

**REPORT TO CONGRESS  
ON THE ACTIVITIES AND OPERATIONS  
OF THE  
PUBLIC INTEGRITY SECTION  
FOR 2001**



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

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

## INTRODUCTION

This Report to Congress is submitted pursuant to the Ethics in Government Act of 1978, which requires the Attorney General to report annually to Congress on the operations and activities of the Justice Department's Public Integrity Section. The Report describes the activities of the Public Integrity Section during 2001. It also provides statistics on the nationwide federal effort against public corruption during 2001 and over the previous two decades.

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

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

Lee J. Radek served as Chief of the Section for the first eight months of 2001. In September 2001, Andrew Lourie was named Acting Chief of the Section by the Assistant Attorney General, Criminal Division. During the year the Section maintained a staff of approximately 25 attorneys, including experts in extortion, bribery, election crimes, and criminal conflicts of interest.

Part I of the Report discusses the operations of the Public Integrity Section and highlights its major activities in 2001. Part II describes the cases prosecuted by the Section in 2001. Part III presents nationwide data based on the Section's annual surveys of United States Attorneys regarding the national federal effort to combat public corruption from 1982 through 2001.

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## **PART I**

### **OPERATIONAL RESPONSIBILITIES OF THE PUBLIC INTEGRITY SECTION**

#### **A. RESPONSIBILITY FOR LITIGATION**

The work of the Public Integrity Section focuses on public corruption, that is, crimes involving abuses of the public trust by government officials. Most of the Section's resources are devoted to the supervision of investigations involving alleged corruption by government officials and to prosecutions resulting from these investigations. Decisions to undertake particular matters are made on a case-by-case basis, based on Section resources, the type and seriousness of the allegation, the sufficiency of factual predication reflecting criminal conduct, and the availability of federal prosecutive theories to reach the conduct.

Cases handled by the Section generally fall into one of the following categories: recusals by United States Attorneys' Offices, sensitive cases, multi-district cases, referrals from federal agencies, and shared cases. These categories are discussed below, and examples of cases handled by the Section in 2001 under the categories are noted. The examples are described, along with the Section's other 2001 casework, in Part II.

##### **1. Recusals by United States Attorneys' Offices**

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

Public corruption cases tend to raise unique problems of public perception that are generally absent in more routine criminal cases. An investigation of alleged corruption by a government official, whether at the federal, state, or local level, always has the potential to be high-profile, simply because its focus is on the conduct of a public official. In addition,

these cases are often politically sensitive, because their ultimate targets tend to be politicians or government officials appointed by politicians.

A successful public corruption prosecution requires both the appearance and the reality of fairness and impartiality. This means that a successful corruption case includes not just a conviction, but public perception that the conviction was warranted and not the result of improper motivation by the prosecutor. Therefore, if the local United States Attorney or a prosecutor in his or her office has had a significant business, social, political, or personal relationship with a subject or a principal witness in a corruption investigation, it may be difficult, as well as inappropriate, for that office to handle the investigation because of the appearance of a conflict of interest between the official and the private interests of the prosecutor.

In cases where the local conflict of interest is substantial, the local office is removed from the case by a procedure called recusal. Recusal occurs when the local office either asks to step aside, or is asked to step aside by Department Headquarters, as primary prosecutor. Federal cases involving corruption allegations in which the conflict is substantial are usually referred to the Public Integrity Section either for prosecution or direct operational supervision.

Allegations involving possible crimes by federal judges almost always require recusal of the local office, for significant policy as well as practical reasons. In addition to possible professional or social ties with a judge who is the subject or target of the investigation, local prosecutors are likely to have official responsibilities before the judge on their other cases, both during and after the investigation. Having the case handled outside the local office eliminates the possible appearance of bias, as well as the practical difficulties and awkwardness that would arise if an office investigating a judge were to appear before the judge on other matters. Thus, as a matter of established Department practice, federal judicial corruption cases generally are handled by the Public Integrity Section.

Similar concerns regarding the appearance of bias also arise when the target of an investigation is a federal prosecutor, or a federal investigator or other employee assigned to work in or closely with a particular United States Attorney's Office. If an Assistant United States Attorney (AUSA) were to investigate a fellow AUSA in the same office, the public may well question the vigor and impartiality of the investigation. Thus, cases involving United States Attorneys, AUSAs, or federal investigators or employees working with AUSAs in the field generally result in a recusal of the local office. These cases are typically referred to the Public Integrity Section, where they constitute a significant portion of its caseload, as can be seen from a review of the cases described in Part II.

