

**REPORT TO CONGRESS**  
**ON THE ACTIVITIES AND OPERATIONS**  
**OF THE**  
**PUBLIC INTEGRITY SECTION**  
**FOR 1995**



**Public Integrity Section**  
**Criminal Division**  
**United States Department of Justice**

**Submitted Pursuant to**  
**Section 603 of the Ethics in Government Act of 1978**

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**ON THE**  
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**OF**  
**THE PUBLIC INTEGRITY SECTION**  
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**Section 529 of the Ethics in Government Act of 1978**

## INTRODUCTION

This Report to the Congress, prepared as required by Section 529 of the Ethics in Government Act of 1978, details the activities and operations of the Public Integrity Section and provides statistics concerning the nationwide effort against corruption for calendar year 1995.

The Public Integrity Section was established in 1976. The Section was given the responsibility for overseeing the federal effort to combat corruption through the prosecution of elected and appointed public officials at all levels of government. The Section is also responsible for supervising the handling of investigations and prosecutions of election crimes. Its attorneys prosecute selected cases against federal, state, and local officials, and are available as a source of advice and expertise to prosecutors and investigators.

The Public Integrity Section also supervises the administration of the Independent Counsel provisions of the Ethics in Government Act. In addition, the Section serves as the Justice Department's center for the handling of issues that may arise from time to time regarding public corruption investigations and prosecutions.

The Section maintains a staff of approximately 25 to 30 attorneys including experts in election law, the laws prohibiting conflicts of interest and bribery, the Independent Counsel provisions, and the statutes providing federal jurisdiction over corruption at the state and local levels. As can be seen from the cases detailed in Part II of this Report, the Section handled a number of significant cases in 1995. Lee J. Radek served as Chief of the Section throughout 1995.

Part I of this Report describes the operations and functions of the Public Integrity Section, highlighting major activities; Part II details the cases prosecuted by the Section; and Part III presents data on the national effort to combat public corruption during 1995, based on the Section's annual nationwide survey of United States Attorneys.

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## PART I

# OPERATIONAL RESPONSIBILITIES OF THE PUBLIC INTEGRITY SECTION

### A. Responsibility for Litigation

Most of the Public Integrity Section's resources are devoted to litigation and supervision of investigations involving alleged abuses of the public trust. Decisions to undertake particular investigations and prosecutions are made on a case-by-case basis, based on the following considerations:

#### 1. Recusals

As can be seen from the statistical charts at the end of this Report, the vast majority of federal corruption prosecutions are handled by the United States Attorney's Office in the district where the offense occurred. However, corruption cases more often than routine criminal prosecutions raise unique problems of public perception. In conducting government corruption investigations and prosecutions, it is particularly important that the appearance as well as the reality of fairness and impartiality be maintained. Therefore, if the United States Attorney has had a significant business, social, political, or other relationship with any subject or principal witness in a corruption case, it is generally inappropriate for the United States Attorney or his or her office to conduct the investigation and prosecution. Cases in which the conflict is substantial are usually referred to the Public Integrity Section for prosecution or direct supervision.

Cases involving federal judges and other judicial officers always require the recusal of the United States Attorney's Office because the prosecutors in the Office are likely to have to appear before the judge and have professional dealings with the court during and after the investigation. Thus, as a matter of established Department of Justice policy, all such cases are handled by the Public Integrity Section.

Conflict of interest considerations similar to those that arise when the subject of an investigation is a federal judge often arise when the target of the investigation is a federal investigator, prosecutor, or other employee who works in or closely with a United States Attorney's Office. Such cases may also require recusal of the Office, and are frequently referred to the Public Integrity Section, where they constitute a significant portion of its case load. For example, during 1995, Section attorneys handled a case involving a Resident Agent in Charge of the United States Customs Service (USCS) who was found guilty by a jury of illegally paying government funds to his wife as a confidential informant. The close working relationship between the USCS and the United States Attorney's Office would have made an investigation and prosecution by that Office awkward at best, and such an inquiry would have been open to allegations of bias and favoritism that must be avoided if possible in any federal prosecution.

## **2. Sufficiency of Local Resources**

When the available prosecutorial resources in the United States Attorney's Office are insufficient to undertake a significant corruption case, and the United States Attorney requests the Section's assistance, the Public Integrity Section has historically provided experienced federal prosecutors, skilled in the nuances of corruption cases, to serve as co-counsel. For example, the Section provided personnel and expertise, including assistance at several trials, to the United States Attorney's Office for the Eastern District of Kentucky in the handling of "Operation Boptrot," the Justice Department's wide-ranging investigation of corruption in the Kentucky state legislature.

The Section's participation in cases at the request of the United States Attorney also serves as valuable training to prosecutors in the field, who learn through working with Section attorneys about the applicable statutes and the investigative techniques most useful in corruption cases.

## **3. Sensitive or Multi-District Cases**

In addition to cases in which there are formal recusals or in which manpower is requested or needed, the Public Integrity Section may become involved at the request of the Assistant Attorney General for the Criminal Division in highly sensitive matters and in matters that extend beyond district lines. Sensitive cases include those which, because of their importance, require close coordination with high Department of Justice officials, require a significant amount of coordination with other federal agencies in Washington, involve classified materials, or are so politically controversial on a local level that they are most appropriately handled out of Washington. When an investigation crosses district lines, the Section can provide coordination among various United States Attorneys' Offices, or, when appropriate, can assume operational responsibility for the entire investigation.

## **4. Federal Agency Referrals**

Referrals from the federal agencies are an important part of the Section's workload. The Section works closely with the Offices of Inspector General for the various agencies, encouraging their investigations, coordinating joint investigations between the Federal Bureau of Investigation (FBI) and Inspectors General and ensuring that their cases receive prompt prosecutive attention. The Section also invests time in training the agencies' investigators in the statutes involved in corruption cases and the investigative approaches that work best in such cases. As one example of how successful such cases can be, an investigation referred by the Department of Justice Inspector General's Office resulted in thirteen convictions stemming from "Operation Byte," an investigation into manipulation of the central computer system of the Immigration and Naturalization Service (INS). As a result of the investigation, improvements were made to the computer system to

make it easier to detect and prosecute illegal alterations by INS employees. Those improvements as well as techniques developed in Operation Byte were later used to successfully investigate and prosecute participants in a similar scheme in Los Angeles.

The Section has also focused particular attention on referrals from the various intelligence agencies; matters involving these agencies' employees often are unusually sensitive, requiring high-level clearances and the application of specialized statutes. For example, the Section received a referral involving a senior program manager of the Defense Intelligence Agency (DIA) who was tried and convicted on charges of conspiracy to defraud the United States, making a false statement, and conflicts of interest. The \$400,000 fraud was implemented through a DIA program that involved a highly technical electronic warfare countermeasures system. Various aspects of the case implicated classified national security information and required special litigation under the Classified Information Procedures Act. As a result of the Section's work, a senior official of the National Security Agency pled guilty to theft of government funds.

## **B. Special Section Priorities**

### **1. Independent Counsel Matters**

Since the Ethics in Government Act was passed, the Public Integrity Section has been responsible for supervising the administration of the Independent Counsel provisions of the Act, codified at 28 U.S.C. §§ 591-599. Both the procedures and time limits of the Independent Counsel provisions are strict, and these matters are usually very sensitive. Therefore, they are handled as the highest priority of the Section. At the same time, the legal issues involved in analyzing these matters are often extremely complex and novel, and attorneys handling the preliminary investigations are required to come to difficult conclusions about these sensitive matters without the benefit of the fully developed facts with which prosecutors in corruption matters are accustomed to dealing. The number of Independent Counsel matters handled by the Section has increased steadily over the years, to the point that handling such matters has become a significant portion of the Section's workload.

The Independent Counsel provisions are triggered if specific information alleging that any of certain specified high government officials has committed a crime is received from a credible source by the Justice Department. The Attorney General must then request that a special panel of federal judges appoint an Independent Counsel, unless a brief preliminary investigation, limited to 90 days, establishes there are no reasonable grounds to believe that further investigation or prosecution is warranted. The Public Integrity Section is responsible for supervising the initial investigation and preparing a recommendation to the Attorney General as to whether the Independent Counsel provisions have been triggered and whether any further investigation is warranted.

In addition to its work on preliminary investigations under the statute, the Section also serves as the principal liaison between the ongoing independent counsels and the

Department of Justice, some of which have absorbed substantial Section resources. The Section has handled independent counsel inquiries concerning legal issues, Departmental policies, requests for documents, and interviews of Departmental personnel.

