owner and operator of Walton Construction, in exchange for construction contracts worth more than \$400,000. Harvey-Irvin was also charged in a second indictment with accepting bribes from Croom, owner and operator of Croom Consulting, in exchange for awarding over \$520,502 in consulting work to Croom. Walton paid Harvey-Irvin \$31,000 in kickbacks as a reward for his contracts, and Croom paid Harvey-Irvin \$69,911 in kickbacks as a reward for her contracts.

Former Department of Veterans Affairs Official Sentenced for Taking \$1.2 Million in Kickbacks

On June 30, 2015, in Trenton, New Jersey, Jarod Machinga, of Hopewell, was sentenced to 46 months in prison and one year of supervised release. Machinga previously pleaded guilty to honest services wire fraud, wire fraud and engaging in a monetary transaction in criminally derived property. According to court documents, Machinga, a former Department of Veterans Affairs (VA) employee, worked as a supervisory engineer at the VA's campus in East Orange. As a supervisory engineer, Machinga had the authority and influence to direct certain VA construction contracts to particular companies. Machinga partnered with another individual to set up three companies that could be used to obtain VA work. He then directed more than \$6 million worth of VA construction projects to those companies. Machinga admitted he accepted \$1,277,205 in kickbacks in exchange for his official action and influence between 2007 and July 2012. Additionally, Machinga defrauded the VA by falsely representing that one of the contracting companies was owned by a service-disabled veteran when it was not.

Former Baltimore City Official Sentenced for Bribery Scheme

On June 23, 2015, in Baltimore, Maryland, Barry Stephen Robinson, of Accokeek, Maryland, was sentenced to 12 months and a day in prison, three years of supervised release and ordered to pay forfeiture of \$20,000. According to court documents, Robinson was Chief of the Division of Transit and Marine Services of the Baltimore City Department of Transportation. In this position, Robinson supervised Baltimore City's "Circulator" and "Water Taxi" programs and had authority to approve contracts with advertisers and vendors and to purchase and pay for goods and services. In January 2014, Robinson offered to cancel \$60,000 of debt in return for \$20,000 in cash. From January 23 to March 11, 2014, Robinson received four cash payments of \$5,000 each. In return, Robinson provided a signed letter on Baltimore City letterhead falsely stating that the \$60,000 debt had been paid. Robinson also admitted that he stole and sold bus shelters belonging to the city for \$70,000. In 2011, Robinson arranged for Baltimore City to purchase 13 bus shelters from a Canadian company for \$249,290. Robinson planned to sell the shelters for his personal benefit. On April 9, 2014, Robinson accepted \$70,000, in return for the city's bus shelters. Seeking to disguise the source of the bribery proceeds, Robinson deposited the cash bribe payments he received into two bank accounts in the name of another person. He used a portion of the proceeds for home improvements and other items. The intended loss to the City of Baltimore from Robinson's schemes was approximately \$310,000.

Former Illinois Public Health Chief of Staff Sentenced

On June 23, 2015, in Springfield, Illinois, Quinshaunta R. Golden, of Homewood, was sentenced to 96 months in prison, three years of supervised release and ordered to pay \$1,000,000 in

restitution to the Illinois Department of Public Health (IDPH) jointly with Roxanne Jackson. On April 10, 2014, Golden pleaded guilty to taking bribes and kickbacks. According to court documents, Golden served as Chief of Staff at IDPH from 2003 to early 2008. From 2006 to 2008, Golden used her agency position to direct approximately \$11 million in grant funds to three not-for-profit organizations and a for-profit corporation controlled by Leon Dingle, Jr. As part of the scheme, Golden directed that Roxanne Jackson, a former IDPH administrator, be hired as a paid consultant for Dingle and the three not-for-profit entities. As a result, approximately \$772,500 in grant funds disbursed to the three not-for-profit entities was paid to Jackson from July 2007 to April 2008. Golden required that Jackson pay her one-half of whatever she received, less any funds to be withheld for payment of taxes, which were never paid. Golden also directed that Jackson work as a paid consultant for VIP Security. Golden caused approximately \$2 million in contract funds to be paid by IDPH to VIP Security and again required Jackson to give her kickback payments. On June 12, 2015, Roxanne Jackson was sentenced to 25 months in prison and ordered to pay \$1,000,000 jointly with Golden for her part in the bribery and kickback scheme and filing false income tax returns. Leon Dingle, Jr., and his wife Karin, both of Chicago, were convicted of conspiracy to defraud, mail fraud and money laundering and their sentencing has been scheduled at a later date.

Three Defendants in Virginia Utilities Kickback Scheme Sentenced

On June 18, 2015, in Abingdon, Virginia, three of the four defendants convicted in a kickback scheme at the Bristol Virginia Utilities (BVU) Authority were sentenced to prison for their roles in the scheme. Robert James Kelley Jr., of Lexington, who is a former Vice President of Field Operations for BVU, was sentenced to 30 months in prison and ordered to pay \$330,510 in restitution and to forfeit \$165,375. Kelley previously pleaded guilty to one count of a multi-object conspiracy to commit mail fraud, money laundering and to defraud the United States. David Copeland, of Bristol, who is also a former Vice President of Field Operations for BVU, was sentenced to 24 months in prison and ordered to pay \$144,000 in restitution and to forfeit \$50,000. Copeland previously pleaded guilty to one count of a multi-object conspiracy to commit wire fraud and money laundering. Michael Clark, of Colbert, Georgia, was sentenced to eight months in prison and ordered to pay \$110,065 in restitution. Clark previously pleaded guilty to one count of engaging in a conspiracy to defraud the Internal Revenue Service. According to court documents, from about January 2006 to February 2009, Clark worked as a contractor for BVU and submitted false invoices to Kelley for BVU work that was not actually completed. These false invoices resulted in at least \$110,065 in fraudulent billing by Clark. Kelley approved the payment of the invoices in exchange for kickbacks from Clark. Kelley then prepared false invoices that claimed Kelley did work for Clark, when in fact, no work was done. From about January 1, 2010 and December 31, 2013, Company #1 submitted false invoices to BVU for work that was never done. Copeland approved payment of the invoices in exchange for a kickback. These false invoices resulted in at least \$144,000 in fraudulent billing by Company #1. A fourth defendant, James Todd Edwards, has yet to be sentenced for his role in the conspiracy.

