

**REPORT TO CONGRESS**  
**ON THE ACTIVITIES AND OPERATIONS**  
**OF THE**  
**PUBLIC INTEGRITY SECTION**  
**FOR 1982**



**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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THE PUBLIC INTEGRITY SECTION  
FOR 1982**

**Public Integrity Section  
Criminal Division  
U.S. Department of Justice  
April, 1983**

**Submitted Pursuant  
to Section 529 of the  
Ethics in Government  
Act of 1978**

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## ANNUAL REPORT TO CONGRESS

Section 529 of the Ethics in Government Act of 1978 requires the Attorney General to "report to Congress on the activities and operations" of the Public Integrity Section. This Report, the fifth submitted pursuant to the Act, covers calendar year 1982. Part I of this Report describes the present operations and functions of the Public Integrity Section, highlighting the major activities of 1982, and Part II details the cases handled by the Section during 1982. Part III presents data on the national effort to combat public corruption during 1982, based on the Section's annual survey of United States Attorneys.

### Part I

#### Operations of the Public Integrity Section

The Public Integrity Section is part of the Criminal Division of the Department of Justice, and was established in 1976. The Section was given the responsibility for overseeing and coordinating 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 election crimes investigations and prosecutions. Its attorneys prosecute selected cases against federal, state and local officials, and are available as a source of advice and expertise to law enforcement officials at all levels of government. In addition, the Section serves as a center for the planning and coordination of nationwide programs against public corruption.

In light of this broad range of responsibilities, the Public Integrity Section is modest in size. It was staffed by approximately 25 attorneys throughout 1982. Continuity and consistency in the interpretation and application of complex laws governing the conduct of public officials has been ensured by the Section's senior litigators, who include among them experts in election law, conflicts of interest, bribery, and the statutes providing federal jurisdiction over corruption at the state and local levels, such as the Hobbs Act and mail fraud statutes. Gerald E. McDowell was Chief of the Section in 1982.

**A. Operational Responsibilities**

Most of the Public Integrity Section's resources are devoted to operational responsibility for selected prosecutions, and supervision of sensitive investigations involving alleged abuse of the public trust. Because of its limited resources, the Section can handle only a finite group of corruption cases each year. It seeks always to maintain sufficient staffing flexibility to assume responsibility for handling special investigations assigned to it by the Department of Justice. These matters are often very sensitive, demanding prompt, professional handling and absorbing substantial resources.

The Section also has established its own special projects and priorities, to guide the use of new or complex corruption statutes by federal prosecutors, and provide training to investigators and prosecutors in the United States Attorneys' Offices. These priority areas in 1982 included election crimes, conflicts of interest crimes, crimes by law enforcement officers, and crimes by immigration officers, among others. These projects and priorities are described in more detail in Section D of this Report.

Finally, the Public Integrity Section accepts responsibility for a limited number of additional corruption cases each year, as resources permit. Decisions to undertake particular prosecutions are made on a case-by-case basis, based on the following considerations:

**Recusals.** It is extremely important that the appearance of fairness and impartiality be maintained in the conduct of government corruption investigations. 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, then 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 transferred to the Public Integrity Section for prosecution or direct supervision. Cases involving federal judges always require the recusal of the United States Attorney's office, and all such cases are handled by the Public Integrity Section.

Examples of cases handled by the Section as a result of recusals include the prosecutions arising from the Kentucky investigation of State corruption.

Provision of Manpower or Expertise. When the available manpower or expertise in a United States Attorney's Office is insufficient to undertake a significant corruption case, the Public Integrity Section often provides attorneys to serve as lead counsel, cocounsel, or secondary counsel. The Section's participation in such cases also serves as valuable training to prosecutors in the field, who learn through working with Section attorneys the statutes uniquely applicable and the investigative techniques most useful in such cases. This has been the approach the Section has used most often in election crimes cases, such as its 1982 project in Luzerne County, Pennsylvania, described in more detail later in this Report. The expectation is that after the Section's participation in the initial cases, attorneys in the field will have the interest and expertise necessary to continue to actively pursue corruption cases.

Sensitive or Multi-District Cases. In addition to cases in which there are formal recusals and manpower is requested or needed, the Public Integrity Section becomes involved 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 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 more appropriately handled out of Washington. When an investigation crosses district lines, the Public Integrity Section can provide coordination among various United States Attorneys' Offices, or, when appropriate, can assume operational responsibility for the entire investigation. The Section handles a number of cases involving CIA personnel for these reasons, and in 1982 participated in the prosecution of former CIA Agent Edwin Wilson, who has been indicted in various districts across the country on charges ranging from international arms trading violations to conspiracy to commit murder.