## 2. Election Crimes

The Section's Election Crimes Branch coordinates the Department's efforts to respond effectively to federal crimes involving the electoral process. These include: crimes involving the voting process (i.e., "voter frauds"); campaign financing crimes, including criminal violations arising under the Federal Election Campaign Act 2 U.S.C. §§ 431-456 (FECA); violations of various federal laws dealing with patronage crimes and offenses arising under the Federal Hatch Act; and matters involving illegal lobbying with appropriated funds.

a. Field Support and Consultation. The Branch gives advice and assistance to the United States Attorneys' Offices regarding the application of federal criminal laws to election fraud and campaign-financing abuses. The Branch also supervises the Department's use of the federal conspiracy and false statements statutes (18 U.S.C. §§ 371 and 1001) to address aggravated schemes to subvert the federal campaign-financing requirements of the FECA. Finally, the Branch reviews all major election-fraud investigations and criminal cases brought under federal law throughout the country, as required by Department procedures.

During 1995, the Branch assisted the United States Attorneys' Offices with significant election-fraud investigations in Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kentucky, Massachusetts, Louisiana, Maryland, Minnesota, Nevada, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Washington, and West Virginia.

b. Education and Training. In order to promote greater awareness of election crimes and the Department's prosecutive responsibility in this area, the Branch provides lectures at training seminars held for prosecutors, investigators, and election officials. During 1995, the Branch participated in six federal and state-sponsored training conferences. The Director of the Election Crimes Branch addressed the annual convention of the National Association of Counties and the International Association of Clerks, Election Officers and Treasurers, the latter being principal professional organization representing the election industry; he presented instructional programs on election crime issues to the Election Commissioners Association of Mississippi, the Georgia Association of Election Commissioners; and he was an instructor on election crimes for the Attorney General's Advocacy Institute and the FBI.

c. Legislation. The Branch reviews all proposed legislation which would affect the election process or the regulation of campaigns, and frequently plays a significant role in formulating the Department's position in these areas. During 1995, the Branch continued to assist the Department in its efforts to obtain the enactment of the Department's Anti-Corruption Act, which contains election-crime provisions drafted by the Election Crimes



Branch. Further, the Branch was involved in significant legislative initiatives in 1995 dealing with the Hatch Act, implementation of the National Voter Registration Act, and the numerous bills proposing amendments to the FECA.

d. Litigation. The Branch at times assumes operational responsibility for the prosecution of significant cases involving voter frauds and campaign financing crimes.

e. Inter-Agency Liaison. The Branch is the formal liaison between the Justice Department and the Federal Election Commission (FEC), with which the Department shares enforcement jurisdiction over violations of the FECA. The Branch also serves as the Department's point of contact with the United States Office of Special Counsel (OSC). The OSC has jurisdiction over noncriminal violations of the Hatch Act, 5 U.S.C. §§ 7321-7326 and §§ 1501-1508, which may also involve criminal patronage abuses which are within the Department's jurisdiction.

f. International Cooperation. During 1995, the Branch continued to be involved in official exchanges with election officials and lawmakers from other countries aimed at sharing expertise concerning election administration and voter fraud prevention. These activities were conducted under the auspices of the FEC, the United States Information Service and the Criminal Division's Office of International Affairs. During 1995, the Branch delivered briefings to delegations of senior government officials from Italy, Kazakhstan, Kyrgyzstan, Uzbekistan, Hungary, Panama, Russia, Mexico, Canada, Argentina, Chili, Namibia, Republic of South Africa, Hong Kong and Columbia.

g. National Election Day Watch Program. The Branch is responsible for ensuring that an Assistant United States Attorney is appointed in each judicial district to serve as the District Election Officer, and for providing assistance to these prosecutors in responding to election complaints in their district.

### 3. Conflict of Interest Crimes

Conflicts of interest is a wide-ranging and complex area of law, with many layers of administrative responsibility. The Public Integrity Section's role comes into play with respect to a narrow group of conflicts matters, those allegations which involve criminal misconduct. Investigation of these allegations is coordinated with the FBI or the Inspector General for the agency concerned, or both.

The Section also has a number of legislative responsibilities with respect to the conflict of interest laws, a role that has been particularly significant in recent years with the surge of interest in more effective legislation governing government ethics. The Section develops and reviews legislative proposals relating to criminal conflicts of interest, but also devotes considerable resources to the review of noncriminal legislative proposals that overlap, sometimes in a subtle manner not envisioned by a bill's drafters or sponsors, with the criminal statutes. The principal objective is to assure that the impact of proposed legislation

on criminal law enforcement is recognized and is consistent with policy reflected in the criminal statutes. Responsibilities of the Section include formulating policy, drafting legislation and correspondence, reviewing legislative activity of other executive branch agencies, preparing congressional testimony, and providing technical advice to Department officials.

Coordination with other government offices on conflicts matters is a crucial role of the Section, to ensure that our efforts are complementary and consistent. The Office of Government Ethics plays the most important role in that effort. The Section also frequently provides instruction focusing on the conflicts of interest laws to investigators with the various Offices of Inspectors General, and the Section's Principal Deputy Chief serves on the faculty of the Advanced Financial Fraud Training Program of the Financial Fraud Institute at the Federal Law Enforcement Training Center.

### **C. Technical Assistance**

In addition to its litigation responsibilities, the Section provides technical assistance and support services to law enforcement officials at all levels of government.

#### **1. Advice and Training**

The Public Integrity Section is staffed with specialists who have considerable experience in prosecuting corruption cases. When not operationally involved in a case, Section attorneys are available to advise investigators and prosecutors on substantive questions, investigative methods, indictment drafting, and motions.

During 1995, the Section continued to devote substantial efforts to formal training of investigators and prosecutors. For several years, the Section has sponsored an annual four-day training seminar for prosecutors and agents involved in public corruption investigations and prosecutions. The Section again held a seminar in 1995, co-sponsored by the Attorney General's Advocacy Institute. The seminar was an outstanding success, providing intensive training to approximately 80 prosecutors. The seminars provided legal training in the statutes most commonly used in corruption cases, guidance in the use of the complex and difficult investigative techniques necessary to investigate corruption, and advice from experienced prosecutors on conducting corruption trials.

#### **2. Consultation**

In order to achieve a degree of national uniformity among corruption prosecutions, the Section reviews certain investigations and indictments proposed by the United States Attorneys' Offices, as directed by the Assistant Attorney General for the Criminal Division.

### **3. Legislative Activity**

A major responsibility of the Public Integrity Section is the review and coordination of legislation affecting the prosecution of public officials. The Section is often called upon to provide comments on proposed legislation, to draft testimony for congressional hearings, and to respond to congressional inquiries.

### **4. General Assistance and Supervision**

Departmental supervision of prosecutions is often important in public corruption cases, which are frequently controversial, complex, and highly visible. Section attorneys are occasionally called upon to conduct a careful review of such sensitive cases, evaluating the quality of the investigative work and the adequacy of the proposed indictments. The presence of Public Integrity Section attorneys helps to ensure that these important public corruption cases are properly developed and brought to trial, since the Section can often identify problems early on and either provide needed assistance, or, if necessary, assume operational responsibility for the prosecution.

The Section has considerable expertise in the supervision and oversight of the use of undercover operations in serious corruption cases. During 1995, the Section's Chief served on the FBI's Undercover Review Committee. Additionally, a number of the Section's senior prosecutors have experience in both the practical and legal problems and the valuable investigative benefits involved in such operations. Thus, the Section has the ability to employ effectively this sensitive investigative technique and to advise law enforcement personnel on its use.

The Section serves as a legal advisor to the Integrity Committee of the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE). The PCIE/ECIE is a body composed of the inspectors general for federal agencies. The Integrity Committee of the PCIE/ECIE has been charged with the responsibility to review numerous allegations against inspectors general and certain members of their staff. The Section reviews allegations received by the Integrity Committee to determine whether a criminal investigation is warranted prior to the Integrity Committee's review. The Section also advises the Integrity Committee on matters of policy for the investigation of such allegations, and in 1995 participated substantially in developing an Executive Order to govern such allegations.

Finally, the Section provides numerous other miscellaneous support services to United States Attorneys in connection with corruption cases. Much of this support comes in the form of serving as liaison with other components of the Department in order to expedite approval of such procedures as immunity requests, Title III wiretapping orders, and witness protection program applications.