Former Illinois Police Chief, Sheriff's Deputy Sentenced for Mail Fraud, Money Laundering, Tax Evasion

On May 29, 2015, in Peoria, Illinois, Timothy J. Swanson, of Bourbonnais, was sentenced to 27 months in prison, three years of supervised release and ordered to pay \$229,128 in restitution to victims, as well as \$55,140 in back taxes. On Jan. 27, 2015, Swanson pleaded guilty to two counts of mail fraud, one count of money laundering, two counts of tax evasion and two counts of filing a false tax return. According to court documents, Swanson was employed as the City of Countryside, Illinois, Chief of Police in 2005 and 2006. After leaving the police department, in 2009, Swanson joined the Kankakee County Sheriff's Office. During 2005 and 2006, Swanson obtained the use of two U.S. Department of Defense helicopters to be used for law enforcement activities. To obtain funds to operate the helicopters, Swanson established the Illinois Regional Air Support Service (IRASS) as a tax-exempt organization. No officer or director was to profit from its operation. From at least 2005 through 2012, Swanson solicited police departments, corporations and individuals to make contributions to IRASS. From 2006 to 2010, Swanson used a credit card in the name of IRASS to make personal purchases and used money donated or awarded to IRASS to make payments on the credit card. Swanson also used this money to purchase Rotors & Wings, LLC., a business that he operated.

Former City of Portland Smart Parking Meter Manager Sentenced for Taking Bribes and Filing False Returns

On May 27, 2015, in Portland, Oregon, Ellis McCoy, former Manager of Portland's Parking Operations Division, was sentenced to 24 months in prison for taking almost \$200,000 in bribes from two city contractors from 2002 to mid-2011. In August 2012, McCoy pleaded guilty to conspiring to accept bribes, accepting bribes, and filing false tax returns on which he did not report a substantial amount of the bribe as income. According to court documents, McCoy gave favorable treatment to the city contractors in return for \$164,567 in checks and currency plus the value of travel, meals, lodging, and other expenses of an undetermined amount. McCoy created a phony consulting company and submitted invoices for fictitious consulting work so he and the contractors could disguise some of the bribe payments as payments for consulting work. McCoy accepted about \$70,000 of the bribe payments in cash and that the contractors paid for some or all of his meals, travel, and entertainment expenses on about 60 trips for business and pleasure.

Former Chairman of Board of Trustees for South Carolina State Sentenced for Racketeering Conspiracy

On May 20, 2015, in Columbia, South Carolina, Jonathan Pinson, of Greenville, South Carolina, was sentenced to 60 months in prison, five years of supervised release and ordered to pay \$337,843 in restitution. Pinson was convicted by a jury in June 2014 on charges of conspiracy to commit racketeering, theft concerning programs receiving federal funds, conspiracy to commit wire fraud, mail fraud, wire fraud, money laundering and false statements. According to court documents, Pinson was involved in four different schemes. One scheme revolved around the 2011 homecoming concert at SCSU and Pinson's efforts to steer the concert promotion contract to his close friend and former SCSU roommate in exchange for a kickback. Other schemes included Pinson's theft of government funds earmarked for the installation of a diaper plant in Marion County. Proceeds from the grant, intended to create jobs in rural Marion County, were instead pocketed by Pinson and his associates. Pinson was also convicted of theft of government funds received from a 10 million dollar American Recovery and Reinvestment Act (ARRA)

grant intended for the development known as the Village at Rivers Edge. In the final scheme, Pinson again used his position as Chairman of the Board of SCSU to influence officials at SCSU to purchase land known as “Sportsman’s Retreat”. The seller of the property, Richard Zahn, Pinson’s business partner, testified that he agreed to pay a kickback to Pinson in the form of a new Porsche Cayenne, an SUV valued at approximately \$90,000.

Former Executive Director of the Virgin Islands Legislature Sentenced for Bribery and Extortion

On May 14, 2015, in St. Thomas, U.S. Virgin Islands, former Executive Director of the Virgin Islands Legislature, Louis “Lolo” Willis was sentenced to 60 months in prison. On Nov. 19, 2014, a jury in the Virgin Islands convicted Willis of four counts of federal programs bribery and extortion under color of official right. According to evidence presented at trial, Willis was the executive director of the Legislature between 2009 and 2012. His responsibilities included oversight of the major renovation of the Legislature building and awarding and entering into government contracts in connection with the project. Willis was also responsible for authorizing payments to the contractors for their work. Willis accepted bribes, including \$13,000 in cash and checks, from contractors in exchange for using his official position to secure more than \$350,000 in work for the contractors and to ensure they received payment upon completion.

Former Township Financial Officer Sentenced

On May 1, 2015, in Indianapolis, Indiana, Alan Mizen, of Zionsville, was sentenced to 18 months in prison and ordered to pay \$343,000 in restitution. Mizen was previously convicted of theft of federal program funds. According to court documents, Mizen served as the chief financial officer for Center Township. In June 2010, he set up a bank account and deposited a \$343,541 check that was drawn from public funds. Mizen then used the computerized accounting system at the Center Township Trustee’s Office to create a false invoice indicating that he had written the check to the “Treasurer of State.” Mizen then transferred the funds to various personal accounts that he maintained. From June 10, 2010, through July 2012, Mizen used the embezzled taxpayer funds to finance personal expenditures.

Former Illinois School Board Member Sentenced for Bus Contracts Fraud Scheme

On April 21, 2015, in Chicago, Illinois, Alice Sherrod, a former North Chicago school board member, was sentenced to 30 months in prison and ordered to pay approximately \$7.2 million in restitution. In September 2013, Sherrod pleaded guilty to wire fraud and filing a false federal income tax return. According to court documents, between 2001 and 2010 Sherrod, who was the North Chicago school district’s Director of Transportation, participated in a fraud scheme with four co-defendants, including Gloria Harper, the former President of the North Chicago school board. Sherrod and Harper used their positions to enrich themselves secretly by soliciting and accepting gifts and cash from their three co-defendants in exchange for favorable official action regarding student transportation contracts. Initially, Harper and Sherrod received kickbacks of approximately \$4,000 to \$5,000 a month but, by 2003, they were collecting approximately \$20,000 a month. The three co-defendants funneled kickbacks totaling at least \$800,000 to Harper and Sherrod and made more than \$9.6 million in profits. All five defendants pleaded

guilty last year and have been sentenced. Gloria Harper, of Berwyn and formerly of Gurnee, was sentenced to 120 months in prison for her part in the scheme.