During 2001 the Section handled a number of significant prosecutions as a result of recusals. In a series of cases involving court officials in Florida, a private vendor was convicted of bribery and conspiracy relating to his efforts to sell computer products to the federal courts; the Clerk of the United States Bankruptcy Court for the Northern District of Florida was convicted of making a false statement in connection with his dealings with this vendor; and a senior official of the United States Bankruptcy Court for the Middle District of Florida was convicted of mail fraud arising out of his involvement with the vendor's schemes. In another significant series of prosecutions, involving corruption by law enforcement officials along the Southwest Border, five individuals, including a supervisor of the United States Customs Service, a Customs Service agent, and an agent of the United States Border Patrol, were convicted on charges relating to their involvement in a scheme to smuggle drugs from Mexico into Texas. A final example of a 2001 recusal case culminated in a five-month prison term for a former special agent of the FBI who had provided false documents and also had testified falsely in a federal prosecution brought by the United States Attorney's Office in Greenville, Mississippi.

## **2. Sensitive and Multi-District Cases**

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

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

The Section handled a number of sensitive cases in 2001. In one case, a former guard at the INS's federal detention center in Miami pled guilty to engaging in a sexual act with a federal detainee who was under his custodial authority. In another case, the former office manager of the Bush Campaign's media consultant was sentenced to a one-year prison term after pleading guilty to perjury and mail fraud charges relating to her surreptitious mailing of Bush Campaign debate materials to a former Congressman to help the presidential campaign of then-Vice President Al Gore.

In addition to sensitive cases, this category encompasses multi-district cases, or cases that involve allegations that cross judicial district lines and hence fall under the jurisdiction of two or more United States Attorneys' Offices. In these cases the Section is occasionally asked to coordinate the investigation among the various United States Attorneys' Offices, to handle a case jointly with one or more United States Attorneys' Offices, or, when appropriate, to assume operational responsibility for the entire case. An example of a multi-district case is the Section's ongoing investigation in Virginia, the District of Columbia, and Maryland into the misuse of government charge cards issued under the "IMPAC" (International Merchant Purchase Authorization Card) program by the Pentagon and other federal agencies. The investigation has resulted in nine convictions, several of which were handled jointly with the United States Attorney's Office for the Eastern District of Virginia, and has produced lengthy prison terms for many of the defendants. Officials convicted in 2001 in connection with this investigation include the former Army Master Sergeant assigned to the Joint Chiefs of Staff at the Pentagon and three other Army officials.

### **3. Federal Agency Referrals**

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

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

As in previous years, the Section handled numerous referrals from federal agencies in 2001, including a referral from the United States Army's Criminal Investigative Division, which led to the conviction of an official of the Army Corps of Engineers for bribery in connection with his selection of personnel to travel to Washington, DC, in connection with disasters and other emergencies. In another example, a referral from another Section of the Criminal Division and the United States Customs Service led to the conviction of a State Department computer specialist, who pled guilty to unauthorized removal of classified materials and stealing government computer equipment, which the defendant had intended for his own use and for an international computer piracy group.



#### **4. Requests for Assistance; Shared Cases**

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

At times the available prosecutorial resources in a United States Attorney's Office may be insufficient to undertake sole responsibility for a significant corruption case. In these cases the local office may request the assistance of an experienced Section prosecutor to share responsibility for prosecuting the case. In addition, on occasion the Section may be asked to provide operational assistance or to assume supervisory responsibility for a case due to a partial recusal of the local office. Finally, the Public Integrity Section may be assigned to supervise or assist with a case initially assigned to another Department component.

In 2001 the Section shared operational responsibility in a number of significant corruption cases. One example is a visa fraud investigation handled by the Section and the United States Attorney's Office for the Northern District of Illinois, which resulted in convictions during 2001 of a former official of the State Department's Foreign Service and two citizens of the Republic of Guyana on bribery and related charges. In another example of a 2001 shared case, the Section was asked by the United States Attorney's Office for the District of Utah to assist in a corruption trial involving the Director of Utah's Division of Radiation Control. The individual was convicted at trial on four tax-related charges arising from his scheme to extort money from a radioactive waste disposal facility, and was sentenced to 30 months' imprisonment.

#### **B. SPECIAL SECTION PRIORITIES**

In addition to the general responsibilities discussed above, in 2001 the Public Integrity Section continued its involvement in a number of additional priority areas of criminal law enforcement.

##### **1. Election Crimes**

One of the Section's law enforcement priorities is its supervision of the Justice Department's nationwide response to election crimes. The purpose of Headquarters' oversight of election crime matters is to ensure that the Department's nationwide response to election crime is uniform, impartial, and effective. An Election Crimes Branch, headed by a Director and staffed by Section attorneys on a case-by-case basis, was created within the Section in 1980 to handle this supervisory responsibility.