Federal Agency Referrals. Each year, the Section receives numerous referrals directly from federal agencies. During 1982, the Section worked closely with the Inspectors General of the various federal agencies, assisting them in their efforts to pursue allegations of official corruption. The Section met with Assistant Inspectors General for Investigation to discuss continuing problems of investigation and prosecution of corruption in the federal work

force. Among the agency referrals handled this year were the investigation of a CIA agent for submitting false expense vouchers, and the prosecution of various individuals for submitting false documents to INS.

#### B. Special Prosecutor Matters

Since the Ethics in Government Act (28 U.S.C. §591, et seq.) was passed, the Public Integrity Section has been responsible for supervising the administration of the Special Prosecutor provisions of the Act. Both the procedures and time limits of the provisions are strict, and this circumstance, in addition to the sensitivity of many of these matters, requires that they be handled as high priorities of the Section.

Under the Special Prosecutor provisions, if "specific information" is received by the Justice Department alleging that certain high government officials have committed a crime, the Attorney General must request that the court appoint a Special Prosecutor within 90 days, unless preliminary investigation conclusively establishes that the matter is so unsubstantiated that it does not warrant further inquiry. If the preliminary investigation disposes of the matter, a report must be prepared and filed with the court. The Public Integrity Section is typically responsible for supervising the initial investigation, and preparing a recommendation to the Attorney General as to whether the Special Prosecutor provisions have been triggered and whether any further investigation is warranted. In 1982, the Section handled a number of Special Prosecutor matters.

#### C. Technical Assistance

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

Advice. The Public Integrity Section is staffed with specialists with considerable experience prosecuting corruption cases. When not operationally involved in a case, Section attorneys are available to advise on

substantive questions, investigatory methods, indictment drafting, and motions.

Authorization. In order to achieve uniformity among corruption prosecutions, the Section reviews certain investigations and indictments, as directed by the Assistant Attorney General for the Criminal Division. Authorization from the Section before federal prosecution may proceed is currently required in all election-related cases, and in corruption cases brought under the Hobbs Act.

General Assistance and Supervision. Close Departmental supervision of prosecutions is extremely important in public corruption cases, which are typically delicate, complex and highly visible. Section attorneys are occasionally called upon to travel to districts across the country to conduct a careful review of sensitive cases, evaluating the quality of the investigatory 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 developed considerable expertise in the supervision and oversight of the use of undercover operations in serious corruption cases. The Section Chief sits on the FBI's Undercover Review Committee, and is familiar with the practical problems involved in such operations. Thus, the Section has the ability to manage this sensitive investigative technique, and to advise law enforcement personnel on its use.

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.

#### D. 1982 Special Initiatives

The Section oversees Federal enforcement policy in three major areas: crimes by federal personnel; state and



local corruption; and corruption of the franchise. During 1982 the Section began or continued programmatic initiatives in each of these areas, a number of which are described below:

Crimes by Federal Personnel. The Conflicts of Interest Crimes Branch was established on May 22, 1981, with responsibilities for: developing and implementing enforcement policy concerning conflicts of interest crimes; assisting the United States Attorneys with the investigation and prosecution of conflicts of interest offenses; examining legislative proposals and initiating new legislation when such action is warranted; and serving as the Criminal Division's principal point of contact for the Inspectors General, the Office of Legal Counsel, and the Office of Government Ethics on issues involving conflicts of interest. The Branch worked closely with the Inspectors General to encourage the development and referral of conflicts cases.

Exemplary of the activities of the Conflicts of Interest Crimes Branch in 1982, the Branch provided substantial assistance to the United States Attorney for the Eastern District of Virginia in the prosecution of Paul Shinderman and others for a number of conflicts of interest offenses, and initiated the first disciplinary matter under 18 U.S.C. §207(j) ever brought by the Department of Justice. Additionally, the Branch handled numerous referrals of conflicts of interest cases from various sources in the executive branch and provided advice and assistance to United States Attorneys' Offices, other components of the Department of Justice, and other agencies of the executive branch, with respect to the criminal conflicts of interest statutes.

State and Local Corruption. The Section continued its investigations in Kentucky and Chicago. The Kentucky investigation is a large-scale, in-depth probe of a number of separate allegations of systemic state corruption. They include a multi-million dollar insurance fraud scheme by state officials and allegations of fraud and kickbacks in the awarding of state leases and land purchases, together with a number of other areas of alleged corruption in state government. In 1982, Howard P. "Sonny" Hunt, Jr., former head of the Democratic Party in Kentucky, pleaded guilty to charges arising from this investigation. Also during 1982, the Section's Chicago investigation examined the activities of high-level state officials in prior administrations,

particularly their efforts to raise the funds necessary to retire the former governor's campaign deficit. Details of these cases are presented in Part II.