Illinois Businessman Sentenced for Participation in Corruption Scheme

On April 14, 2015, in Chicago, Illinois, Ronald Garcia, of Lockport, was sentenced to 36 months in prison, two years of supervised release and ordered to pay \$67,792 in restitution. Garcia previously pleaded guilty to federal program bribery. According to court documents, Garcia participated in a scheme with co-defendant, Joseph Mario Moreno, who had served for more than 16 years as the elected county commissioner of Cook County, Illinois. Garcia owned and operated Chicago Medical Equipment & Supply, Co. Between March 2008 and July 2009, Moreno and Garcia conspired to extort a company that won a county contract to force it to use Garcia's company as a minority subcontractor. Garcia provided Moreno and his wife with a \$100,000 home mortgage loan in July 2007. Garcia then forgave the \$100,000 mortgage loan to Moreno in exchange for Moreno's efforts to steer the lucrative sub-contract to Garcia's company. On Feb. 19, 2014, co-defendant Moreno was sentenced to 11 years in prison for engaging in a series of public and personal corruption schemes.

Former Campaign Treasurer Sentenced for Tax Evasion and Filing False Campaign Reports

On April 13, 2015, in Washington, D.C., Hakim J. Sutton, of Washington, D.C., was sentenced to 16 months in prison, three years of supervised and ordered to pay \$18,231 in taxes and interest to the IRS. Sutton pleaded guilty on Oct. 23, 2014 to one count of income tax evasion and one count of knowingly filing a false and misleading campaign finance report. According to court documents, Sutton was the principal owner of the Sutton Group, which performed political consulting services in the District of Columbia and elsewhere. In 2011 and 2012, Sutton served as the treasurer and custodian of records for the campaign of Michael A. Brown. Between July 2011 and May 2012, Sutton diverted approximately \$115,250 from the campaign bank account to himself by depositing the funds drawn from the campaign bank account into his own personal bank accounts, and converting funds drawn from the campaign bank account to cash. Some, but not all, of the money that Sutton diverted was compensation for Sutton's work on the campaign. However, Sutton failed to file income tax returns for calendar years 2011 and 2012. Sutton also omitted references to the checks that he had written to himself in a series of six reports he filed in 2011 and 2012 with the District of Columbia Office of Campaign Finance.

Four Sentenced to Federal Prison for Role in Rocky Boy's Corruption Probe

On March 11, 2015, in Great Falls, Montana, Mark Craig Leischner and Tammy Kay Leischner, of Laurel, were sentenced to 24 months in prison and three years' supervised release. Mark Leischner was also ordered to pay \$281,313 in restitution, and Tammy Leischner was ordered to pay \$375,092 in restitution. Mark Leischner, pleaded guilty to embezzlement of over \$200,000 in funds from the Chippewa Cree Tribe Rodeo Association, federal student financial aid fraud, and obstruction of justice. Tammy Leischner pleaded guilty to aiding the embezzlement of \$311,000 in federal funds, bankruptcy fraud, federal student financial aid fraud, and blackmail. Tammy Leischner's brother, Dr. James Howard Eastlick, was also sentenced to 72 months in prison, three years supervised release and ordered to pay \$424,800 in restitution. Eastlick, the

former psychologist for the Rocky Boy Health Clinic pleaded guilty to charges of bribery relating to a federally funded program, bribery of a councilman and income tax evasion. On March 10, 2015, Bruce Sunchild, was sentenced to 34 months in prison, three years supervised release, and ordered to pay \$370,088 in restitution. Sunchild pleaded guilty to bribery, embezzlement and tax evasion. All four sentencings were a result of the Rocky Boy's Corruption Probe.

Former Campaign Coordinator Sentenced for Embezzling from Former Texas Lieutenant Governor Campaign Accounts

On Feb. 27, 2014, in Austin, Texas, political consultant Kenneth Barfield, aka Buddy Barfield, was sentenced to 87 months in prison and three years of supervised release for stealing more than \$2.5 million in campaign funds from former Texas Lieutenant Governor David Dewhurst. Barfield was also ordered to pay \$2,513,778 in restitution to the Barfield Litigation Trust Settlement and owes the IRS \$427,073 in back taxes. On October 21, 2014, Barfield pleaded guilty to wire fraud, making a false tax return and embezzlement of federal campaign funds. According to court documents, Barfield was a member of the campaign staff and committee for Lieutenant Governor David Dewhurst's run for the Republican nomination for United States Senate in 2012. Barfield, and through his Austin-based companies, were responsible for securing, paying, and/or subcontracting legal and legitimate activities on behalf of Dewhurst's campaign and had a fiduciary duty to act in the best interests of the campaign, including oversight and maintenance of financial records. Barfield engaged in a scheme to steal campaign funds and use it for his own personal expenses including his home mortgage, school tuition for his children, personal investments and other living expenses. In addition, on his 2008 income tax return, Barfield stated that his taxable income was zero when, in fact, his taxable income should have been reported as approximately \$582,000. Also, under Barfield's direction, fraudulent documentation was submitted in disclosure reports to the Federal Elections Commission regarding expenditures for campaign disbursements.

Former First Lady of Virginia Sentenced for Public Corruption

On Feb. 20, 2015, in Richmond, Virginia, the former First Lady of Virginia, Maureen G. McDonnell was sentenced 12 months and one day in prison for violation of federal public corruption laws. Former Virginia Governor Robert McDonnell and his wife, Maureen McDonnell, were convicted on Sept. 4, 2014, following a jury trial of conspiracy to commit honest-services wire fraud and conspiracy to obtain property under color of official right. Maureen McDonnell also was convicted of two counts of honest-services wire fraud and four counts of obtaining property under color of official right. According to the evidence presented at trial, from April 2011 through March 2013, the McDonnells participated in a scheme to use the former governor's official position to enrich themselves and their family members by soliciting and obtaining payments, loans, gifts and other things of value from Star Scientific, a Virginia-based corporation, and Jonnie R. Williams Sr., Star Scientific's then chief executive officer. The McDonnells obtained these items in exchange for the former governor performing official actions to legitimize, promote and obtain research studies for Star's products, including the dietary supplement Anatabloc. The McDonnells obtained more than \$170,000 in direct payments as gifts and loans, thousands of dollars in golf outings, and numerous items from Williams. The

McDonnells also attempted to conceal the things of value received from Williams and Star and to hide the nature and scope of their dealings with Williams from the citizens of Virginia by, for example, routing gifts and loans through family members and corporate entities controlled by the former governor to avoid annual disclosure requirements. Robert McDonnell was sentenced on Jan. 6, 2015 to 24 months in prison.