**PART II**

**PUBLIC INTEGRITY SECTION**  
**INDICTMENTS, PROSECUTIONS AND APPEALS**  
**IN 1995**

As described above, the participation of the Public Integrity Section in the prosecution of public corruption cases ranges from sole responsibility for the entire case to approving an indictment or providing advice on the drafting of charges. This portion of the Report describes each case either handled solely by the Section, or in which it shared substantial operational responsibility with a United States Attorney's Office during 1995. Related cases are grouped together, set off by double lines. The public corruption cases handled every year solely by the United States Attorneys' Offices are reflected in the statistics set forth in Part III of this Report.

This section of the Report is divided according to the level of government affected by the corruption. The prosecutions and indictments reported below reflect the Section's work during 1995 and the status of its cases as of December 31, 1995. This section of the Report also provides statistics on the number of matters closed without prosecution during 1995, and the number of matters open at the end of the year.

<b>FEDERAL JUDICIAL BRANCH</b>
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During 1995, the Public Integrity Section closed five matters involving judicial corruption without indictment. Fifteen such matters were under investigation at the end of 1995. During 1995, the Section handled the following cases involving crimes affecting the judicial branch:
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**United States v. Robert P. Aguilar, Northern District of California**

In 1995, the Supreme Court reviewed the conviction of United States District Judge Robert P. Aguilar. Aguilar was convicted after two trials in 1990 of disclosing a wiretap and obstruction of justice. In 1994, the Court of Appeals reversed Aguilar's convictions on both counts. In June of 1995, the Supreme Court agreed with the Court of Appeals' reversal of Aguilar's obstruction conviction, but disagreed with the reversal of his wiretap disclosure conviction, and remanded for further consideration. On remand, the Court of Appeals reversed Aguilar's wiretap disclosure conviction based upon a faulty jury instruction. Judge Aguilar has since agreed to resign from the bench, and the Section agreed not to pursue a third trial on the wiretap disclosure offense.

### **United States v. Atkin, Northern District of Ohio**

On June 21, 1995, Cleveland attorney Sanford I. Atkin was convicted on 28 felony counts after a three-week jury trial. All of the charges stemmed from Atkin's execution of a "rainmaking" scheme in which he accepted \$550,000 from international pornographer Reuben Sturman on the false representation that he would use the money to bribe the federal judge presiding over Sturman's criminal tax trial. There is no evidence to indicate that the judge received any money from Atkin or was otherwise corruptly influenced. The jury also returned a separate forfeiture verdict against Atkin in the amount of \$250,000.

Atkin was found guilty of two counts of obstructing justice, seven counts of interstate transportation of property obtained by fraud, eleven counts of money laundering, four counts of tax evasion, and four counts of filing false income tax returns. Atkin was acquitted on a single witness tampering charge.

On September 14, 1995, Atkin was sentenced to 63 months of imprisonment, three years of supervised release and a \$12,500 fine.

### **United States v. Sturman and Delgado, Northern District of Ohio**

On July 14, 1995, the Sixth Circuit Court of Appeals affirmed a 21-month sentence that had been imposed on Naomi Delgado for jury tampering and witness tampering. Delgado and her former husband and co-defendant Reuben Sturman had entered unconditional guilty pleas just prior to jury selection. The prosecution of Sturman and Delgado stemmed from the judicial corruption investigation of Cleveland attorney Sanford I. Atkin, described above.

Delgado and Sturman had pled guilty to both counts of a superseding indictment charging each with jury tampering and witness tampering. Sturman, an international pornographer, had been previously convicted in 1989 of conspiracy, tax evasion and obstruction of justice.

Count one of the indictment charged Delgado and Sturman with attempting to influence a juror during Sturman's 1989 trial. Near the end of his trial, Delgado, acting on Sturman's direction, met with a juror and attempted to persuade him to vote not guilty.

Count two of the indictment involved attempts by both defendants to tamper with witnesses subpoenaed to testify before a grand jury regarding Sturman's escape from prison in 1992. In January 1993, two of Sturman's employees were served with grand jury subpoenas. Both Sturman and Delgado admitted that they instructed these witnesses to lie to the grand jury.

Sturman was sentenced to 27 months of imprisonment and three years of supervised release. Delgado was sentenced to 21 months of imprisonment and two years of supervised release. The court ordered that Sturman's sentence run concurrently with sentences he is

currently serving for tax evasion (ten years), racketeering (four years), and extortion (29 1/2 years).

### FEDERAL LEGISLATIVE BRANCH

During 1995, the Public Integrity Section closed eight investigations involving allegations of corruption or misconduct within or involving the legislative branch. As of December 31, 1995, seven such matters were pending in the Section. Also during 1995, the Section prosecuted the following cases involving the legislative branch:

#### United States v. Anderson, District of Columbia

On March 23, 1995, Lee Anderson, wife of former United States Congressman Glenn M. Anderson, pled guilty to one misdemeanor count of theft of government property. Lee Anderson admitted to unlawfully converting congressional travel reimbursement funds to the 1992 congressional campaign of her son, Evan Anderson Braude, who ran for former Congressman Anderson's congressional seat.

Mrs. Anderson was a key figure in Braude's campaign, making campaign hiring decisions, approving campaign expenses, and organizing campaign events. In May 1992 and again in November 1992, during the period of time preceding the primary and general elections, she directed members of Congressman Anderson's D.C. staff to travel to California at the expense of the U.S. House of Representatives to campaign for Evan Anderson Braude.

On June 12, 1995, Lee Anderson was sentenced to one year of supervised probation, 100 hours of community service and a \$5,000 fine. Anderson was also ordered to pay \$2,342.67 restitution. Additionally, the Judge ruled that Anderson could not leave California without first seeking permission of the Court.

#### United States v. Bresnahan, District of Columbia

On April 5, 1995, Jeremiah F. Bresnahan, Administrative Assistant to former Congressman Glenn M. Anderson, was sentenced to two years of supervised probation and a \$500 fine pursuant to his guilty plea to one felony count of theft of government property.

Bresnahan, at the direction of the Congressman's wife, travelled to California from Washington, D.C., to campaign for Congressman Anderson's stepson, Evan Anderson Braude, while claiming to be on official business. Bresnahan instructed four other staffers to campaign for Braude at the Government's expense during the elections and to make it appear that the congressional employees were each conducting official business.

Bresnahan and the other staffers submitted official travel vouchers unlawfully seeking reimbursement for their travel expenses from the U.S. House of Representatives.

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**United States v. Bustamante, Western District of Texas**

On February 13, 1995, the United States Court of Appeals for the Fifth Circuit affirmed the conviction and sentence of former United States Congressman Albert Bustamante. Bustamante had been convicted after a jury trial of conducting the affairs of his congressional office through a pattern of racketeering activity consisting of one act of bribery and one act of accepting an illegal gratuity. He was also convicted of accepting an illegal gratuity. The district court sentenced Bustamante to 42 months of imprisonment and a \$55,000 fine.

On November 13, 1995, the Supreme Court of the United States denied the petition for certiorari filed by Bustamante.

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**United States v. Durenberger, District of Columbia**

On February 24, 1995, the United States Court of Appeals for the District of Columbia Circuit upheld charges against former United States Senator David F. Durenberger. Durenberger was charged with submitting and conspiring to submit fraudulent travel vouchers to the Senate, claiming that he had rented a condominium for \$85 per night from a company owned by a political supporter when he actually owned the condominium himself.

On August 22, 1995, Durenberger pled guilty to a five-count misdemeanor Information charging him with knowing and willful conversion of United States Senate funds.

On November 29, 1995, Durenberger was sentenced to one year of probation, 75 hours of community service, and a \$1,000 fine.

## **FEDERAL EXECUTIVE BRANCH**

The Public Integrity Section closed 130 matters involving allegations of corruption or misconduct within the executive branch during 1995. As of December 31, 1995, 191 such matters were pending in the Section. Also during 1995, the Section prosecuted the following cases involving executive branch corruption and misconduct:

### **United States v. Ashby, District of Arizona**

On April 10, 1995, Richard N. Ashby, former Resident Agent in Charge, Office of Enforcement, United States Customs Service (Customs), was sentenced after the Ninth Circuit reinstated a jury's verdict which found Ashby guilty of illegally paying government funds to his wife as a confidential informant. Ashby was sentenced to two years of probation and a \$500 fine.

In January of 1993, a jury found Ashby guilty of criminal conflict of interest and not guilty of mail fraud. Shortly thereafter, in spite of the jury's verdict, the district court granted the defendant's motion for acquittal. The United States Court of Appeals for the Ninth Circuit reinstated the jury's guilty verdict to one count of criminal conflict of interest, finding that the district court erred by acquitting the defendant based on the District Court's inaccurate determination that the defendant was entitled to the defense of entrapment by estoppel.