The Election Crimes Branch oversees the Department's handling of all election crime allegations other than those involving civil rights violations, which are supervised by the Voting Section of the Civil Rights Division. Specifically, the Branch supervises four types of corruption cases: crimes that involve the voting process, crimes involving the financing of federal election campaigns, crimes relating to political shakedowns and other patronage abuses, and illegal lobbying with appropriated funds. Vote frauds and campaign-financing offenses are the most significant and also the most common types of election crimes.

The election-related work of the Section and its Election Crimes Branch falls into the following categories:

a. Consultation and Field Support. Under long-established Department procedures, the Section's Election Crimes Branch reviews all major election crime investigations, including all grand jury investigations and FBI full field investigations, and all election crime charges proposed by the various United States Attorneys' Offices for legal and factual sufficiency. In addition, the Branch reviews all proposed investigations concerning alleged violations of the Federal Election Campaign Act (FECA), 2 U.S.C. §§ 431-455, including all preliminary investigations. The increased coordination with the Section on FECA matters is the result of both the complexity of the campaign financing statutes and the Department's shared jurisdiction over willful violations of these statutes with another federal agency, the Federal Election Commission.

The Section's consultation responsibility for election matters includes providing advice to prosecutors and investigators regarding the application of federal criminal laws to election fraud and campaign-financing abuses, and the most effective investigative techniques for particular types of election offenses. It also includes supervising the Department's use of the federal conspiracy and false statements statutes (18 U.S.C. § 371 and § 1001) to address schemes to subvert the campaign financing laws. In addition, the Election Crimes Branch helps draft election crime charges and other pleadings when requested.

\* Vote frauds. During 2001 the Branch assisted United States Attorneys' Offices in Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, Missouri, New Jersey, Oklahoma, South Carolina, Texas, Utah, West Virginia, and Wisconsin in handling vote fraud matters that occurred in their respective districts. This assistance included providing expertise in the evaluation of allegations to determine whether investigation would produce prosecutable federal criminal cases, helping to structure investigations, providing legal assistance with respect to the formulation of charges, and assisting in establishing task force teams of federal and state law enforcement officials to investigate vote fraud matters.

\* Campaign-financing crimes. During 2001 the Branch also continued its assistance in the implementation of the Department's nationwide enforcement strategy for criminal violations of the Federal Election Campaign Act. As part of this effort, the Branch assisted United States Attorneys in Arkansas, California, Connecticut, the District of Columbia, Louisiana, Michigan, Missouri, Montana, New Jersey, New York, Pennsylvania, and Texas in applying this strategy to campaign-financing cases in their respective districts.

b. Litigation. On occasion the Branch Director or Section attorneys prosecute selected election crimes, either by assuming total operational responsibility for the case or by handling the case jointly with a United States Attorney's Office. The Section also may be asked to supervise the handling of a case in the event of a partial recusal of the local office. For example, in 2001 the Branch continued to supervise the prosecution of a sheriff and his election attorney for using data from the National Crime Information Center regarding voters' criminal histories to wage an election contest.

c. Coordination with District Election Officers. The Branch also assists in implementing the Department's long-standing District Election Officer (DEO) Program. This Program is designed to ensure that each of the 94 United States Attorneys' Offices has a trained prosecutor available to oversee the handling of election crime matters within the district and to coordinate district responses with Headquarters regarding these matters.

The DEO Program involves the appointment of an Assistant United States Attorney in each federal district to serve a two-year term as a District Election Officer; the training of these prosecutors in the investigation and prosecution of election crimes; and the coordination of election-related initiatives and other law enforcement activities between Headquarters and the field. In addition, the DEO Program is a crucial feature of the Department's nationwide Election Day Watch Program, which occurs in connection with the federal general elections held in November of even-numbered years. This Program ensures that federal prosecutors and investigators are available both at the Department's Headquarters in Washington and in each district to receive and handle complaints of election irregularities from the public while the polls are open on election day.

d. Inter-Agency Liaison. The Election Crimes Branch is the formal liaison between the Justice Department and the Federal Election Commission (FEC), an independent federal agency which shares enforcement jurisdiction with the Department over willful campaign-financing violations. The FEC has exclusive civil jurisdiction over all violations of the FECA; the Justice Department has exclusive criminal jurisdiction over FECA violations. 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, §§ 1501-1508, which may also involve criminal patronage abuses that are within the Department's jurisdiction.