Former Public Library Contractors Sentenced on Bribery Charges

On Jan. 27, 2015, in Detroit, Michigan, James Henley, of Detroit, and Ricardo Hearn, of Royal Oak, were sentenced to 27 months and 28 months in prison, respectively. Each was also ordered to pay \$750,000 in restitution to the Detroit Public Library. Henley and Hearn, both former contractors with the Detroit Public Library, were sentenced on charges of bribery of a public official. Henley also pleaded guilty to failing to file tax returns for the year 2007. According to court documents, Henley and Hearn paid former Detroit Public Library Chief Administrative Officer Timothy Cromer a total of \$1.4 million in kickbacks in return for contracts for information technology services with the Detroit Public Library during the period 2007 to 2010. After being confronted by federal law enforcement officials, Henley and Hearn both cooperated in the prosecution of Cromer. On Sept. 16, 2014, Cromer was sentenced to 10 years in prison and ordered to pay \$3,913,890 in restitution to the library.

Former Virginia Governor Sentenced to Prison for Public Corruption Scheme

On Jan. 6, 2015, in Richmond, Virginia, Robert F. McDonnell, former Virginia Governor, was sentenced to 24 months in prison, and two years of supervised release. McDonnell and his wife, Maureen McDonnell, were convicted following a jury trial of one count of conspiracy to commit honest-services wire fraud and one count of conspiracy to obtain property under color of official right. Robert McDonnell was also convicted of three counts of honest-services wire fraud and six counts of obtaining property under color of official right, while Maureen McDonnell was convicted of two counts of honest-services wire fraud and four counts of obtaining property under color of official right. According to the evidence presented at trial, from April 2011 through March 2013, the McDonnells participated in a scheme to use the former governor's official position to enrich themselves and their family members by soliciting and obtaining payments, loans, gifts and other things of value from Star Scientific and Jonnie R. Williams Sr. The McDonnells obtained these items in exchange for the former governor performing official actions to legitimize, promote and obtain research studies for Star's products, including the dietary supplement Anatabloc. The McDonnells obtained from Williams more than \$170,000 in direct payments as gifts and loans, thousands of dollars in golf outings, and numerous items. As part of the scheme, Robert McDonnell arranged meetings for Williams with Virginia government officials, hosted and attended events at the Governor's Mansion designed to encourage Virginia university researchers to initiate studies of Star's products and to promote Star's products to doctors, contacted other Virginia government officials to encourage Virginia state research universities to initiate studies of Star's products, and promoted Star's products and facilitated its relationships with Virginia government officials. The evidence further showed that the McDonnells attempted to conceal the things of value received from Williams and Star by routing gifts and loans through family members and corporate entities controlled by the former governor

to avoid annual disclosure requirements. Maureen McDonnell is scheduled to be sentenced on February 20, 2015.

Former Consultant to New York Democratic Senate Campaign Committee Sentenced For Tax and Fraud Conspiracy

On Dec. 19, 2014, in Manhattan, New York, Melvin Lowe, a former consultant to the New York State Democratic Senate Campaign Committee ("DSCC"), was sentenced to 36 months in prison and three years' supervised release. Lowe was convicted in September 2014 for conspiring with New York State Senator John Sampson to defraud the DSCC of \$100,000 and for personal income tax offenses. According to court documents, Lowe arranged for a New Jersey-based political consultant to submit a false invoice to the DSCC for \$100,000 in printing services. Sampson approved payment of the invoice and the DSCC sent \$100,000 to the New Jersey-based consultant. Lowe instructed the consultant to send \$75,000 of the proceeds to Lowe's consulting company. Lowe received more than \$2.1 million in consulting income from 2007 to 2012. He reported less than \$25,000 in income on each of his federal income tax returns for 2007 through 2009, which he did not file until late 2010. Lowe never filed tax returns for 2010 through 2012. He never made any payments toward his taxes for the years 2000 through 2012. Lowe also caused a bank to make a false statement to his mortgage lender regarding the balance in his checking account. When the mortgage lender sent Lowe's bank a Verification of Deposit form to verify Lowe's claim that he had \$65,000 in his checking account, Lowe caused the assistant manager to claim that Lowe's account had a balance of more than \$80,000. At that time, the balance in Lowe's checking account was \$2,156.

Former Florida County Employee Sentenced for Tax Evasion

On Dec. 17, 2014, in Miami, Florida, Jesus Pons, of Coral Gables, and former employee of the General Services Administration (GSA) of Miami-Dade County, was sentenced to 51 months in prison, three years of supervised release and ordered to pay \$556,254 in restitution. On Oct. 15, 2014, Pons pleaded guilty to tax evasion. According to the court documents, Pons was a computer services manager at the GSA of Miami-Dade County. He was responsible for managing and allocating resources to information technology projects for the county and supervising and managing tasks performed by county vendors. From 2007 to 2011, Pons received money in the form of illegal kickback payments from two county vendors, Data Industries and Paradyne Consulting Services. In exchange for these illegal kickbacks, Pons approved payments from Miami-Dade County to the vendors for consulting work that was never performed. Pons did not report the illegal kickbacks on his tax returns. From 2007 through 2011, Pons earned \$1,666,998 in income from the scheme that he did not report to the IRS, causing \$556,254 in tax loss.

Former Executive Director of Affordable Housing Organization Sentenced for Conspiracy to Steal Federal Funds

On Oct. 17, 2014, in New Orleans, Louisiana, Stacey Jackson was sentenced to 60 months in prison, three years of supervised release and ordered to pay over \$424,000 in restitution to Housing and Urban Development (HUD) and to individual victims, as well as a \$50,000 fine.