Ashby was charged with formulating a scheme whereby he would submit forms to his office's imprest fund to obtain cash to pay his wife as a confidential informant. On three occasions after they were married, the defendant requested, approved and witnessed the payment of cash to his wife. On another occasion, the defendant authorized and witnessed the payment to his wife. The total amount of the fraudulent and unlawful payments charged in the indictment was more than \$17,000.

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### **United States v. Barrett, Eastern District of Virginia**

On February 10, 1995, Kenny C. Barrett pled guilty to embezzling over \$21,400 in United States government funds.

Barrett was employed by a federal government agency headquartered in the Eastern District of Virginia. In connection with an official government project, he contracted with a private data processing firm to have certain data manually entered into a computer database. So that Barrett could pay the data processing firm for their work, the agency issued him \$54,000 in cash. Barrett paid the firm \$32,581 but kept the remainder for himself. When the agency asked Barrett to account for the remainder, he falsely stated that



he had paid it all to the firm, and he created and submitted to the agency false documentation purporting to support that contention.

On May 5, 1995, Barrett was sentenced to three years of probation and was ordered to pay restitution of \$10,000.

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#### **United States v. Cipullo, Western District of Pennsylvania**

On February 2, 1995, Richard M. Cipullo, a Pittsburgh attorney, was sentenced to ten months of imprisonment pursuant to his plea of guilty to one count of wire fraud.

Cipullo had devised a scheme in which he told a client that, for approximately \$15,000, he would get a third party to intercede on the client's behalf with the U.S. Attorney's Office concerning the client's sentencing. Cipullo also represented to the client that two meetings between the third party and the U.S. Attorney had been scheduled for this purpose. In fact, the third party did not exist and no contacts were made with the U.S. Attorney's Office or the U.S. Attorney. Cipullo intended to use the money for his personal expenses.

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#### **United States v. Collins, District of Columbia**

On June 16, 1995, the United States Court of Appeals for the District of Columbia Circuit affirmed the 1993 conviction of Peter L. Collins, who, while employed as an intelligence analyst by the Defense Intelligence Agency (DIA), used a highly classified DIA computer system and government photocopiers to surreptitiously do unauthorized work related to his personal activities over a period of several years. Collins had been convicted of unlawfully converting computer time and storage, and photocopier use and supplies.

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#### **United States v. Emerson, District of Columbia**

On August 8, 1995, Leonidas P. Emerson, formerly a senior manager at the United States Department of Agriculture, pled guilty to converting travel reimbursements and long-distance phone service from the USDA.

While on duty overseas as the Agricultural Attache to the Republics of Ecuador and Peru, Emerson submitted false travel vouchers and made extensive personal use of long-distance telephone service provided by USDA. Pursuant to a plea agreement, Emerson previously had made restitution of \$8,476, resigned from his position, and reimbursed USDA \$10,456 for uncharged misconduct.

On November 17, 1995, Emerson was sentenced to 18 months of probation and 50 hours of community service.

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#### **United States v. Evans, Southern District of Georgia**

On September 13, 1995, William Howard Evans was indicted for fraudulently obtaining over \$4,000 in United States Department of Housing and Urban Development (HUD) Section 8 funds and with making a false statement to HUD.

On December 1, 1995, Evans pled guilty as charged in the indictment, admitting that he falsely claimed that he was the owner of a mobile home and applied for government rent subsidies to be paid to him on behalf of a purported tenant.

#### **United States v. Vaughn, Southern District of Georgia**

On September 13, 1995, John Bruce Vaughn, a retired railroad conductor, was indicted on charges of conversion of government funds, subscribing false tax returns, and failing to provide information to the United States Railroad Retirement Board (RRB).

Vaughn was receiving nearly \$20,000 a year in an RRB disability annuity. During 1991 through 1993, Vaughn -- doing business as a one-man produce retailer -- bought fresh fruit and resold it to the Middle Georgia Community Action Council for use in a federally-funded food service program for children. He did not report his self-employment and earnings to the RRB, and consequently received over \$12,000 in annuity payments to which he was not entitled. Vaughn also failed to report \$100,000 in gross receipts on his federal tax returns.

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#### **United States v. Dale, District of Columbia**

On November 16, 1995, Billy R. Dale, the former Director of the White House Travel Office, was acquitted by a jury of embezzlement and wrongful conversion.

The charges stemmed from Dale's conduct as Director of the Travel Office, a position he held until May 1993. Dale was charged with depositing into his personal bank account checks totaling over \$54,000, that he obtained in his official position as Director of the Travel Office. The checks he deposited into his personal account consisted of checks that the White House news media sent to the Travel Office to pay their share of travel expenses, and refund checks from telephone and other companies who provided services for the press on Presidential trips. Dale was also charged with embezzling and wrongfully converting an

additional \$14,000 in cash from a checking account that the Travel Office maintained on behalf of the press.

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**United States v. Davis, District of Wyoming**

On August 22, 1995, Peter R. Davis, formerly a member of the Advisory Committee for Reactor Safeguards (ACRS) for the Nuclear Regulatory Commission pled guilty to an Information charging him with theft by false pretenses of United States funds. Davis was immediately sentenced to one year of unsupervised probation, a \$3,000 fine and ordered to pay \$4,280 in restitution.

Davis was charged in connection with his requests for reimbursement for rental payments for a house which he fraudulently claimed was being used primarily as an office for ACRS business. In fact, Davis's son was residing in the house, which was located approximately 400 miles from Davis's residence.

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**United States v. Roy Feliciano and Evelyne Feliciano, District of Puerto Rico**

On February 21, 1995, former Special Agent Roy Feliciano and his wife, Evelyne DeRose Feliciano, were sentenced for their role in a conspiracy to defraud the Federal Bureau of Investigation through the submission of fraudulent travel vouchers and other documents claiming expenses for temporary quarters (TQ) housing incurred in connection with the transfers of several Special Agents to the FBI's San Juan office. Roy Feliciano was sentenced to five years of probation on each count to run concurrently, and six months of home confinement with an electronic monitoring device on each count. Evelyne Feliciano was sentenced to five years of probation on each count to run concurrently and four months of home confinement on each count. Based on the plea agreements, both defendants must pay restitution to the FBI.

The conspiracy involved the making of false claims and the submission of fraudulent leases, receipts and other documents by the Felicianos in connection with their own TQ apartment, and the deception by the Felicianos of four innocent Special Agents who accepted their "assistance" in arranging for TQ housing when the agents were transferred to Puerto Rico. These agents were given fraudulent and forged documents that they unknowingly passed on to the FBI.

The Felicianos arranged to rent apartments for themselves and for four innocent Special Agents. The Felicianos then created fraudulent leases and receipts reflecting that the monthly rent charged by the realtors was considerably higher. The FBI paid the phony higher rent to the Felicianos, who stated they would pass these rental payments on to the

owners of the apartments. Instead, Evelyne Feliciano deposited the payments into her personal bank account, paid the owners of the apartments the actual lower rent, and kept the remainder. Through this scheme they were able to net approximately \$18,000.

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**United States v. Hayes, District of Columbia**

On December 22, 1995, Robert L. Hayes, a grade-15 supervisor at the National Security Agency (NSA), pled guilty to unlawfully converting over \$4,800 in government funds. Hayes also made full restitution and retired from the NSA.

While assigned overseas, Hayes had supervisory authority over government equipment inventories and procurement funds. In three transactions, Hayes obtained government funds for the local purchase of certain equipment. Instead of purchasing the equipment, however, he used equipment from existing government inventory. To justify the funds he had obtained, he submitted false receipts purporting to show that the equipment had been bought from a local merchant, and he used the cash he had received for personal expenses.

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**United States v. Hunt, Northern District of California**

On February 7, 1995, Eric Hunt, Sr., pled guilty to conspiring to provide green cards to ineligible aliens.

Between 1985 and 1992, Hunt helped recruit Hong Kong and Chinese customers who were willing to pay large sums to circumvent the normal permanent resident application process. Hunt was able to arrange for these customers to obtain green cards through William Tait, then a senior official in the Immigration and Naturalization Service's San Francisco District Office. Tait was sentenced to 30 months of imprisonment for his role in the scheme.

On May 2, 1995, Hunt was sentenced to one year of probation and a \$250 fine. As part his plea agreement, Hunt was required to pay \$30,000 to the government in restitution for the money he earned through his illegal activity; he has also fully cooperated in this and other investigations.