Corruption of the Franchise. During 1982, the Election Crimes Branch successfully addressed, through appellate litigation, several significant questions concerning the jurisdictional reach of federal vote fraud statutes. Specifically, two Federal Judicial Circuits decided that federal jurisdiction under the federal vote fraud statutes may be exercised over fraudulent voting and voter bribery directed at influencing local elective contests, when those contests occur simultaneously with federal balloting. In addition, the availability of the federal mail fraud statute to prosecute vote-buying cases involving absentee ballots was confirmed by another Federal Judicial Circuit.

The Election Crimes Branch together with the office of the United States Attorney for the Southern District of Georgia successfully prosecuted six individuals, including a school superintendent and school principal, in Wheeler County, Georgia after an extensive investigation into corruption in the election of the school superintendent's position. The investigation is noteworthy because it disclosed not only successful corruption in the election process itself, but also corrupt activity involving misuse of federal funds that was made possible because one of the participants in the criminal activity was elected as school superintendent and therefore able to control both hiring and disbursement of funds within the school system.

## Part II

### Prosecutions and Indictments in 1982

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 offering advice on the framing of charges. This portion of the Report describes those cases handled by the Section, or in which it shared substantial operational responsibility with a United States Attorney's Office. The hundreds of public corruption cases handled every year 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. Also included is a special section on Election Crimes, which receive special emphasis by the Public Integrity Section. The prosecutions and indictments reported below reflect the Section's work during 1982 and the status of its cases as of December 31, 1982.

A. Corruption and Official Misconduct at the Federal Level

1. Judicial Branch:

- William A. Borders, Jr., a prominent District of Columbia Attorney, was found guilty by a jury of conspiring with District Judge Alcee Hastings to solicit bribes and obstruct justice. Borders' conviction was affirmed by the Eleventh Circuit Court of Appeals. Judge Hastings has since been acquitted of the same charges against him. Borders was subsequently cited and sentenced for contempt of court when he refused to testify before the Grand Jury.

- In another matter arising out of the Borders/Hastings investigation, Joseph Nesline was found guilty of contempt when he refused to testify before the Grand Jury.

- In an important constitutional law decision, the Eleventh Circuit Court of Appeals rejected an argument by Judge Hastings that, as a sitting federal judge, he could not be indicted unless and until Congress impeached him and removed him from office. The Court held that judges have no special immunity from prosecution under the criminal law.

- In a matter referred to the Section by the United States Attorney, a District Judge pleaded guilty to refusing to obey the lawful order of a United States Park Police Officer.

- Las Vegas private detective Eddie G. LaRue was acquitted of illegal wiretapping charges. LaRue was tried in the course of an ongoing investigation into corruption in Nevada.

- In Scranton, Pennsylvania, Charles F. Cortese was indicted on one count of obstruction of justice and two counts of perjury. The indictment resulted from an investigation of jury-tampering in a fraud trial several years ago.

- In a separate indictment, Cortese was also charged with co-defendant James David Osticco with conspiracy to obstruct justice. Osticco was individually charged with perjury and obstruction of justice as well. Osticco was identified in the 1980 Report of the Pennsylvania Crime Commission as an organized crime figure.

- As a result of the same investigation, Roseanne Donahue, the former wife of Cortese and a juror in the fraud trial, pleaded guilty.

- In yet another related indictment, Samuel Lovecchio was charged with perjury committed before the grand jury in the course of the jury-tampering investigation.

- During 1982, the Section declined prosecution of eight matters involving jurors or members of the judicial branch, and continued investigations in seven such matters.

## 2. Executive Branch:

- Former CIA agent Edwin P. Wilson was convicted of seven counts of illegal transportation of firearms, and sentenced to fifteen years imprisonment. Wilson had arranged to ship several handguns to Libyans in Europe, and to sell and ship an M-16 automatic rifle to Libya.

- A Department of Labor official, Glendon E. Whitman, pleaded guilty to extortion charges based on the use of the powers of his office to extort sexual favors.

- Madye Cole, a former Environmental Protection Agency employee, pleaded guilty to embezzling funds from the United States Government.

- Former Foreign Service Officer and Chief of the Consular Section of the United States Embassy in Nassau, Bahamas, A. Stephen Vitale, pleaded guilty to conspiracy to defraud the United States, based on his receipt of payments in return for issuing visas.

- A former employee of the Federal Trade Commission, Patricia Smith, pleaded guilty to embezzlement from the United States Government.

- Alexander and Peter Lemberes pleaded guilty to conspiracy, as a result of an investigation into a scheme to bribe an IRS official.

- Frances Patrick Sullivan pleaded guilty to making false statements to the Government. Sullivan had been employed by the Presidential Inaugural Committee until he was fired; in applying for a job with the Veterans Administration, he made false statements about the reasons why he left his employment with the Committee. Sullivan also stole Committee mailing lists, which he sold for approximately \$5,000.

- DEA Agent Forrest Beverly was acquitted on charges of perjury.

- A former employee of the Environmental Protection Agency, Sheana Thomas, pleaded guilty to embezzlement from the United States Government.