According to court documents, Jackson, the former Executive Director of New Orleans Affordable Homeownership (NOAH), a city agency and non-profit corporation, conspired with others to misuse and personally benefit from federal funds that NOAH had received. HUD, both before and after Hurricane Katrina, provided grant money to the City of New Orleans to address blight within the city and to remediate homes damaged by the storm. Jackson, as the Executive Director of NOAH, was responsible for the day-to-day management of the agency and determined how much each contractor would be paid. Jackson arranged to overpay certain contractors, instructing them to kickback portions of the overpayments to her. Jackson instructed others to pay her kickbacks out of the NOAH money she paid them for work that could not be substantiated by invoices or work actually performed. Additionally, Jackson paid, in part, for a renovation project on property she owned, by using public funds distributed to NOAH. Finally, Jackson provided false and fraudulent documents to a contractor in an effort to mislead the federal grand jury investigation into the fraud.

Former Public Works Authority Official Sentenced for Wire Fraud and Tax Fraud

On April 6, 2016, in Oklahoma City, Oklahoma, Helen Rose Dewey was sentenced to 37 months in prison, three years of supervised release and ordered to pay \$974,034 in restitution to the public works authority and \$233,674 in restitution to the IRS. Dewey pleaded guilty on Nov. 12, 2015, to wire fraud and tax fraud. According to court documents, in 2010, Dewey became the executive assistant to the director of a waste water treatment plant which was owned and operated by a public works authority. As part of her duties, Dewey was authorized to use the public works authority credit cards to make purchases for the wastewater treatment plant. Beginning in January 2008 and continuing to August 2013, Dewey embezzled from the authority by using the credit cards to make unauthorized purchases. In addition, during 2012 and 2013, Dewey embezzled money from the petty cash fund. To conceal her activity, Dewey altered purchase orders and blocked out itemized purchases listed on receipts and falsified claims for approval and payment by the authority. Dewey also falsified her federal tax return for 2012 by grossly under-reporting her income.

Appendix B: Recent Prosecutions on Public Corruption Charges

Tyson Baker, age 43, of Etters, Pennsylvania, was sentenced on March 12, 2018 to 42 months' imprisonment and two years' supervised release. Baker, a former 17 year veteran police officer with the Fairview Township Police Department, was convicted on September 14, 2017, for theft of seized money that was evidence in two separate drug cases. The FBI in Harrisburg received information that Baker stole money from drug traffickers who were arrested, the subject of traffic stops, or both. On November 21, 2015, Baker orchestrated the theft of \$2,000 in drug proceeds seized by the Fairview Township Police Department during a search of a residence that resulted in the seizure of several pounds of marijuana and approximately \$15,000. On December 16, 2015, the FBI arranged for a vehicle operated by an undercover FBI agent to be stopped by Fairview Township Police. Baker had the vehicle towed from the scene and, without a warrant and in spite of directions from an FBI agent not to search the vehicle, Baker searched the vehicle and stole \$3,000 out of \$15,000 concealed in a gym bag in the back of the vehicle. The undercover vehicle was equipped with video recording equipment that recorded Baker going through the vehicle without a warrant.

Barbara Hafer: On October 31, 2017, the former Treasurer of Pennsylvania, Barbara H. Hafer, age 72, of Indiana, Pennsylvania, was sentenced to 36 months' probation for concealing from federal investigators the receipt of hundreds of thousands of dollars in consulting fees. Hafer was charged in July 2016 with two counts of making false statements to federal agents. In May 2016, federal agents interviewed Hafer as a part of an ongoing investigation. During the interview, Hafer concealed her financial relationship with a business person, referred to in the indictment as "Person #1," claiming that this person did not help with her consulting business. When shown a signed contract between Hafer & Associates, LLC, and a company owned by the business person, Hafer denied receiving any payment on the contract. Person #1 had a financial relationship with multiple businesses and had relationships, including fee sharing arrangements, with entities that provided asset management services to the Pennsylvania Treasury while Hafer served as Treasurer.

The Hafer interview took place as part of an ongoing long-term FBI-IRS investigation of alleged pay-to-play activities involving the Pennsylvania State government. The investigation revealed that in February 2005, within weeks of leaving the Office of Treasurer, a firm associated with Person #1 began making payments to Hafer's consulting firm. For a year, Hafer & Associates received \$41,667 a month, totaling the \$500,000 committed in the contract. Further, the investigation found that payments began before the contract was signed by the parties.

Although Hafer claimed that this business person did not help her consulting business, the investigation revealed that the money allegedly accounted for approximately 73% of the funds Hafer & Associates earned in 2005. Person #1 helped Hafer's business by causing the \$500,000 agreement to be entered into between Hafer & Associates and a company associated with Person #1 which did not require Hafer & Associates to achieve any particular result; before the Agreement was signed by all parties, Person #1 caused a company associated with Person #1 to pay the first of 12 monthly installments of \$41,667 due pursuant to the Agreement; Person #1 caused the payment of approximately \$500,000 to be made under the Agreement during the first year Hafer & Associates was in operation; and Person #1 caused an additional \$175,000 to be paid to Hafer's business during calendar years 2006 and 2007.

Hafer served two terms as Pennsylvania's elected State Treasurer from 1997 to 2005 and two terms as State Auditor General from 1989 to 1997.

Timothy B. Riley: On March 30, 2018, Timothy B. Riley, a Narcotics Agent formerly employed with the Pennsylvania Attorney General's Office Bureau of Narcotics Investigations and assigned to the Mobile Street Crimes Unit, pleaded guilty to laundering stolen drug proceeds. Riley admitted that he was part of a conspiracy that stole more than \$800,000 of cash drug proceeds. Riley was notified by his cousin, Michael Riley, about a large amount of cash from a coast-to-coast marijuana trafficking organization that he was transporting in a rental truck in Pennsylvania. Riley and other members of the Mobile Street Crimes Unit met Michael Riley at a truck stop in Carlisle, Pennsylvania and seized approximately \$1,770,650 in cash located in the rental truck. Timothy Riley received three cash payments from the unindicted coconspirators, totaling \$48,000. Timothy Riley then deposited and conducted other financial transactions with that money, knowing it was stolen proceeds of drug trafficking. Sentencing is scheduled for May 2, 2019.