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**United States v. Jackson, District of Columbia**

On January 6, 1995, Karen Jackson, a former secretary and time and attendance clerk for the Office of Budget, Office of the Secretary, Department of Transportation (DOT), was

sentenced to two years of probation and 50 hours of community service. Prior to sentencing, Jackson had made restitution to the agency.

Jackson had pled guilty to altering and falsifying time and attendance records to reflect overtime hours which she had not earned. In September of 1992, DOT discovered that Jackson, acting as her own time and attendance clerk, had altered her attendance records. Jackson signed a statement acknowledging her misconduct and received a letter of reprimand. In May of 1993, after Jackson was allowed to continue as time and attendance clerk, DOT's Office of Budget discovered additional altered attendance records. In total, Jackson falsified over 320 hours of unearned overtime.

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**United States v. Kabua, District of Hawaii**

On March 28, 1995, Loibwij K. Kabua, former Area Supervisor for the Republic of the Marshall Islands, Farmers Home Administration Program (FmHA), United States Department of Agriculture (USDA), pled guilty to embezzling over \$15,600 from the FmHA during 1992-94.

Kabua, a citizen of the Marshall Islands, was appointed to the position of Area Supervisor by USDA officials in Hilo, Hawaii. In his position, Kabua was the lone supervisory authority representing USDA in the Marshall Islands. The FmHA was established to assist citizens of the Marshall Islands in restoring their homes after intense weather damage by funding grants and loans to those who qualified for assistance. Kabua was responsible for the FmHA's distribution of federal funds and played an important role in who was chosen to receive funding. Kabua used his authority to embezzle federal funds from 16 FmHA recipients. Kabua's criminal conduct included his fraudulently endorsing and cashing checks made payable to the recipients.

On July 24, 1995, Kabua was sentenced to five months of imprisonment, three months of home detention, three years of supervised release, and was ordered to pay restitution.

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**United States v. Lambert, Northern District of Georgia**

On January 5, 1995, Vincent B. Lambert was sentenced to 21 months of imprisonment pursuant to his plea of guilty to obstruction of justice.

The charges were based upon a scheme in which Lambert told federal prison inmate Andre Willis that Lambert could help Willis get a favorable sentence in exchange for \$50,000. At the time, Willis was incarcerated pending sentencing on drug trafficking charges. Lambert told Willis that he had a relationship with an Assistant United States Attorney, and

that he could use this connection to reduce Willis's sentence. In 1993, Willis paid over \$50,000 to Lambert through one of Lambert's accomplices.

In 1994, Willis was arrested on another drug charge. Lambert again approached Willis and told him that for \$45,000, Lambert could obtain a reduced sentence for Willis. Shortly thereafter, the FBI arrested Lambert. Lambert agreed to be interviewed and admitted that he had tried to obtain over \$100,000 from Willis. Lambert further admitted that the entire scheme was a scam and that he had not contacted anyone in the United States Attorney's Office in relation to Willis' cases.

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**United States v. Lanning, District of Columbia**

On November 21, 1995, a jury found former Defense Intelligence Agency (DIA) Senior Program Manager William D. Lanning guilty of conspiring to defraud the United States of \$400,000, of making a false statement, and of an illegal financial conflict of interest. At DIA, Lanning was in charge of a highly technical electronic warfare program related to battlefield command, control, communications, and countermeasures, called the C3CM Decision Aid Program.

The conspiracy began in 1989, when Lanning caused a defense contracting firm, Interactive Television Company (ITC), to hire a personal friend, Catherine Duchene, as a consultant to work on Lanning's program at a rate of \$500 per day plus travel expenses. Duchene, whose formal education fell short of a high school diploma and who had no military or technical experience, was not qualified to perform, and did not perform, the work for which she was hired -- and for which she received more than \$393,000 in government funds over the course of four years. She did, however, accompany Lanning on many program-related trips throughout Europe, Asia and the United States, serving as Lanning's travelling companion and personal assistant. To ensure that Duchene would be hired by ITC, and to maintain her association with his program, Lanning made false and misleading representations about her experience and program-related achievements.

The jury further found that Lanning had a financial interest in the payment of government funds to Duchene because she needed the funds to repay more than \$24,000 which Lanning had loaned her during the course of the conspiracy, and that he took official action to ensure that she would be paid, by personally signing approval of her invoices.

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**United States v. Long, Eastern District of Virginia**

On July 24, 1995, Linda M. Long, a former cash custodian of the Central Intelligence Agency (CIA), pled guilty to embezzling over \$19,000 of CIA funds. Long admitted that

over a three-year period she used the funds for her own unauthorized personal expenses, and then manipulated cash accounting procedures to cover the embezzlement. She left the CIA after the embezzlement was discovered.

On October 20, 1995, Long was sentenced to four months of imprisonment followed by four months of community confinement, a two-year term of supervised release, and was ordered to pay restitution of \$10,654.

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**United States v. McBride, Northern District of Georgia**

On November 9, 1995, Lisa M. McBride, a Special Agent with the Drug Enforcement Administration (DEA), was indicted on charges of theft of government property and witness tampering.

The indictment alleged that McBride stole \$5,000 cash, which had been seized during a DEA investigation. The indictment further alleged that after stealing the money, McBride corruptly attempted to persuade an employee of the American Express Company to destroy account records that evidenced her use of the stolen money.

McBride has since been acquitted by a jury of the charges against her.

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**United States v. McLaughlin and Hanson, District of Massachusetts**

On February 15, 1995, Phillip McLaughlin and Daniel Hanson were charged in connection with a bribery scheme to influence the award of Federal Deposit Insurance Corporation (FDIC) related contracts. McLaughlin, a former bank officer who was working under a contract with the FDIC to liquidate the assets of the failed Bank of New England (BNE), was charged by Information with accepting approximately \$40,000 in payoffs from businessmen Daniel Hanson and Joseph Maguire. Maguire was charged by Information for paying the bribes.

The BNE failed in January 1991. The FDIC, which had insured BNE's deposits, entered into service agreements with BNE's successor, the New Bank of New England, and later Recoll Management to liquidate the assets of BNE and to remit portions of the proceeds to the FDIC. The New Bank of New England and Recoll hired outside individuals and companies to repossess and manage the assets.

McLaughlin was an Assistant Vice President at the New Bank of New England and later a Vice President of Recoll Management. During 1991 and 1992, acting on behalf of the FDIC, he hired Maguire and Hanson to repossess and manage BNE assets. Maguire, a part

owner of DLM Enterprises and Atlantic Towing Company, paid approximately \$4,000 in bribes to McLaughlin. Hanson, formerly a Vice President of Atlantic Pacific Sailing Yachts in Ft. Lauderdale, Florida, is charged with paying more than \$20,000 in bribes to McLaughlin.

On April 6, 1995, McLaughlin, pled guilty to accepting payoffs from Maguire and Hanson, and on June 8, 1995, was sentenced to two months of imprisonment, four months of home confinement, a \$5,000 fine, and two years of supervised release.

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**United States v. Meister, District of Columbia**

On February 22, 1995, Brenda G. Meister, a former Acting Director for the Office for Victims of Crime, Office of Justice Programs, United States Department of Justice, pled guilty to one misdemeanor count of taking official actions which affected her personal financial interest.

Between the 1992 Presidential election and the change of administrations, Meister, a political appointee of the outgoing administration, had an employment application pending with a private, nonprofit organization for the position of Executive Director, the private organization's top paid staff position. Also during that time, the private organization had a \$209,677 grant application pending with the National Institute of Justice, another component of the Office of Justice Programs. Although Meister was recused from any official matters dealing with the private organization, she took several steps to ensure that the grant to the private organization was approved. She also informed the private organization of her role in ensuring that the grant was approved.

On May 26, 1995, Meister was sentenced to one year of probation and 100 hours of community service.

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**United States v. Mora, Eastern District of Virginia**

On October 10, 1995, Jose Mora, a private citizen, pled guilty to one count of bribery in connection with a scheme to bribe an attorney employed by the United States Patent and Trademark Office.

Mora admitted that after being informed by a Patent and Trademark Office attorney that his application would likely be denied, he offered to pay sums of money ranging from \$100 to over \$10,000 to that attorney, and later to an undercover FBI agent posing as the attorney's successor, in an effort to obtain immediate approval of his proposed trademark.



Finally, Mora gave the agent a check for \$100 along with a written promise to pay an additional \$300 in return for a certificate of registration for his sought-after trademark.

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### **United States v. North, Eastern District of Virginia**

On January 12, 1995, Karen E. North was sentenced to two months of imprisonment and two years of supervised release, including four months in a halfway house. North had pled guilty to an Information charging her with converting money from the Central Intelligence Agency.