- A State Department Foreign Service Officer, Bruce E. Kramme, was convicted of theft of Government property. His co-defendant and former supervisor, John R. Graham, is also under indictment on conflict of interest and false statement charges, but is a fugitive outside the country.

- Luis A. Garcia pleaded guilty to a criminal conflict of interest charge arising out of his self-dealing while an employee of the Office of Personnel Management.

- As a result of an investigation of an Immigration Officer Jerry K. Hirsch, who was indicted in 1983, Zahed Dadash Rashid pleaded guilty to conspiring to defraud the United States. Rashid had participated in a scheme to fraudulently obtain permanent resident status for Iranian nationals through bribery of Hirsch.

- As part of the same investigation, Hassan Hadj Mohammadi pleaded guilty to conspiracy to defraud the United States and to causing the submission of false documents to INS.

- Shams Din Javid, Kheiri Javid and Ashraf Tiller were indicted on conspiracy and fraud charges in connection with the same investigation.

- During 1982, the Section declined prosecution of one hundred thirty-nine matters involving executive branch officials, and continued investigation in seventy-one such matters.

3. Legislative Branch:

- Arthur G. Emens III pleaded guilty to attempting to blackmail silver investor Nelson Bunker Hunt. Emens threatened to reveal an alleged bribe paid by Hunt to Idaho Congressman George Hansen unless he was paid \$440,000.

- During 1982, the Section declined prosecution of nine matters involving members of the legislative branch or their staffs, and continued investigation in five such matters.

B. Corruption at the State and Local Levels

- The former head of the Democratic Party of Kentucky, Howard P. "Sonny" Hunt, Jr., pleaded guilty to mail fraud and filing a false income tax return. The charges were based on Hunt's manipulation of insurance policies awarded by the State of Kentucky on its properties and employees, resulting in the distribution of over \$800,000 in commissions to Hunt's family and friends.

- When he subsequently refused to testify before the Grand Jury, Hunt was ordered imprisoned for contempt for eighteen months, the life of the grand jury, or until he testifies, whichever occurs first.

- Indicted with Hunt on charges of conspiracy to accept kickbacks on state insurance contracts was Kentucky Insurance Commissioner Harold McGuffey. An agreement was reached with McGuffey providing that he participate in a pretrial diversion program.

- A judgment of acquittal was entered by the trial judge on perjury charges against Attorney Walter Swyers. This case grew out of the Public Integrity Section's investigation of corruption in Kentucky State politics.

- In another case growing out of the Kentucky investigation, Kentucky business executive David Clark was

found guilty by a jury of perjury. The trial judge granted a motion for a new trial, and the case is pending retrial.

- A City of Boston employee, John M. Williams, was convicted under the Hobbs Act for extorting \$50,000, in connection with the award of a City Redevelopment contract.

- Former Harrison County Supervisor Arlan L. Robinson was found guilty of extorting kickbacks from private vendors and contractors who did business with Harrison County, Georgia.

- County Supervisor Hugh B. Snowden was acquitted of extorting kickbacks from vendors and suppliers doing business with Harrison County, Georgia.

- The conviction of Virgin Islands Director of Utilities and Sanitation James Moorhead for fraud was affirmed by the United States Court of Appeals for the Third Circuit.

- The conviction of Gary, Indiana police officer Robert Matthews for drug trafficking was affirmed on appeal by the Seventh Circuit Court of Appeals.

- In 1982, the Section declined prosecution of thirty-one matters involving state and local corruption, and continued investigation in twelve such matters.

### C. Election Crimes

- William S. Clark, a political leader in Wheeler County, Georgia, was convicted of vote fraud in securing the elected position of school superintendent of Wheeler County. After the jury found him guilty on these charges, Clark pleaded guilty to other pending charges relating to the fraudulent mismanagement of the Wheeler County School System.

- In another prosecution arising from the Wheeler County vote fraud investigation, James Leon Fields was found guilty by a jury on charges arising from his intentional misapplication of federal funds designated for the education of the handicapped.

- Carline Cox Knight, Bobby Browning and Annette Day were also convicted on vote-buying charges in Wheeler County, Georgia.

- Dillon County, South Carolina Probate Judge Jasper Rogers pleaded guilty to vote-buying, bringing to a close with thirty convictions the Public Integrity Section's two-year probe into vote fraud and official corruption in Dillon County.

- In United States v. Carmichael, the Court of Appeals for the Fourth Circuit affirmed the vote-buying convictions of South Carolina State Senator Eugene Carmichael and his legislative assistant Joe Grady Flowers. The decision held that, so long as federal candidates are on the ballot, federal criminal statutes can be applied to state and local vote fraud without proof of an actual effect on a federal campaign.

- In another decision raising similar issues, the Fourth Circuit also affirmed the vote-buying conviction of Booker T. Mason of Dillon County, South Carolina.