## **2. Conflicts of Interest Crimes**

Conflicts of interest is a wide-ranging and complex area of law, with many layers of administrative and oversight responsibility. Moreover, the federal criminal conflicts of interest laws overlap to some extent with the sometimes broader ethics restrictions imposed by civil statutes, agency standards of conduct, Presidential orders, and, in the case of attorneys, bar association codes of conduct.

The Public Integrity Section's work in the conflicts area falls into the following categories:

a. Criminal Referrals from Federal Agencies and Recusals. The Section's criminal enforcement role comes into play with respect to a narrow group of conflicts of interest matters, namely, those that involve possible misconduct proscribed by one of the federal conflicts of interest statutes. 18 U.S.C. §§ 203-209. These crimes are prosecuted either by a United States Attorney's Office or by the Public Integrity Section. Conflicts of interest matters are often referred to the Section by the various federal agencies. If investigation of a referral is warranted, the Section coordinates the investigation with the Inspector General for the agency concerned, the FBI, or both. If prosecution is warranted, the Section prosecutes the case. In addition, on occasion the Section is asked to handle recusals and special assignments regarding conflicts matters.

b. Civil Enforcement for Conflicts of Interest. During 2001 the Section continued implementing an enforcement strategy for conflicts matters that is designed to accomplish the objectives of criminal enforcement while conserving prosecutorial and government resources. Under the federal criminal code, violations of the criminal conflicts of interest statutes may be addressed through civil sanctions as well as criminal prosecution. 18 U.S.C. § 216. The tiered remedies for conflicts violations reflect congressional recognition that many conflicts violations do not warrant criminal prosecution, yet nevertheless raise serious public policy and law enforcement concerns. In addition, the civil enforcement option for conflicts matters is particularly useful in those cases where proof of the requisite criminal intent to support criminal prosecution is difficult to establish beyond a reasonable doubt. The Section has accordingly used the statutory civil option in appropriate cases. The goal of this strategy is to encourage compliance with the law by achieving timely, predictable, and appropriate resolution of conflicts allegations while at the same time making it clear that violations are not tolerated.

For example, in 2001 the Section resolved a conflict of interest case involving a former official of the State Department's Task Force for Military Stabilization in the Balkans, who agreed to a civil settlement and payment of a civil penalty to resolve allegations that he had violated the federal post-employment conflict of interest statute in connection with his contacts with the United States Embassy in Bosnia-Herzegovina on behalf of his private employer.

c. Coordination. The Public Integrity Section works closely with the United States Office of Government Ethics (OGE), in order to coordinate conflicts of interest issues with OGE and other executive branch agencies and offices. The purpose of this coordination is to ensure that the Administration's overall legislative and enforcement efforts in this area are both complementary and consistent. OGE has broad jurisdiction over noncriminal conduct by executive branch personnel, as well as the authority to provide guidance concerning the coverage of the federal criminal conflicts of interest statutes. The Section's coordination with OGE ensures that consistent guidance is provided with respect to the overlapping criminal, civil, and administrative interests implicated by the statutory and regulatory restrictions on federal personnel.

### **3. Special Counsel and Independent Counsel Matters**

When the Independent Counsel Act expired in June 1999, the Attorney General adopted regulations to replace the Act. The regulations, set forth in Part 600 of Title 28 of the Code of Federal Regulations, describe the Attorney General's discretionary authority to appoint an outside Special Counsel when the Attorney General concludes that a conflict of interest or other extraordinary circumstances exist such that the public interest would be served by removing a large degree of responsibility for a matter from the Department of Justice. The regulations provide for the appointment by the Attorney General of an outside Special Counsel to handle the matter, free from day-to-day oversight of his or her decisionmaking. When requested to do so, the Section reviews matters that may raise issues under the regulations and provides recommendations and advice to senior Department officials regarding these matters. In addition, during 2001 the Section continued to serve as the principal liaison between the remaining ongoing independent counsels and the Department of Justice, providing assistance and advice as they concluded their investigations.

### **C. LEGAL AND TECHNICAL ASSISTANCE**

In addition to its litigation and oversight responsibilities, the Public Integrity Section provides legal and technical assistance to various federal, state, and local law enforcement agencies, as well as to other Departments and international organizations, on public corruption issues. The Section's assistance falls into the following general areas:

## **1. Training and Advice**

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

The Section helps plan and staff the annual public corruption seminar sponsored by the Attorney General's Advocacy Institute. Speakers at this seminar typically include both the Section's senior prosecutors and Assistant United States Attorneys from the field who have handled significant corruption cases. The seminars provide training for federal prosecutors and FBI agents in the statutes most commonly used in corruption cases, guidance in the use of the complex and difficult investigative techniques necessary to investigate government corruption, and advice from experienced prosecutors on conducting corruption trials. In 2001, two of the Section's senior prosecutors addressed attendees on the federal laws and prosecutive theories relating to corruption, the use of computer evidence in corruption cases, and the prosecution of campaign financing crimes.