North performed classified work as a Data Systems Officer for the CIA for 11 years. Between August 1992 and May 1993, she participated in an outside education program sponsored by the CIA. Under this program she obtained \$6,375 from the CIA for study at a local college. However, North also obtained a federally guaranteed student loan to finance the study. North used the CIA money for personal expenses, failed to complete the CIA-sponsored course work, and submitted false transcripts and certifications to conceal her misconduct.

On September 22, 1995, the judge revoked North's term of supervised release and sentenced her to 9 1/2 months of imprisonment. After serving two months in prison, she began a four-month term of community confinement, but escaped from her halfway house within three weeks. Upon revocation of supervised release, North's sentence was composed of a six-month term plus the unserved balance of 104 days community confinement, which the Court converted to imprisonment.

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### **United States v. Oakley, District of Columbia**

On January 6, 1995, Ambassador Robert B. Oakley, former head of the State Department's Counter-Terrorism Office, paid a \$5,000 civil fine to resolve conflict of interest allegations that he improperly lobbied the United States government to have restrictions lifted on Lebanon's Middle East Airlines after he left public service in 1992. The airline was banned from flying to and from the United States in 1985 because of inadequate attention to the problem of terrorists using the Beirut Airport, and, as a State Department official, Oakley had participated in the decision to ban the airline.

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### **United States v. Prakope, Eastern District of New York**

On February 14, 1995, Theodore A. Prakope pled guilty to an Information charging him with conspiring to defraud the National Park Service and the Internal Revenue Service, and giving a gratuity to a public official.

Prakope, who was operating a marina concession known as the Barren Island Marina at the Gateway National Recreation Area in Brooklyn, New York, was charged with submitting false annual financial reports to the Department of the Interior (Interior) which understated his yearly gross receipts for the period 1988 through 1991. He was also charged with submitting financial records to Interior with the intent to conceal and cover up the total gross receipts received by Barren Island Marina for the period 1987 through 1991.

The indictment also alleged that Prakope gave the use of a Mercedes Benz to the Deputy Director of the National Park Service because of official acts performed and to be performed in connection with the Barren Island Marina concession.

### **United States v. Cables, Eastern District of New York**

On April 27, 1995, Herbert S. Cables, Jr., a former deputy director of the National Park Service, was indicted on charges of receiving gratuities. The indictment alleged that Cables received gratuities from Theodore A. Prakope, who was the president and sole shareholder of Barren Island Marina, a marina concession operated by Prakope under a contract with the National Park Service.

Cables was alleged to have received from Prakope the use of a Mercedes Benz from September 1989 through November 1990, for and because of official acts performed and to be performed in connection with the Barren Island Marina concession. It was further alleged that Cables received approximately \$2,200 in cash from Prakope in January 1991. Prakope pled guilty to giving a gratuity to Cables.

On November 16, 1995, Cables was acquitted by a jury of all charges.

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### **United States v. Scott, District of Columbia**

On August 11, 1995, Peter K. Scott, former Acting Chief Counsel and Deputy Chief Counsel for the Internal Revenue Service (IRS), agreed to pay a \$12,500 civil fine in connection with an agreement resolving a criminal investigation into whether Scott violated the two-year bar of the post-employment conflict of interest statute. The fine will be paid pursuant to 18 U.S.C. § 216, which provides civil and criminal remedies for violations of conflicts of interest statutes.

During March of 1990, Scott left the IRS and began working for an accounting firm in the private sector. When asked to assist in the representation of a tax examination of an organization (Organization Exam), Scott sought the advice of the IRS Designated Agency Ethics Officer (DAEO) to determine whether he was precluded from appearing before the IRS as a representative on the Organization Exam. Scott was advised by the DAEO, in writing, that the examination of the organization and an individual taxpayer related to the organization (Individual Exam) were both matters which were pending under his official responsibility during his final year at the IRS, and that he could not appear before the IRS on either matter until after March 31, 1992.

However, on three occasions prior to the expiration of the two-year bar identified in the DAEO's letter, Scott, with intent to influence an IRS Appeals Officer, communicated with and/or appeared before an IRS Appeals Officer on behalf of an individual taxpayer in the Individual Exam.

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**United States v. Smith, Eastern District of New York**

On January 19, 1995, former Deputy United States Marshal Harley Smith was sentenced to three years of probation pursuant to his plea of guilty to conspiring with two other Deputy United States Marshals, William Cannon and Patrick O'Dea, to conceal an assault upon a prisoner they had arrested.

Both Smith and O'Dea had admitted that they conspired with Cannon to conceal that Cannon, while transporting a prisoner who had resisted arrest, struck the prisoner several times with a "slapjack," an eight-inch leather pouch filled with powdered lead, while transporting him in the car from the place of arrest. The prisoner was charged with and convicted of resisting arrest, and, during that trial, both Cannon and O'Dea falsely denied that Cannon had struck the prisoner. The prisoner's subsequent conviction of resisting arrest was vacated upon the motion of the United States Attorney's Office for the Eastern District of New York.

**United States v. O'Dea, Eastern District of New York**

On January 23, 1995, Deputy United States Marshal Patrick O'Dea was sentenced to three years of probation pursuant to his plea of guilty to conspiring with William Cannon and Harley Smith, to conceal an assault upon a prisoner they had arrested.

According to the Information, O'Dea did not participate in the assault, but agreed with the co-conspirators to deny that the assault occurred to all relevant authorities, including the United States Marshal's Office and the United States Attorney's Office.

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**United States v. Taber, Western District of Texas**

On April 26, 1995, a federal grand jury returned a superseding indictment charging Leslie Alfred Taber with willful misapplication of the assets of a common carrier and causing another to conceal a material fact. Taber is the former president of Sherwood Van Lines, Inc., a moving and storage company based in San Antonio.

The original charges against Taber were based upon his execution of a scheme to funnel unlawful corporate contributions to a variety of unwitting federal candidates. Taber used his wife as a "conduit" in the scheme, reimbursing her for each contribution she made with a fictitious corporate bonus. The recipients of the corporate money then falsely reported to the Federal Election Commission that the contribution had been made by Taber's wife. The new charges allege that Taber also misapplied the assets of Sherwood Van Lines when he caused those funds to be diverted from the corporate treasury and used for unlawful campaign contributions.

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**United States v. Tom, Northern District of California**

On August 26, 1995, Eugene Tom, a former field attorney with the National Labor Relations Board (NLRB), pled guilty to an Information charging him with theft of government funds.

As part of his official duties, Tom was required to travel through Northern California to litigate labor disputes. Tom admitted that from 1992 through 1995, he fraudulently claimed and received over \$13,000 in travel reimbursements from the NLRB. At the time of his plea, Tom made restitution to the NLRB and reimbursed the NLRB's Office of Inspector General for its investigative costs.

On November 3, 1995, Tom was sentenced to three years of probation and a \$500 fine.

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**United States v. Wingate, Northern District of Indiana**

On December 12, 1995, Dale K. Wingate, a Special Agent of the Immigration and Naturalization Service (INS) was indicted and charged with a mail and wire fraud scheme to deprive the INS of his honest services by giving unauthorized benefits to illegal aliens. The indictment also charged Wingate with transporting an illegal alien within the United States and with harboring an illegal alien in his home.

## **OPERATION BYTE**

The Public Integrity Section has obtained 13 convictions stemming from "Operation Byte," an ongoing investigation of manipulation of the central computer system of the INS and the illegal sale of Social Security cards. The investigation was conducted jointly by the Office of the Inspector General of the Department of Justice and the United States Border Patrol. Following are descriptions of 1995 prosecutions growing out of this investigation:

### **United States v. Daniel and Dorce, Southern District of Florida**

On May 5, 1995, after a four-week trial, a jury found Georges T. Daniel, a Miami businessman, and Jean David Dorce, a former Social Security employee, guilty of engaging in a scheme to supply illegal aliens with bona fide green cards and Social Security cards, in exchange for cash payments. Both defendants were convicted of conspiring to defraud the United States. In addition, Daniel was convicted of four counts of providing immigration documents and four counts of supplying Social Security cards to such aliens. Dorce also was convicted of seven counts of illegally supplying Social Security cards to aliens. Daniel was acquitted of one count of supplying immigration documents and Dorce of three additional Social Security card counts.

On August 18, 1995, Daniel was sentenced to 52 months of imprisonment and Dorce to 33 months of imprisonment on each count of their conviction, with the sentences to run concurrently. A three-year period of supervised release was also imposed.