- In a decision raising similar issues, the Fifth Circuit affirmed the vote-buying conviction of E.B. Malmay, a Sabine Parish, Louisiana County commissioner.

- In Darlington County, South Carolina, Alice Mae Yarborough and Vernie Mae Yarborough pleaded guilty to multiple voting in a federal primary election. These convictions were part of a continuing investigation into election fraud in Darlington County.

- In United States v. Castle, the Sixth Circuit Court of Appeals affirmed the vote-buying/mail fraud conviction of Lillie Mae Castle. The decision held that the mail fraud statute applies to "non-pecuniary" vote fraud schemes. The decision means that fraud in state and local elections may be addressed by the federal government, so long as the mails are used to advance the scheme. In this case, absentee ballots were purchased and mailed as part of the scheme.

- In Luzerne County, Pennsylvania, City Clerk Anthony Ferrara pleaded guilty to conspiracy to engage in multiple voting.



- Election officials Joseph Lenza and Frank Amico, participants in the Luzerne County election fraud, also pleaded guilty to conspiracy to violate the multiple voting statute.

- City Councilman John DeFaveri was indicted on mail fraud allegations arising out of the same scheme.

- Two Luzerne County election officials, Ernest Guarnieri and Anthony Rostock, pleaded guilty to conspiracy to vote more than once. Two other election officials, Angeline Cole and Delores Manganaro, pleaded guilty to civil rights violations and conspiring to vote more than once.

- Fred Demech, a member of the Pittston Area School District and of the Board of Directors of the Pittston Housing Authority, pleaded guilty to mail fraud by utilizing absentee ballots in the course of a vote-fraud scheme.

- George A. Stoss also pleaded guilty to participating in the same scheme.

- In Athens Lumber Co. v. F.E.C., an appeal challenging the facial constitutionality of campaign finance laws forbidding labor organizations and corporations from making contributions in federal political campaigns, a panel of the Eleventh Circuit held that the plaintiffs had standing to raise the issue and had stated a justiciable case or controversy. The panel certified the case to the entire Circuit en banc for decision on the merits.

- In 1982, the Section declined prosecution of thirteen election matters, and continued investigation in twenty-two such matters.

### Part III

#### Federal Prosecutions of Corrupt Public Officials

Each year, the Public Integrity Section collects information from the United States Attorneys about the public corruption cases they have handled. This portion of the report describes the results of the 1982 survey, and summarizes information from earlier surveys. Tables I-III display the numbers, types, dispositions, and geographical distribution of the reported cases.

Also presented below are descriptions of a sample of significant public corruption cases nationwide drawn from the 1982 questionnaire responses. The sample includes only those cases handled exclusively by the United States Attorneys' Offices; numerous other corruption cases were handled jointly by the United States Attorneys' Offices and the Public Integrity Section, many of which are described in Part II of this Report. The sample cases are organized according to the level of government affected by the corruption.

A. Corruption and Official Misconduct at the Federal Level

1. The Legislative Branch

- New York, Eastern District: Representative Richmond was prosecuted for income tax evasion, unlawfully supplementing the salary of a government official, and unlawful use of marijuana. The public corruption charge arose from Richmond's arranging a \$7,420 tuition payment for the daughter of a Naval employee involved in securing contracts for the Navy.

2. The Executive Branch

- Alabama, Northern District: A Surface Mine Inspector for the Mine Safety and Health Administration was convicted of accepting gratuities from coal mining operators.

- Alabama, Middle District: The Director and Deputy Director of the Temporary Housing Program of the Hurricane Frederic Disaster Relief Effort and nine others were indicted for their alleged involvement in a scheme whereby kickbacks were paid to the officials in exchange for service contracts in response to Hurricane Frederic. Nine defendants have pleaded guilty.

- Maryland: A Medical Officer at the Food and Drug Administration was convicted of bribery and conspiracy.

- New York, Southern District: A former Construction Management Engineer with the General Services Administration pleaded guilty to receiving a bribe of approximately \$10,000 from the president of a company, who

pleaded guilty to conspiracy, for approving false change orders in connection with a renovation contract for a federal building.

- Pennsylvania, Eastern District: An Assistant Staff Civil Engineer with the Navy and an outsider were convicted for participating in a long-term payoff scheme involving Navy Yard officials.

- Vermont: A United States Department of Agriculture Meat Inspector and three top officials of a meat packing company were convicted of bribery.

- Virginia, Eastern District: A Department of Energy employee and the president of a printing company pleaded guilty to mail fraud and an illegal gratuity charge arising from a scheme to defraud the United States in connection with the award of printing work under a Government contract.

The Office also convicted more than ten people as a result of an investigation of procurement activities of the Naval Public Works Center in Norfolk.