Also during the year, the Section's Deputy Chief for Litigation addressed a public corruption conference sponsored by the FBI for FBI agents and agents of the Offices of Inspectors General on corruption statutes and their enforcement. He also addressed the newly formed FBI corruption squad in Calverton, Maryland, and a senior Section prosecutor spoke to agents and officials in the Minneapolis Division of the FBI on the federal statutes and investigative techniques involved in corruption investigations. The Section also participated in training events sponsored by other federal departments and agencies in 2001. For example, a Section prosecutor taught a two-day course at the Treasury Department's Federal Law Enforcement Training Center for investigators in the Offices of Inspectors General, and the Section's Election Crimes Director addressed the General Counsel's Office of the Department of Transportation on the federal anti-lobbying statute. The Director also addressed newly elected and appointed county election supervisors at a conference sponsored by the Election Center, a nonprofit organization that trains election officials, on the federalization of abuses of the franchise.

## **2. Advisor to President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency**

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The Public Integrity Section serves, pursuant to Executive Order 12993 (Mar. 21, 1996), as 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 of the various agencies of the executive branch of the federal government. The Integrity Committee of the PCIE/ECIE was charged by the Executive Order with handling allegations against Inspectors General and senior members of their staff.

In addition, the Integrity Committee was charged by the Executive Order with establishing policies and procedures to ensure consistency in conducting administrative investigations. The Committee's procedures, drafted with the assistance of the Public Integrity Section, provide a framework for the investigative function of the Committee. Allegations of wrongdoing by Inspectors General and their senior staff are initially reviewed by the Public Integrity Section for potential criminal prosecution. In noncriminal matters, the procedures guide the Committee's discretion to investigate the alleged misconduct and to report on its findings. The Public Integrity Section also advises the Integrity Committee on matters of law and policy relating to its investigations.

### **3. Legislative Activities**

An important responsibility of the Public Integrity Section is the review of proposed legislation that may affect, directly or indirectly, the investigation and prosecution of public officials. The Section is often called upon to comment on legislation proposed by Congress, by the Administration, or by other departments of the executive branch; to draft or review testimony for congressional hearings; and to respond to congressional inquiries concerning legislative proposals. In addition, on occasion the Section drafts legislative proposals relating to various corruption matters. For example, during 2001 the Section drafted provisions to clarify and strengthen the criminal enforcement mechanisms for violations of the Federal Election Campaign Act. The provisions proposed by the Section were ultimately approved by Congress and included in the Bipartisan Campaign Reform Act of 2002.

Also during the year, the Section reviewed and commented on legislative proposals relating to election administration reform, financial disclosure requirements for federal officials, streamlining financial disclosure requirements for presidential nominees, voting technology standards, campaign financing reform, and criminal conflicts of interest statutes.

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

Public corruption cases are often controversial, complex, and highly visible. These factors may warrant Departmental supervision and review of a particular case. On occasion Section attorneys are called upon to conduct a careful review of a sensitive public corruption case, evaluating the quality of the investigative work and the adequacy of any proposed indictments. Based on its experience in this area, the Section can often identify tactical or

evidentiary problems early on and either provide needed assistance or, if necessary, assume operational responsibility for the handling of the prosecution.

The Section also has considerable expertise in the supervision of the use of undercover operations in serious corruption cases. The Section's Chief serves as a permanent member of the FBI's Criminal Undercover Operations Review Committee. Additionally, a number of the Section's senior prosecutors have experience in the practical and legal problems involved in such operations, and have the expertise to employ effectively this sensitive investigative technique and to advise law enforcement personnel on its use.

## **5. International Advisory Responsibilities**

The Section's responsibilities in the area of international law enforcement had increased dramatically over the past few years, as the Justice Department's international law enforcement efforts have increasingly expanded. In addition to its routine briefings of foreign delegations on United States public corruption issues, the Section became increasingly involved in supporting the United States' efforts to assist the international community in its efforts to combat public corruption in foreign countries and at the international level. This work included both participation in international proceedings and coordination with other components of the Justice Department and the State Department on the Administration's position in this area.