### **United States v. Lee, Southern District of Florida**

On June 13, 1995, Jong Bok Lee, a private citizen, was sentenced to two years of supervised release pursuant to his plea of guilty to conspiracy to fraudulently obtain Alien Registration Receipt cards and to make false statements on Social Security applications.

From 1988 until March 1992, Lee participated as a broker in the scheme described above, obtaining money and biographical information from aliens who were not lawful permanent residents, and passing information and funds to Miami businessman Georges Daniel. Lee also arranged for illegal aliens to obtain social security cards to which they were not lawfully entitled, authorizing them to work in the United States.

## **STATE AND LOCAL CORRUPTION**

In 1995, the Public Integrity Section closed eight investigations involving corruption affecting state and local government. At the end of 1995, 24 such matters were open. Also during 1995, the Section prosecuted the following cases involving state and local corruption:

### **United States v. Clyde Brown and Green River Coal Co., Inc., Western District of Kentucky**

On December 12, 1995, Clyde Brown, Jr., and Green River Coal Co., Inc., were convicted by a jury of mail fraud and violating the Travel Act. Brown, who was also convicted of assisting in the preparation of false tax returns, is the majority owner of Green River Coal, one of the largest coal suppliers in Kentucky.

The charges stem from Brown's payment of bribes and kickbacks in exchange for confidential bid information that enabled Green River Coal to obtain a \$500 million coal supply contract from Big Rivers Electric Corporation, a major public utility in Western Kentucky. Brown paid a middleman \$4.7 million in exchange for the inside information; the middleman passed a substantial portion of that amount to William Thorpe, the general manager and chief operating officer of Big Rivers. The charges against Thorpe were severed from the case due to Thorpe's illness.

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### **United States v. Ravalese, District of Connecticut**

On June 27, 1995, Joseph M. Ravalese, a former supervisory special deputy of Hartford County, and currently a police officer with the city of Enfield, Connecticut, was acquitted by a jury of perjury before a grand jury.

Ravalese had been charged with one count of perjury before a federal grand jury. The grand jury was investigating the High Sheriff of Hartford County, Alfred J. Rioux, regarding allegations that Rioux extorted deputy and special deputy sheriffs.

### **United States v. Rioux, District of Connecticut**

On June 16, 1995, Alfred J. Rioux, the High Sheriff of Hartford County, Connecticut, was convicted by a jury of mail fraud and interstate transportation in aid of a racketeering enterprise. Rioux used his position as High Sheriff to threaten to suspend and fire deputy sheriffs who failed to pay dues to the Hartford County Association of Deputy and Special Deputy Sheriffs, purchase tickets to the association's fund-raisers and purchase tickets to Rioux's campaign fundraising events. Rioux then used these association funds for his personal financial benefit.

On August 22, 1995, Rioux was sentenced to three years of probation, including six months of home confinement, and ordered to perform 500 hours of community service.

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**United States v. Ryder, District of Massachusetts**

On March 20, 1995, Eugene C. Ryder, formerly a court officer with the Trial Court for the Commonwealth of Massachusetts, pled guilty to charges of racketeering conspiracy.

As a Court Officer, Ryder was responsible for maintaining order in the courthouse and courtrooms, transferring prisoners from the lock-up in the courthouse to the courtroom, and escorting judges in the courthouse. Ryder held himself out as someone with the connections and ability to influence other court personnel in their handling of matters pending before various departments of the Trial Court. On six occasions, Ryder accepted money and other things of value from or on behalf of individuals who had matters pending before the Trial Court in return for allegedly helping these individuals with their cases.

On May 23, 1995, Ryder was sentenced to 27 months of imprisonment and ordered to pay a fine of \$6,000.

**OPERATION BOPTROT**

The Public Integrity Section prosecuted a number of cases stemming from "Operation Boptrot," the Department of Justice's wide-ranging investigation of corruption in the Kentucky State Legislature. The Public Integrity Section prosecuted these cases in conjunction with attorneys from the United States Attorney's Office for the Eastern and Western Districts of Kentucky. Following are descriptions of 1995 prosecutions growing out of this investigation:

**United States v. LeMaster, Eastern District of Kentucky**

On May 25, 1995, the Sixth Circuit Court of Appeals upheld the conviction of Kentucky State Senator David LeMaster for making a false statement to the FBI.

LeMaster was found guilty by a jury of making a false statement to the FBI and found not guilty of attempted extortion and interstate travel in aid of bribery. The jury found that LeMaster falsely told the FBI that he had not received money from lobbyist John W. Spurrier during the 1992 legislative session. LeMaster received a sentence of 12 months of imprisonment, a \$30,000 fine and two years of supervised release.

### **United States v. Rogers, Eastern District of Kentucky**

On February 21, 1995, John D. Rogers, the former Minority Leader of the Kentucky State Senate, was sentenced to 42 months of imprisonment and two years of supervised release.

Rogers had been convicted by a jury of conspiracy to commit extortion under color of official right, attempting to commit extortion under color of official right, using the mails to deprive the citizens of Kentucky of his honest services as an elected legislator, and making false statements to the FBI.

Rogers conspired with another legislator and two lobbyists to extort a payment from former Kentucky Governor Wallace Wilkinson. Pursuant to this conspiracy, Rogers attempted to collect money for his prior support of banking legislation that enabled Wilkinson to make a lucrative bank acquisition. Rogers repeatedly sought a meeting with Wilkinson, even mailing him a photograph of the conspirators with a note requesting a meeting. When confronted by the FBI, Rogers made several false statements about the conspiracy.

### **United States v. Shannon, Eastern District of Kentucky**

On July 6, 1995, Bradley M. Shannon was sentenced to two years of probation and the costs of probation pursuant to his plea of guilty to one count of perjury. Shannon admitted lying to a federal grand jury investigating violations of the Hobbs Act.

Shannon owned a horse racing track called Dueling Grounds. Certain legislation before the Kentucky General Assembly would have allowed Dueling Grounds to sell liquor upon a local referendum. Shannon made \$40,000 in payments to Jay Spurrier, a lobbyist and member of the Kentucky Harness Racing Commission, which Spurrier used to purchase the influence of other officials in passing the legislation. Later, during the Boptrot investigation, Shannon falsely denied making the payments to Spurrier.

### **United States v. Wilkinson, Eastern District of Kentucky**

On May 12, 1995, the United States Court of Appeals for the Sixth Circuit upheld the conviction of Bruce N. Wilkinson for extortion under color of official right.

While serving as an official in the administration of his uncle, former Kentucky Governor Wallace G. Wilkinson, Bruce Wilkinson took \$20,000 to fix the decision of an arbitrator appointed by the Governor.



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**TABLE I**  
**FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS**

Year Ended December 31, 1995

**Federal Officials**

Indicted	527
Convicted	438
Awaiting Trial	120

**State Officials**

Indicted	61
Convicted	61
Awaiting Trial	23

**Local Officials**

Indicted	236
Convicted	191
Awaiting Trial	89

**Others Involved**

Indicted	227
Convicted	188
Awaiting Trial	91

**Total**

Indicted	1051
Convicted	878
Awaiting Trial	323

1 District Did Not Respond

**TABLE II**  
**PROGRESS OVER THE LAST TWO DECADES**  
**FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS**

<u>FEDERAL OFFICIALS</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
- Indicted	111	129	133	114	123	198	158	460	408	563
- Convicted	101	94	91	102	131	159	147	424	429	470
- Awaiting Trial on December 31	1	32	42	21	16	23	38	58	77	90
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<u>STATE OFFICIALS</u>										
- Indicted	59	50	55	56	72	87	49	81	58	79
- Convicted	35	38	56	31	51	66	43	65	52	66
- Awaiting Trial on December 31	30	33	20	29	28	36	18	26	21	20
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<u>LOCAL OFFICIALS</u>										
- Indicted	194	157	171	211	247	244	257	270	203	248
- Convicted	100	164	127	151	168	211	232	226	196	221
- Awaiting Trial on December 31	98	62	72	63	82	102	58	61	74	49
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<u>OTHERS INVOLVED</u>										
- Indicted	27	199	171	198	285	279	349	265	262	267
- Convicted	24	144	144	135	252	294	249	257	257	240
- Awaiting Trial on December 31	70	83	71	65	87	70	72	77	97	97
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<u>TOTALS</u>										
- Indicted	391	535	530	579	727	808	813	1076	931	1157
- Convicted	260	440	418	419	602	730	671	972	934	997
- Awaiting Trial on December 31	199	210	205	178	213	231	186	222	269	256