#### **B. Corruption at the State Level**

- Florida, Middle District: A Former President Pro Tem of the Florida Senate and two others were convicted of conspiracy, extortion and mail fraud in connection with a scheme to extort money from a night club owner to assist him in obtaining a liquor license.

- Louisiana, Middle District: Two State Department of Education officials were convicted of mail fraud, wire fraud and conspiracy to defraud the United States in connection with a scheme to obtain kickbacks from contracts awarded by the Department.

- Massachusetts: A former State Senator, who had been a key chairman in the State Senate, was convicted of extorting money from a building contractor.

- Michigan, Eastern District: A State Representative was convicted in connection with his solicitation of bribes from Detroit grocery stores by promising to obtain a Michigan Daily Lottery computer terminal for each of them.

- **New Jersey:** A State Senator, who was also Mayor of Union City, was convicted, along with five other public officials, for receiving approximately \$500,000 in kickbacks in connection with the renovation of two schools in Union City.

- **New Mexico:** The Director of the Governor's Office of Community Affairs pleaded guilty to misapplication of poverty programs funds, obstruction of a criminal investigation, and making a false claim against the Government.

- **South Carolina:** A State Representative, who was also Vice Chairman of the State House Agriculture Committee and National Farmer of the Year, pleaded guilty to three charges of defrauding three agencies of the United States Department of Agriculture, resulting in a net loss to the Government of approximately \$363,000.

- **Tennessee, Western District:** A State Senator was convicted of conspiracy, mail fraud, wire fraud, extortion and tax evasion in connection with a scheme whereby he accepted kickbacks of \$152,000 for his influence in getting computer contracts for a large computer company with the State and Shelby County. The case generated a landmark United States Supreme Court decision, that in a federal criminal prosecution a state legislator has no immunity concerning his legislative activities.

### **C. Corruption at the Local Level**

- **California, Central District:** A superintendent of the Riverside Solid Waste Systems, who profited by secretly acting as an agent for companies doing business with the city, was convicted of mail and wire fraud.

- **Florida, Middle District:** The Vice-Mayor and the Public Works Director of the City of Port Orange were convicted of offenses related to the bribery of a member of the City Council of Port Orange.

- **Illinois, Northern District:** The investigation of the Cook County Board of Tax Appeals continued with the indictment in 1982 of four more public officials and five more attorneys and tax consultants. The investigation concerns alleged payoffs to officials at the Board to lower property taxes.

- **Indiana, Northern District:** The County Plan Commission Administrator was convicted of extorting money from contractors in exchange for approving construction for compliance with building codes.

- **Maryland:** The President of the Baltimore City Council was convicted for charges relating to accepting bribes for favorable treatment of a sludge removal contract.

- **Mississippi, Southern District:** A Harrison County Supervisor was convicted for using federal anti-recession funds to pay two county employees for working at his own farm, and for extortion in getting a contractor to dig a well on his farm at county expense.

- **New York, Southern District:** The Chairman of the Yonkers Democratic Party and the Chairman of Yonkers Planning Commission were charged with attempted extortion and conspiracy to extort Toys R Us, a nationwide chain of toy stores, in connection with the 1980 opening of its Yonkers store. The latter Chairman pleaded guilty to conspiracy, the former has since been convicted.

- **New York, Eastern District:** The Superintendent of Quality Control, New York City Transit Authority, was convicted of extortion charges arising from his use of official position to obtain paid vacations and golf outings from persons and firms doing business with New York City.

The Commissioner of the New York Taxi and Limousine Commission was convicted on extortion charges arising from an undercover payoff by investigators posing as corrupt businessmen.

- **North Carolina, Eastern District:** The Chairman of the Columbus County Board of Commissioners, who accepted bribes from undercover FBI agents to obtain a business license in a gold-buying operation and was instrumental in obtaining the liquor-by-the-drink referendum in Bolton through vote buying and corrupt practices, was convicted on RICO charges.

- **Pennsylvania, Eastern District:** A joint FBI/Environmental Protection Agency investigation resulted in indictments and convictions of the principal operators of a waste dump in connection with bribes to a local official. The prosecutions helped bring about the closing of the landfill and the initial steps toward a cleanup.

- Pennsylvania, Western District: Three members of the Allegheny County Property Assessors Office were convicted of federal extortion charges for their part in a systematic and long-term extortion practice in real estate assessment in the County.

- Texas, Southern District: As part of the BRILAB case, a Houston Port Commissioner and an outsider were convicted of furthering a scheme to bribe a local official to obtain an insurance contract from the City of Houston.

\* \* \*

Described below are cases that illustrate patterns of corruption, in that cases involving similar facts were prosecuted in several districts throughout the country.