During the first half of 2001 the Section's international law enforcement focus continued to be the ongoing anti-corruption efforts of the Council of Europe (COE), including the COE's Convention Against Corruption, which was signed by the United States in 2000, and the Group of States Against Corruption (GRECO), established in 1999 to monitor the COE's anti-corruption efforts and joined by the United States in 2000. The Section's Principal Deputy Chief participated in two conferences in France relating to the COE's Multi-disciplinary Group on Corruption, its Criminal Law Convention on Corruption, and proposed Program of Action Against Corruption. In addition, he was a member of the United States delegation to the Second Global Forum on Fighting Corruption, which was held in the Netherlands and cosponsored by the United States; served as the United States representative to the conference in Croatia of the Southeastern Europe Stability Pact, a compact between 40 countries and major international organizations created to foster stability in Southeastern Europe; addressed a conference in Belgium sponsored by the European Union; and was a member of the United States delegation to a United Nations conference in Austria concerning a UN corruption convention to be negotiated over the next two years.



As part of a reorganization of the Criminal Division's litigating sections, the Section's work in the area of international conventions was transferred to the Office of International Affairs of the Justice Department's Criminal Division in the latter part of 2001.

As noted above, Section experts also routinely address visiting foreign officials in connection with the detection and prosecution of public corruption offenses and continued to do so throughout 2001. These presentations are generally conducted under the auspices of the State Department's Foreign Visitor Program and the Justice Department's Office of Overseas Prosecutorial Development Assistance and Training. During 2001 the Section made presentations on corruption topics to officials from Argentina, Armenia, Australia, Azerbaijan, Belgium, Canada, Chile, Croatia, the European Union, Georgia, Hungary, Japan, Mexico, the Netherlands, Russia, Sweden, Tanzania, and the Ukraine. Also during the year the Section's Election Crimes Director addressed visiting foreign lawmakers and election officials from Albania, Armenia, Ecuador, Hungary, Indonesia, Poland, and Thailand on United States election crime statutes and their enforcement.

During 2001 Section prosecutors also traveled to Bangladesh at the request of the Justice Department's Office of Overseas Prosecutorial Development Assistance and Training to address senior government officials from Bangladesh, the Maldives, Nepal, Pakistan, and Sri Lanka on corruption statutes and issues.

**PART II**  
**PUBLIC INTEGRITY SECTION**  
**INDICTMENTS, PROSECUTIONS, AND APPEALS**  
**IN 2001**

**INTRODUCTION**

As described in Part I, the Public Integrity Section's role 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 corruption case for which the Section had either sole or shared operational responsibility during 2001. These cases are also included in the nationwide statistics provided in Part III, which reflect the total number of public corruption cases brought by the Justice Department in 2001 and over the previous two decades.

As in previous reports, the Section's corruption cases for calendar year 2001 are separated into categories, based on the branch or level of government affected by the corruption. Election crimes are grouped separately. Related cases are grouped together; unrelated cases are separated by double lines. In those cases where a conviction but not a sentence is reported, the sentencing occurred in a later year, and will be included in that year's report.

This portion of the Report also provides statistics for each category on the number of matters closed by the Section without prosecution during 2001 and the number of matters pending at the end of the year.

<b>FEDERAL JUDICIAL BRANCH</b>
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<p>During 2001, the Public Integrity Section closed one matter involving allegations of corruption in or affecting the federal judicial branch. As of December 31, 2001, one such matter was pending in the Section. Also during 2001, the Section handled the following cases involving crimes affecting the judicial branch:</p>
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## **United States v. Barfield, Eleventh Circuit Court of Appeals**

On May 1, 2001, the United States Court of Appeals for the Eleventh Circuit dismissed the appeal of defendant Michael A. Barfield for lack of jurisdiction. Barfield had previously pled guilty to obstruction of justice, perjury, conspiracy, and two counts of wire fraud. Barfield is currently serving a 10-year term of imprisonment for his role in concocting a false accusation against a United States district judge and an Assistant United States Attorney, in an attempt to disqualify the judge from presiding over a pending criminal case.

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## **United States Bankruptcy Court Prosecutions**

The cases summarized below arose out of the Section's investigation into allegations that officials of the United States Bankruptcy Courts for the Middle and Northern Districts of Florida were receiving bribes and gratuities in connection with the performance of their official duties. Three court officials and a private vendor pled guilty as a result of the investigation.

### **United States v. Muratore, Middle District of Florida**

Christopher Muratore, the former Systems Manager for the United States Bankruptcy Court for the Middle District of Florida, pled guilty on April 19, 2001, to a mail fraud scheme to deprive the Bankruptcy Court of his honest services.