**TABLE II**  
**PROGRESS OVER THE LAST TWO DECADES**  
**FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS**

<u>FEDERAL OFFICIALS</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>TOTAL</u>
- Indicted	596	651	629	695	615	803	624	627	571	527	6901
- Convicted	523	545	529	610	583	665	532	595	488	438	5978
- Awaiting Trial on December 31	83	118	86	126	103	149	139	133	124	120	1271
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<u>STATE OFFICIALS</u>											
- Indicted	88	102	66	71	96	115	81	113	99	61	971
- Convicted	71	76	69	54	79	77	92	133	97	61	875
- Awaiting Trial on December 31	24	26	14	18	28	42	24	39	17	23	275
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<u>LOCAL OFFICIALS</u>											
- Indicted	232	246	276	269	257	242	232	309	248	236	2795
- Convicted	207	204	229	201	225	180	211	272	202	191	2343
- Awaiting Trial on December 31	55	89	79	122	98	88	91	132	96	89	988
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<u>OTHERS INVOLVED</u>											
- Indicted	292	277	303	313	208	292	252	322	247	227	3000
- Convicted	225	256	240	284	197	272	246	362	182	188	2692
- Awaiting Trial on December 31	84	135	109	109	71	67	126	99	95	91	1083
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<u>TOTALS</u>											
- Indicted	1208	1276	1274	1348	1176	1452	1189	1371	1165	1051	13667
- Convicted	1026	1081	1067	1149	1084	1194	1081	1362	969	878	11888
- Awaiting Trial on December 31	246	368	288	375	300	346	380	403	332	323	3617

**TABLE III**  
**FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS**

1986-1995

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Alabama, Northern	3	4	0	8	1	0	3	4	12	2	37
Alabama, Middle	7	3	8	9	0	0	4	4	0	1	36
Alabama, Southern	8	6	9	8	3	2	0	4	11	3	54
Alaska	10	6	0	6	1	0	1	0	0	2	26
Arizona	4	5	11	27	4	8	8	16	10	2	95
Arkansas, Eastern	2	1	5	3	0	6	2	4	2	0	25
Arkansas, Western	6	4	5	0	3	1	2	2	1	0	24
California, Northern	12	3	19	9	2	6	13	22	7	25	118
California, Eastern	28	18	32	30	23	22	20	23	19	18	233
California, Central	38	47	15	52	57	34	35	92	62	94	526
California, Southern	5	9	6	13	6	6	5	0	4	7	61
Colorado	11	11	0	14	10	13	N/A	0	N/A	0	59
Connecticut	7	9	15	12	8	4	10	3	16	8	92
Delaware	3	1	2	1	0	0	0	8	1	0	16
District of Columbia	30	13	19	25	50	23	N/A	39	80	N/A	279
Florida, Northern	7	4	3	5	9	6	4	10	5	5	58

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Florida, Middle	8	20	24	40	19	28	23	11	N/A	22	195
Florida, Southern	3	14	16	36	42	14	21	22	51	42	261
Georgia, Northern	21	19	33	27	19	21	17	13	19	19	208
Georgia, Middle	12	2	4	16	10	19	4	4	17	6	94
Georgia, Southern	3	2	7	8	5	1	N/A	10	0	7	43
Guam	12	10	N/A	9	2	0	3	10	9	1	56
Hawaii	N/A	4	6	0	6	2	1	7	9	6	41
Idaho	6	4	2	1	1	0	2	3	0	7	26
Illinois, Northern	33	29	119	96	80	18	53	84	74	67	653
Illinois, Central	4	3	4	5	1	1	1	4	4	10	37
Illinois, Southern	2	0	0	1	3	0	1	1	2	24	34
Indiana, Northern	4	8	9	16	9	2	2	6	6	7	69
Indiana, Southern	13	17	7	14	6	6	2	5	8	5	83
Iowa, Northern	6	2	2	2	6	3	2	5	3	4	35
Iowa, Southern	6	2	5	7	4	2	2	4	0	0	32
Kansas	10	7	9	6	0	1	0	5	11	3	52
Kentucky, Eastern	8	5	4	6	12	5	1	9	13	9	72
Kentucky, Western	10	5	6	4	12	7	0	5	5	5	59
Louisiana, Eastern	7	6	18	15	36	6	2	13	20	6	129

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Louisiana, Middle	2	5	7	9	14	0	0	5	4	6	52
Louisiana, Western	6	5	5	6	8	4	3	8	11	8	64
Maine	5	0	4	4	3	8	7	10	3	1	45
Maryland	5	27	31	27	2	14	15	21	17	0	159
Massachusetts	35	12	49	15	15	1	N/A	9	12	27	175
Michigan, Eastern	43	20	11	14	27	8	13	11	6	1	154
Michigan, Western	5	5	3	0	12	8	3	9	10	11	66
Minnesota	8	12	9	21	9	3	N/A	4	5	5	76
Mississippi, Northern	13	13	12	14	3	0	2	13	13	12	95
Mississippi, Southern	1	21	17	10	9	7	13	12	6	3	99
Missouri, Eastern	6	13	12	16	1	8	2	7	17	19	101
Missouri, Western	9	6	3	6	13	9	5	6	9	6	72
Montana	5	6	5	4	17	0	1	0	3	0	41
Nebraska	4	5	9	4	0	3	1	1	1	4	32
Nevada	2	3	3	2	0	5	0	0	1	0	16
New Hampshire	2	0	N/A	1	1	2	1	1	1	0	9
New Jersey	7	N/A	N/A	34	20	8	13	21	23	16	142
New Mexico	8	3	2	N/A	6	0	6	6	6	0	37
New York, Northern	14	14	15	N/A	17	13	12	14	8	11	118

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
New York, Southern	35	63	39	65	29	68	N/A	29	58	39	425
New York, Eastern	17	10	82	28	24	16	7	62	20	23	289
New York, Western	5	11	11	7	19	11	5	11	21	6	107
North Carolina, Eastern	0	3	8	7	3	16	0	3	2	2	44
North Carolina, Western	3	3	3	5	2	1	1	1	2	10	31
North Carolina, Middle	11	7	5	9	4	6	3	4	3	1	53
North Dakota	0	0	6	6	4	2	2	3	8	10	41
Ohio, Northern	22	27	19	23	36	21	15	35	19	19	236
Ohio, Southern	7	21	29	28	26	13	21	26	21	12	204
Oklahoma, Northern	0	0	0	3	0	1	7	10	0	2	23
Oklahoma, Western	1	0	1	2	3	0	0	6	6	6	25
Oklahoma, Eastern	0	2	3	4	0	0	0	0	1	1	11
Oregon	1	2	0	6	5	0	5	1	2	6	28
Pennsylvania, Eastern	23	39	48	24	27	34	14	29	10	24	272
Pennsylvania, Middle	5	4	6	13	4	6	4	9	9	8	68
Pennsylvania, Western	5	4	7	16	4	8	8	9	1	11	73
Puerto Rico	6	7	10	3	7	3	12	13	4	1	66
Rhode Island	1	6	2	1	6	4	0	2	6	6	34
South Carolina	29	15	28	8	7	0	20	26	22	5	160
South Dakota	14	6	3	2	9	0	2	1	1	6	44



	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Tennessee, Eastern	5	4	4	6	21	4	0	8	5	7	64
Tennessee, Middle	5	4	8	3	23	1	1	6	6	1	58
Tennessee, Western	7	16	20	30	33	6	4	12	16	12	156
Texas, Northern	11	12	15	10	0	0	1	11	2	4	66
Texas, Southern	14	7	23	21	9	3	6	15	33	26	157
Texas, Eastern	3	5	8	3	1	3	0	5	N/A	31	59
Texas, Western	0	7	3	11	11	2	9	16	7	7	73
Utah	2	1	N/A	6	6	0	0	0	0	0	15
Vermont	0	0	0	1	0	3	0	1	1	2	8
Virgin Islands	0	2	0	0	10	0	0	3	1	0	16
Virginia, Eastern	25	38	30	55	32	51	26	15	11	13	296
Virginia, Western	0	2	3	0	2	5	7	4	3	1	27
Washington, Eastern	0	0	0	1	5	0	N/A	N/A	2	0	8
Washington, Western	0	2	N/A	1	12	7	1	1	2	17	43
West Virginia, Northern	1	0	0	0	2	2	1	0	0	2	8
West Virginia, Southern	7	5	9	12	13	3	1	5	0	3	58
Wisconsin, Eastern	1	13	7	7	7	4	7	7	1	7	61
Wisconsin, Western	2	6	2	3	0	0	0	0	0	0	13
Wyoming	1	0	2	3	5	1	1	1	4	0	18