1. Law Enforcement Officials

A number of local law enforcement officials were prosecuted for accepting or extorting payment in exchange for protection of illegal activities such as drug smuggling, gambling, or illegal liquor operations. Such cases were handled in the Southern District of Alabama, the Northern District of Georgia, the Northern District of Indiana, the Northern District of Illinois, the Eastern District of Louisiana, the Northern District of Mississippi, and the Western District of Pennsylvania, among others.

In the District of Puerto Rico the head of the Police Academy was charged with conspiracy to extort \$500,000 from a jeweler in San Juan as ransom for the jeweler's son, who allegedly had been kidnapped by the defendant and co-conspirators. The case is part of a large-scale investigation involving police corruption in Puerto Rico.

County Commissioner/Vendor Corruption. Numerous corruption cases were handled nationwide concerning county commissioners and corrupt purchasing practices. The statewide investigation of county commissioners in Oklahoma continued with ninety additional county commissioners, salesmen and vendors pleading guilty or being convicted.

Similar cases involving kickbacks on purchasing contracts were prosecuted in other districts, including the Middle and Southern Districts of Alabama, the Western District of Arkansas, the Northern District of Georgia, the District of South Carolina, the Eastern District of Tennessee and the Eastern District of Texas.

The Oklahoma prosecutions are particularly noteworthy, not only because of the scope of the criminal activity successfully prosecuted, but also because of the dramatic savings to taxpayers that have followed in the wake of the investigations and prosecutions. Though only a small number of agents and prosecutors devoted a majority of their time to the numerous successful prosecutions, it has been recently estimated that annual savings of between thirty-five and sixty percent of the statewide county purchasing budget - some \$100 million to \$200 million per year - have been made as a result of eliminating the cost of kickbacks from the prices for materials sold to Oklahoma counties and of eliminating payments for materials never delivered. In addition, it has been estimated that \$700,000 in additional federal taxes, \$300,000 in criminal fines and \$300,000 - \$400,000 in restitution to the counties have been recovered.

April, 1983

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TABLE I

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1982

Federal Officials

Indicted	158
Convicted	147
Awaiting Trial	38

State Officials

Indicted	49
Convicted	43
Awaiting Trial	18

Local Officials

Indicted	257
Convicted	232
Awaiting Trial	58

Others Involved

Indicted	265
Convicted	249
Awaiting Trial	72

Total

Indicted	729
Convicted	671
Awaiting Trial	186

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

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
<b>Federal Officials</b>										
- Indicted	60	59	53	111	129	133	128	123	198	158
- Convicted	48	51	43	101	94	91	115	131	159	147
- Awaiting Trial on December 31	2	1	5	1	32	42	21	16	23	38
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<b>State Officials</b>										
- Indicted	19	36	36	59	50	55	58	72	87	49
- Convicted	17	23	18	35	38	56	32	51	66	43
- Awaiting Trial on December 31	0	0	5	30	33	20	30	28	36	18
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<b>Local Officials</b>										
- Indicted	85	130	139	194	157	171	212	247	244	257
- Convicted	64	87	94	100	164	127	156	168	211	232
- Awaiting Trial on December 31	2	4	15	98	62	72	67	82	102	58
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<b>Others involved</b>										
- Indicted	80	66	27	199	171	198	289	279	349	265
- Convicted	52	56	24	144	144	135	252	202	294	249
- Awaiting Trial on December 31	14	0	2	70	83	71	69	87	70	72
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<b>Totals</b>										
- Indicted	244	291	255	563	507	557	687	721	878	729
- Convicted	181	217	179	380	440	409	555	552	730	671
- Awaiting Trial on December 31	18	5	27	199	210	205	187	213	231	186

**TABLE III**  
**FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS**  
**Convictions of Public Officials by Judicial Districts**  
**1976 - 1982**

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>TOTAL</u>
Alabama, Northern	0	6	4	9	6	5	4	34
Alabama, Middle	9	4	5	10	22	3	6	59
Alabama, Southern	1	0	1	N/A	5	0	6	13
Alaska	4	3	0	0	0	0	0	7
Arizona	2	3	0	1	2	6	0	14
Arkansas, Eastern	1	3	2	3	4	2	0	15
Arkansas, Western	0	1	0	1	1	1	1	5
California, Northern	0	0	0	0	0	2	0	2
California, Eastern	0	0	0	0	N/A	0	3	3
California, Central	10	8	3	8	4	8	4	45
California, Southern	1	2	3	7	8	8	5	34
Colorado	0	1	1	0	0	0	1	3
Connecticut	0	5	4	4	7	0	4	24
Delaware	3	0	1	0	0	1	1	6

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N/A = Not Available; Failed to return Questionnaire.