From the Spring of 1998 until May of 2000, Muratore, along with the Clerk of the Bankruptcy Court, engaged in a scheme to enrich themselves and others by accepting cash payments from a vendor doing business with the Bankruptcy Court in return for using their official positions to influence the purchase of products from the vendor's companies by federal courts. Specifically, Muratore and the Clerk of Court recommended to other federal court officials that they purchase equipment from the vendor's companies. In exchange, the vendor paid Muratore and the Clerk cash commissions. These promotional efforts generated about \$1 million in sales by the vendor to numerous federal courts.

In addition, Muratore and the Clerk caused the Bankruptcy Court to purchase from the vendor's companies products at inflated prices and also products that would never be delivered. In return, the vendor paid Muratore and the Clerk a portion of the profits that the vendor's companies received from these transactions. The vendor's payments to Muratore and the Clerk for their roles in these schemes totaled in the thousands of dollars. The vendor's profits from the schemes totaled between \$350,000 and \$500,000.

Muratore was sentenced on September 25, 2001, to 36 months' probation, six months of which was ordered to be served as home detention. He was also ordered to pay restitution in the amount of \$107,850.

**United States v. Ralston, Middle District of Florida**

On April 19, 2001, businessman Roger H. Ralston pled guilty to conspiracy and bribery. Ralston is the president and owner of three companies, including Ralston Communications, Inc., a business that sells video-conferencing equipment.

From early 1998 until May of 2000, Ralston engaged in the bribery scheme described above with two officials of the United States Bankruptcy Court for the Middle District of Florida, Carl Stewart and Christopher Muratore. The purpose of the scheme was for Ralston to make cash payments to Stewart and Muratore in return for their taking official action to influence the purchase of products from Ralston's companies by federal courts.

Ralston was sentenced on September 25, 2001, to five months of community confinement, 36 months of supervised release, and 100 hours of community service. He was also ordered to pay restitution in the amount of \$276,200.

**United States v. Stewart, Middle District of Florida**

On April 19, 2001, Carl R. Stewart, the Clerk of Court for the United States Bankruptcy Court for the Middle District of Florida from 1986 until June of 2000, was sentenced to 27 months of imprisonment and ordered to pay restitution in the amount of \$260,431. Stewart had previously pled guilty to bribery and conspiracy to commit bribery.

As described above, from early 1998 until May of 2000, Stewart engaged in several bribery schemes with Muratore and Ralston which involved Stewart and Muratore accepting cash payments from Ralston in return for using their official positions to influence the purchase of products from Ralston's companies by federal courts.

**United States v. Pace, Northern District of Florida**

Larry Pace, the Clerk of Court for the United States Bankruptcy Court for the Northern District of Florida, pled guilty on September 25, 2001, to making a false statement to the FBI. As Clerk of the Bankruptcy Court, Pace was responsible for the purchase of services and equipment for the Bankruptcy Court.

In the course of an interview with the FBI, Pace stated that no vendor doing business or seeking to do business with the Bankruptcy Court had ever offered or given him any bribe, gratuity, gift, or incentive. Pace also stated that no official of Ralston Communications, Inc., ever offered or gave him anything of value at a time when the company was seeking to do business with the Bankruptcy Court. However, Pace had received a \$2,000 television set from the president of Ralston Communications, at a time when the company was doing business and seeking to do more business with the Bankruptcy Court.

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### **FEDERAL LEGISLATIVE BRANCH**

During 2001, the Public Integrity Section closed four matters involving allegations of corruption in or affecting the federal legislative branch. As of December 31, 2001, one such matter was pending in the Section. The Section handled no cases involving the federal legislative branch in 2001.

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### **FEDERAL EXECUTIVE BRANCH**

During 2001, the Public Integrity Section closed 89 matters involving allegations of corruption within the federal executive branch. As of December 31, 2001, 74 such matters were pending in the Section. Also during 2001, the Section handled the following cases involving executive branch corruption:

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

John R. Bryant, an employee in the Operations Center of the United States Army Corps of Engineers, pled guilty on September 10, 2001, to a one-count information charging him with bribery.

Bryant's official duties included recommending personnel to travel to Army Corps Headquarters in Washington, DC, in connection with disasters and other emergencies. Bryant was also responsible for coordinating travel for the personnel he recommended, including arranging long-term housing paid for by the Army Corps. Beginning in 1996, Bryant began arranging for personnel traveling on official government business to use a certain apartment complex for long-term housing paid for by the Army Corps. In return for

his actions in providing approximately \$250,000 of government business to that apartment complex, Bryant solicited and accepted from the managers of the apartment complex payments totaling over \$5,000. Bryant also solicited and received money from other residential providers in exchange for providing Army Corps business.