In a related case, U.S. v. John Thomas Oiler, Oiler pleaded guilty on August 29, 2018, to conspiring to launder more than \$800,000 in stolen drug proceeds from a coast-to-coast marijuana trafficking organization. Oiler rented a storage unit in Baltimore and travelled to Pennsylvania. Oiler then took the vast majority of those proceeds, stored them in the rented unit in Baltimore and laundered those funds by conducting numerous financial transactions, including sending cash Timothy B. Riley. Oiler netted about \$400,000 of the proceeds and conducted financial transactions with more than \$240,000 of the proceeds. Sentencing is scheduled for May 15, 2019. Finally, charges of conspiracy to commit money laundering have been filed against Michael Riley and he is scheduled for his arraignment on May 2, 2019.

Robert McCord: On August 28, 2018, former Pennsylvania State Treasurer Robert M. McCord was sentenced to 30 months' imprisonment for two counts of attempted extortion. On February 17, 2015, McCord pleaded guilty and admitted that he attempted to extort campaign contributions from a law firm and a property management company while he was running for Governor by threatening economic harm to the potential donors if they failed to make sufficient campaign contributions. In particular, McCord threatened to use his position as State Treasurer to interfere with the business that the law firm and property management firm were conducting with the state if they did not make the contributions. McCord resigned from the Office of State Treasurer on January 30, 2015.

James Short, Jr.: On July 31, 2018, the former Director of Marketing and Merchandising for the Pennsylvania Liquor Control Board (PA-LCB) was sentenced to two years' probation and six months' house arrest for a scheme to defraud the state, its citizens and the PA-LCB of their right to his honest services as a public official through bribes, kick-backs and concealing information. James H. Short, Jr., age 53, of Harrisburg, Pennsylvania, admitted to the charge of Honest Services Mail Fraud at his guilty plea on September 16, 2015. Short was indicted by a grand jury in August 2015. Short served as the Director of Marketing and Merchandising from approximately 2003 to 2012 and supervised the process through which alcoholic beverages are selected and acquired for sale in Pennsylvania's state-run liquor stores. By pleading guilty Short admitted to approximately 10 years (2002 to 2012) of receiving benefits from a distributor and a manufacturer of alcoholic beverages sold in Pennsylvania's stores. These benefits included all-expense paid golf trips, cash, gift cards, meals, and other benefits. As Director of Marketing and Merchandising for the PA-LCB, Short supervised the process of recommending to the PA-LCB

which new products should be sold and which products should no longer be sold in Pennsylvania's 500 state-run liquor stores.

Division I Men's College Basketball Coaches Sentenced For Their Roles In Bribery

Scheme: Friday, June 7, 2019: Geoffrey S. Berman, the United States Attorney for the Southern District of New York, announced today that LAMONT EVANS, a former assistant men's basketball coach at the University of South Carolina ("South Carolina") and Oklahoma State University ("OSU"), and EMANUEL RICHARDSON, a/k/a "Book," a former assistant men's basketball coach at the University of Arizona ("Arizona"), were each sentenced to three months in prison, and that ANTHONY BLAND, a/k/a "Tony," a former assistant men's basketball coach at the University of Southern California ("USC"), was sentenced to a term of probation, each for accepting cash bribes from athlete advisers in exchange for using their influence over the student-athletes they coached to retain the services of the advisers paying the bribes. The defendants were sentenced this week in Manhattan federal court by U.S. District Judge Edgardo Ramos.

Manhattan U.S. Attorney Geoffrey S. Berman said: "Anthony Bland, Emanuel Richardson, and Lamont Evans, all former men's basketball coaches at NCAA Division I universities, abused their positions as mentors and coaches for personal gain. They took bribes from unscrupulous agents and financial advisers to steer their players to those agents and advisers. For their crimes, Richardson and Evans will serve time in federal prison, while Bland will serve a sentence of probation. These convictions and sentencing send a strong message that bribery in the world of college basketball is a crime, and that those who participate in such crimes will be held accountable for their corrupt actions."

According to the allegations contained in the Complaint, Indictment, Superseding Indictment, evidence presented during the trial, and statements made in Manhattan federal court:

Overview of the Scheme

The U.S. Attorney's Office for the Southern District of New York and the Federal Bureau of Investigation ("FBI") have been investigating the criminal influence of money on coaches and student-athletes who participate in intercollegiate basketball governed by the NCAA. The investigation revealed that numerous basketball coaches at NCAA Division I universities, including EVANS, RICHARDSON, and BLAND, received bribes and agreed to receive bribes in exchange for agreeing to pressure and exert influence over student-athletes under their control to retain the services of the bribe payers, including Christian Dawkins, Merl Code, and Munish Sood, once the athletes entered the National Basketball Association ("NBA").

Beginning in 2016, and continuing into September 2017, when EVANS was arrested, EVANS received approximately \$22,000 in cash bribes from current and aspiring financial advisers and/or managers, including Dawkins and Sood, in exchange for EVANS's agreement to exert his influence over certain student-athletes EVANS coached at South Carolina and OSU to retain the services of the bribe payers once those players entered the NBA. In one meeting recorded during the investigation, EVANS explained how "every guy I recruit and get is my personal kid," and that "the parents believe in me and what I do . . . that's why I say, if I need X, so if I do take X for that, it's going to generate [business] toward you guys," referring to the bribe payers.

EVANS also stated in a call recorded during the investigation how this arrangement was “generating more wealth” for the scheme participants, because they were “able to scratch my back, scratch yours, and help each other with different things and . . . at the same time get compensated and then . . . just go from there.” In return for the cash bribes EVANS received, EVANS, including at in-person meetings, attempted to pressure a player at OSU, and a relative of a different player attending South Carolina, into retaining the financial services of the bribe payers.

Beginning in or around February 2017, and continuing into September 2017, when RICHARDSON was arrested, RICHARDSON received approximately \$20,000 in cash bribes from Dawkins and Sood in exchange for RICHARDSON’s agreement to exert his influence over certain student-athletes RICHARDSON coached at Arizona to retain the services of Dawkins and Sood once those players entered the NBA. For example, in discussing his commitment to steering Arizona players to retain the bribe payers upon entering the NBA, RICHARDSON told an undercover FBI agent and others, during a recorded meeting, “I used to let kids talk to three or four guys, but I was like, why would you do that? You know that’s like taking a kid to a BMW dealer, a Benz dealer, and a Porsche dealer. They like them all . . . You have to pick for them.” In return for the cash bribes RICHARDSON received, RICHARDSON facilitated a meeting between the bribe payers, including Dawkins and Sood, and a relative of a player attending Arizona for the purpose of pressuring that player to retain the financial services of the bribe payers.

