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FORMER DEPARTMENT OF DEFENSE OFFICIAL SENTENCED FOR STEALING OVER \$100,000 IN DOD INTELLIGENCE FUNDS

WASHINGTON – A former Intelligence Contingency Funds (ICF) officer for the Department of Defense, was sentenced to 12 months in prison for stealing over \$100,000 in intelligence funds from his former employer, Assistant Attorney General Alice Fisher for the Criminal Division announced today.

In addition to the prison sentence, U.S. District Judge Rosemary M. Collyer for the District of Columbia ordered John Taylor, 48, of Columbus, Ga., to serve three years of supervised release and ordered him to pay more than \$106,500 in restitution to the United States government.

On March 2, 2007, Taylor pleaded guilty to a one count information charging him with theft and embezzlement of government property. A civilian DOD employee who worked as an ICF officer, Taylor was assigned to the 500th Military Intelligence Brigade as part of the U.S. Army Intelligence and Security Command, and he was located in Camp Zama, Japan, approximately 25 miles southwest of Tokyo. In this role, Taylor was responsible for budgeting, disbursing, and accounting for Intelligence Contingency Funds, which were DOD monies intended for and made available to DOD intelligence agents in furtherance of their official duties. Taylor was also required to manage classified bank accounts and supervise agents engaged in classified intelligence-gathering activity.

As part of his plea, Taylor admitted that, from 2003 through January 2006, he used his official position to steal at least \$106,000 in DOD funds designated for intelligence-related activities. Taylor embezzled the money by withdrawing cash from a government bank account whose funds were intended for intelligence agents. To conceal his acts, Taylor falsified DOD accounting vouchers and forms.

The case was prosecuted by John P. Pearson of the Public Integrity Section, which is headed by Section Chief William M. Welch II, of the Criminal Division. The case was investigated by the Criminal Investigation Division of the U.S. Army and the Federal Bureau of Investigation, in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As

part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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