	1976	1977	1978	1979	1980	1981	1982	TOTAL
District of Columbia	1	0	0	0	2	4	0	7
Florida, Northern	4	1	5	1	2	6	4	23
Florida, Middle	0	0	3	0	14	0	1	18
Florida, Southern	6	2	6	1	2	2	5	24
Georgia, Northern	9	7	1	1	3	1	2	24
Georgia, Middle	0	1	0	4	2	8	3	18
Georgia, Southern	N/A	N/A	2	0	N/A	2	0	4
Guam	0	0	0	0	0	0	3	3
Hawaii	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0
Illinois, Northern	N/A	N/A	16	27	25	35	20	123
Illinois, Central	1	0	8	2	2	0	0	13
Illinois, Southern	0	0	4	2	0	0	0	6
Indiana, Northern	4	6	5	3	7	2	3	30
Indiana, Southern	0	3	0	0	7	2	3	15
Iowa, Northern	0	0	0	0	0	0	0	0
Iowa, Southern	1	0	0	1	0	1	0	3
Kansas	9	4	0	3	N/A	7	0	23
Kentucky, Eastern	5	6	5	5	12	5	4	42

	1976	1977	1978	1979	1980	1981	1982	TOTAL
Kentucky, Western	1	0	2	2	0	2	5	12
Louisiana, Eastern	N/A	N/A	6	7	8	13	4	38
Louisiana, Middle	1	0	0	1	1	3	2	8
Louisiana, Western	0	1	0	10	2	0	2	15
Maine	0	0	2	2	3	0	0	7
Maryland	2	5	20	11	11	3	2	54
Massachusetts	3	5	7	5	6	7	11	44
Michigan, Eastern	1	4	1	7	3	10	16	42
Michigan, Western	1	1	1	0	0	2	4	9
Minnesota	1	0	0	2	0	0	0	3
Mississippi, Northern	0	2	3	2	4	6	4	21
Mississippi, Southern	1	0	0	0	4	9	7	26
Missouri, Eastern	4	2	1	1	2	2	4	16
Missouri, Western	1	0	0	0	0	0	1	2
Montana	1	0	0	0	1	0	0	2
Nebraska	0	1	0	0	7	0	0	8
Nevada	1	1	3	0	0	2	0	8
New Hampshire	0	0	0	0	0	3	7	12
New Jersey	14	10	15	9	25	8	16	97
New Mexico	9	9	1	4	0	2	6	31

	1976	1977	1978	1979	1980	1981	1982	TOTAL
New York, Northern	1	0	2	0	0	0	0	3
New York, Southern	0	8	3	33	17	30	36	127
New York, Eastern	21	21	7	1	22	11	11	94
New York, Western	0	5	1	5	6	1	0	18
North Carolina, Eastern	1	0	1	1	N/A	2	7	12
North Carolina, Western	0	0	0	0	0	2	0	2
North Carolina, Middle	*	*	*	0	0	0	0	0
North Dakota	0	0	0	1	0	0	0	1
Ohio, Northern	2	5	6	12	3	2	3	33
Ohio, Southern	12	18	7	21	10	2	0	70
Oklahoma, Northern	0	0	0	0	0	2	8	10
Oklahoma, Western	0	0	4	N/A	5	51	44	104
Oklahoma, Eastern	0	0	0	5	3	9	13	30
Oregon	0	0	1	0	0	0	0	1
Pennsylvania, Eastern	8	6	13	11	8	4	4	54
Pennsylvania, Middle	21	27	16	3	6	16	13	102
Pennsylvania, Western	9	39	12	7	N/A	4	7	78
Puerto Rico	1	5	0	N/A	0	0	1	7

\* = District did not exist.

	1976	1977	1978	1979	1980	1981	1982	TOTAL
Rhode Island	N/A	N/A	0	N/A	0	4	0	4
South Carolina	19	15	8	10	11	25	8	96
South Dakota	0	0	0	2	0	0	0	2
Tennessee, Eastern	0	4	0	2	1	0	5	12
Tennessee, Middle	1	1	2	3	0	8	5	20
Tennessee, Western	2	7	3	5	7	7	4	35
Texas, Northern	6	4	4	7	5	5	15	46
Texas, Southern	8	3	6	6	1	0	1	25
Texas, Eastern	0	1	3	N/A	3	19	11	37
Texas, Western	4	2	0	N/A	3	6	8	23
Utah	0	0	2	1	N/A	4	0	7
Vermont	0	0	1	0	N/A	0	1	2
Virgin Islands	N/A	N/A	0	0	0	1	2	3
Virginia, Eastern	4	4	1	1	1	13	13	37
Virginia, Western	0	1	0	0	0	5	0	7
Washington, Eastern	0	0	0	0	0	0	0	0
Washington, Western	0	1	0	2	2	1	0	6
West Virginia, Northern	0	0	1	3	1	0	0	5

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>TOTAL</u>
West Virginia, Southern	2	0	6	3	N/A	0	3	14
Wisconsin, Eastern	1	4	2	0	1	2	11	21
Wisconsin, Western	0	3	0	1	1	0	0	5
Wyoming	0	0	0	0	0	0	0	0