Beginning in or around July 2017, and continuing into September 2017, when BLAND was arrested, Dawkins paid a cash bribe to BLAND in exchange for BLAND’s agreement to exert his influence over certain student-athletes BLAND coached at USC, and to retain Dawkins’s and Sood’s business management and/or financial advisory services once those players entered the NBA. In particular, as BLAND told Dawkins and Sood during a recorded meeting, in return for their bribe payment, “I definitely can get the players. . . . And I can definitely mold the players and put them in the lap of you guys.” As part of the scheme, BLAND facilitated a meeting between Dawkins and Sood and a relative of a player attending USC, and a meeting between Dawkins and Sood and a relative of a USC recruit, both for the purpose of pressuring those players to retain the financial services of Dawkins and Sood.

In addition to the prison sentences, Judge Ramos ordered LAMONT EVANS, 41, of Deerfield Beach, Florida, to pay forfeiture in the amount of \$22,000, EMANUEL RICHARDSON, 46, of Tucson, Arizona, to pay forfeiture in the amount of \$20,000, and ANTHONY BLAND, 39, of Gardena, California, to pay forfeiture in the amount of \$4,100. Each of the three defendants was sentenced to two years of supervised release, and EVANS and BLAND were also each sentenced to 100 hours of community service.

Christian Dawkins and Merl Code were each found guilty by a unanimous jury on May 8, 2019, of one count of conspiracy to commit bribery, which carries a maximum sentence of five years in prison. Dawkins was also convicted of an additional count of bribery, which carries a maximum sentence of 10 years in prison. Sentencing is scheduled for August 15, 2019, before Judge Ramos.

Munish Sood, a financial adviser, previously pled guilty, pursuant to a cooperation agreement with the Government, in connection with this scheme and is awaiting sentence.

Appendix C: Examples of recent cases of public corruption investigated by the FBI

Retired Massachusetts State Trooper Sentenced in Overtime Abuse Investigation June 24, 2019

Drug Conspiracy Convictions of Former Fresno Deputy Police Chief Affirmed on Appeal June 21, 2019

Former Massachusetts State Trooper Sentenced in Overtime Abuse Investigation June 20, 2019

Former Hadley Police Officer Sentenced for Using Excessive Force and Obstructing Investigation June 20, 2019

Former Bailiff Sentenced in Drug Conspiracy June 19, 2019

Former Police Officer Sentenced to Prison for Using Unreasonable Force June 19, 2019

Officer Accused of Bilking East St. Louis Police Department with Fraudulent Overtime Requests June 19, 2019

Employee of Federal Contractor Pleads Guilty to Federal Bribery Charge for Accepting Cash to Falsify Urinalysis Results to U.S. Probation and Pretrial Services June 17, 2019

Former Avoyelles Correctional Center Warden and Ex-Wife Sentenced to Prison for Stealing Taxpayer Money for Personal Benefit June 17, 2019

Former Village of Posen President Guilty of Embezzlement June 13, 2019

Former Health Care Executive Pleads Guilty to Bribing Arkansas State Senator June 12, 2019

Former Bucks County Judge Sentenced to Six and One Half Years in Prison for Public Corruption June 10, 2019

Division I Men's College Basketball Coaches Sentenced for Their Roles in Bribery Scheme June 7, 2019

Former Fifth Circuit Solicitor Sentenced to Federal Prison June 6, 2019

Former Hudson County Public Official Charged with Accepting Bribes for Patient Referrals June 6, 2019

Franklin Police Officer Pleads Guilty in Federal Court June 5, 2019

Former Airport Official Convicted in Record Setting Bribe and Kickback Scheme June 5, 2019

Two Massachusetts State Troopers Sentenced in Overtime Abuse Investigation June 4, 2019

Former St. Louis County Chief of Staff Pleads Guilty to Pay to Play Scheme May 31, 2019

Former Baltimore Police Sergeant Pleads Guilty to Conspiracy to Deprive Civil Rights for Assisting a Member of the Baltimore Police Gun Trace Task Force by Planting a Gun at the Scene of an Arrest May 31, 2019

Hoboken Man Admits Conspiring to Promote a Voter Bribery Scheme May 30, 2019

Two Contractors and One Puerto Rico Senate Employee Indicted and Arrested for a Scheme to Defraud May 30, 2019

Law Enforcement Officers Indicted for Extortion and Fraud May 30, 2019

Paterson Contractor Admits Role in Scheme with Former Municipal Utilities Authority Commissioner to Steal Funds and Pay Kickbacks May 29, 2019

Former Chief Deputy Nassau County Executive Pleads Guilty to Obstruction of Justice May 29, 2019

Queens Attorney Convicted of Scheme to Bribe a Witness in Double Homicide Trial on Long Island May 28, 2019

Former Lackawanna County Prison Contract Employee Charged with Conspiracy to Provide Drugs and Contraband to Inmates May 28, 2019

Owner of California Company Sentenced for Conspiring to Bribe an Alabama Legislator May 28, 2019

Wife of Former Mississippi Representative Sentenced for Paying Kickbacks to Former Corrections Commissioner May 24, 2019

Former FEMA Employee Charged with Stealing Government Property May 24, 2019

Bank CEO Stephen M. Calk Charged with Corruptly Soliciting a Presidential Administration Position in Exchange for Approving \$16 Million in Loans May 23, 2019

Three Parents in College Admissions Case Plead Guilty May 22, 2019

Former Burns Municipal Airport Manager Sentenced to Probation for Stealing Surplus Federal Property May 22, 2019

Prison Consultant Pleads Guilty to Participating in Conspiracy to Defraud Federal Bureau of Prisons May 21, 2019

Lake Delton Woman Pleads Guilty to Public Corruption Crime Involving \$358,000 Embezzlement May 21, 2019

Eagle Butte Woman Sentenced for Theft From an Indian Tribal Organization May 16, 2019

Former Louisiana Corrections Officers Sentenced for Roles in a Conspiracy to Cover Up Abuse of Inmates May 15, 2019

State Representative Larry Inman Indicted May 15, 2019

Bribe Payer in DCS Scheme Sentenced to Seven Years in Federal Prison, Ordered to Pay \$125M in Restitution May 15, 2019

Paterson Police Officer Admits Conspiring to Violating Civil Rights, Filing a False Police Report May 13, 2019

Jeremy Reichberg Sentenced to 48 Months in Prison for Orchestrating New York PD Bribery Scheme and Obstructing Justice May 13, 2019

Former Massachusetts State Trooper Sentenced for Overtime Abuse May 10, 2019

Local Businessman is Indicted for Bribery Scheme Involving Former County Executive May 10, 2019

Former Executive Director Indicted for Embezzling Hundreds of Thousands of Dollars From Queens-Based Non-Profit May 10, 2019

Superseding Indictment Adds Developer/Entrepreneur to Racketeering Conspiracy May 9, 2019

Former Jefferson Parish Councilman Charged in 29-Count Indictment with Tax Evasion and Wire Fraud May 9, 2019

Former State Judicial Marshal Who Assisted Drug Dealer is Sentenced May 8, 2019

Chester County Sheriff, Lieutenant, and Chief Deputy Indicted on Federal Charges May 7, 2019

Hoboken, New Jersey Man Admits Promoting Voter Bribery Scheme May 7, 2019

St. Louis County Executive Pleads Guilty to Pay to Play Scheme May 3, 2019

The Last of Four Defendants Were Sentenced to Prison for Their Roles in a Conspiracy to Defraud the MetroHealth Hospital System and Others Through a Series of Bribes and Kickbacks May 3, 2019

Political Consultant and Attorney Sentenced to 18 Months for Role in Two Campaign Finance Schemes May 3, 2019

Former U.S. Army Employee at Picatinny Arsenal Sentenced to Five Years in Prison for Receiving Bribes and Directing Kickbacks May 1, 2019

Current City Official, Former Dayton City Commissioner Among Those Charged with Fraud April 30, 2019

Mississippi County Sheriff Sentenced to 10 Months for Fraud and Identity Theft April 29, 2019

Former United States Postal Service Manager Pleads Guilty to Bribery, Witness Tampering, and False Statements to Federal Officials April 29, 2019

Former Correctional Officer Sentenced After Smuggling Narcotics Into Hays State Prison April 29, 2019

Former FCI Danbury Correctional Officer Sentenced to Prison for Sexually Abusing Inmate April 29, 2019

Former Philadelphia Police Officer Sentenced to Nine Years in Federal Prison for Conspiring with Former Baltimore Police GTTF Detective to Distribute Heroin and Other Narcotics April 26, 2019

Former Linn County Attorney Pleads Guilty to Thefts of Public Property April 24, 2019

L.A. County Public Official and Contractor Who Paid Him Bribes Agree to Plead Guilty to Federal Bribery and Tax Charges April 24, 2019

Former Sheriff of Tallahatchie County Sentenced to Federal Prison for Accepting Bribes April 18, 2019

Former Airport Contractor Pleads Guilty to Conspiring to Steal Over \$100,000 from the Wayne County Airport Authority April 18, 2019

Former Delaware Public Officer Pleads Guilty in Three-Million-Dollar Federal Bribery Case April 17, 2019

Real Estate Developer Indicted on Federal Bribery Charges in Connection with Northwest Side Redevelopment Project April 12, 2019

Former Chief Operating Officer of MetroHealth Hospital System Sentenced to More Than 15 Years in Prison for His Role in a Conspiracy to Defraud the Hospital and Others Through a Series of Bribes and Kickbacks April 11, 2019

Charity Executives, Arkansas State Senator Indicted for Embezzlement and Public Corruption Scheme April 11, 2019

Former Army Contractor Sentenced to 30 Months in Federal Prison for Bribery Scheme Involving Contracts at Aberdeen Proving Ground April 10, 2019

Former Councilman Larry Duncan Sentenced to Six Months' House Arrest in Public Corruption Probe April 9, 2019

Former Donna ISD Police Officer Heads to Prison for Assisting 'Rip Crew' April 9, 2019

Former City of Detroit Building Authority Official and Former Executive at Adamo Group Plead Guilty to Bribery Conspiracy in Connection with the Detroit Demolition Program April 9, 2019

Former Philadelphia Police Officer Sentenced to Prison for Fraud and Ordered to Forfeit Over \$653,000 in Ill-Gotten Gains April 9, 2019

Former Dallas Mayor Pro Tem Dwaine Caraway Sentenced to 56 Months in Bribery Scheme April 8, 2019

Fourteen Defendants in College Admissions Scandal to Plead Guilty April 8, 2019

Appendix D: Regional Corruption Hotlines

Local FBI phone number hotlines for reporting corruption.

- Albuquerque, NM: (505) 889-1580
- Birmingham, AL: (844) 404-TIPS
- Boston, MA: (844) NOBRIBE
- Columbia, SC: (803) 551-4200
- Denver, CO: (888) 232-3270
- Indianapolis, IN: (317) 845-4812
- Jacksonville, FL: (888) 722-1225
- Kansas City, MO: (855) KCPCTIP
- Knoxville, TN: (888) 678-6720
- Little Rock, AR: (501) 221-8200
- Los Angeles, CA: (855) 5 BRIBES
- Louisville, KY: (844) KYNOPC1
- New Haven, CT: (800) CALL-FBI
- New Orleans, LA: (504) 816-3000
- New York, NY: (212) 384-1000
- Norfolk, VA: (844) FIGHTPC
- Omaha, NE: (402) 492-8688
- Pittsburgh, PA: (412) 432-4122
- Portland, OR: (503) 460-8585
- Puerto Rico: (877) FBI-SJPR
- Richmond, VA: (804) 627-4597
- Sacramento, CA: (855) 466-7243
- San Diego, CA: (877) NO-BRIBE
- San Francisco, CA: (415) 553-7400, ext. 5
- Springfield, IL: (877) U-TIP-OFF
- Washington, D.C. (Northern Virginia): (703) 686-6225
- U.S. Virgin Islands: (340) 774-9296

Appendix E: Nationwide Federal Prosecutions Of Corrupt Public Officials 2017

Federal Officials	
Charged	383
Convicted	334
Awaiting Trial	169
State Officials	
Charged	63
Convicted	68
Awaiting Trial	53
Local Officials	
Charged	223
Convicted	208
Awaiting Trial	150
Others Involved	
Charged	194
Convicted	227
Awaiting Trial	149
Totals	
Charged	863
Convicted	837
Awaiting Trial	521