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### **United States v. Bullard, Dixon and Kolar, Southern District of Georgia**

On February 13, 2001, a federal grand jury returned an eight-count indictment against three individuals: two officials of the General Services Administration (GSA), Billy R. Dixon, Director of GSA's Savannah Customer Service Center, and John A. Kolar, Building Management Specialist at the Savannah Center; and William Bullard, a construction contractor who performed contracts for GSA. The indictment charged all three defendants with conspiracy to defraud the United States, conspiracy to make false statements, and making false statements. In addition, Dixon and Bullard were charged with a mail fraud scheme to deprive GSA of their honest services and Kolar was charged with witness tampering.

A jury subsequently acquitted Bullard, Dixon, and Kolar after a trial.

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### **United States v. Calatayud, Central District of California**

On January 11, 2001, Emilio Calatayud, a special agent with the Drug Enforcement Administration, was indicted by a federal grand jury on eleven charges, including wire fraud, computer fraud, and bribery. The charges stemmed from Calatayud's use of his DEA employment and law enforcement position to sell criminal history and law enforcement information to a Los Angeles private investigations firm. Specifically, in exchange for payment of at least \$22,500, Calatayud used DEA equipment and resources over several years to conduct numerous interstate searches of various law enforcement computer systems and databases, searching for sensitive information about individuals being investigated by the private investigations firm.

Calatayud was charged with five violations of the wire fraud statute for scheming to defraud DEA and the public of his honest services by using his public office to enrich himself. Calatayud was also charged with five violations of the computer fraud statute for illegally exceeding his authorized access to law enforcement computer systems to acquire information from the National Crime Information Center and the Narcotics and Dangerous Drug Information System, two exclusive law enforcement databases operated by the United

States Government. Finally, Calatayud was charged with engaging in a bribery scheme for receiving payments from the private investigations firm in exchange for conducting the unauthorized searches.

On March 8, 2001, the charges were amended to add three tax violations for failing to report the money he received from the private investigations firm. Subsequently, on the day the case against him was set to begin trial, Calatayud fled the United States for Mexico. The Government obtained a superseding indictment adding a charge for Calatayud's failure to appear before the court. Calatayud was thereafter apprehended in Mexico and turned over to the authorities in the United States. He subsequently pled guilty to five felonies.

The prosecution is being jointly handled by the Public Integrity Section and the United States Attorney's Office for the Central District of California.

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

Lynn A. Clemons, a former employee of the National Oceanic and Atmospheric Administration (NOAA) of the United States Department of Commerce, pled guilty on July 3, 2001, to a one-count information charging her with conspiracy to steal money and things of value of the United States.

In 2000, while employed by NOAA, Clemons paid NOAA employee Patricia Palmer cash on five occasions to falsely inflate Clemons's official time and attendance records. The falsifications resulted in the Government disbursing approximately \$9,800 in payroll funds to Clemons to which she was not entitled. After each inflated payment, Clemons paid Palmer \$300, resulting in a total of \$1,500 in cash that Clemons paid Palmer over five pay periods.

Clemons was sentenced on October 10, 2001, to a two-year term of probation and was ordered to pay restitution to NOAA.

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

Patricia A. Palmer, a former employee of the Commerce Department's National Oceanic and Atmospheric Administration, pled guilty on March 14, 2001, to a one-count information charging her with conspiracy to steal money and things of value of the United States.

Palmer's duties at NOAA included recording and certifying time and attendance information for certain NOAA employees. Over five pay periods in 2000, Palmer falsely

inflated the time and attendance information of NOAA employee Lynn Clemons, allowing Clemons to receive an additional \$9,800 in government funds to which she was not entitled. In return, Palmer received five \$300 payments from Clemons.

Palmer was sentenced on May 31, 2001, to a five-year term of probation and ordered to pay restitution to the Government.

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**United States v. Davis and Perez-Davis, Northern District of Georgia**

On June 24, 2001, a federal grand jury returned a superseding indictment against Francisco T. Perez-Davis, Acting Sergeant of the Atlanta zone office of the Federal Protective Service (FPS). Perez-Davis and Major Darla K. Davis, the chief uniformed federal police officer in the Atlanta zone office of FPS, had been indicted jointly in 2000 for conspiracy to defraud the United States, false statements, and concealing public records. On November 29, 2001, after a joint trial of both defendants, the judge declared a mistrial and severed the defendants after Davis sought to offer into evidence immunized documents proffered by Perez-Davis. Both defendants were then scheduled for retrial.

Subsequently, Perez-Davis pled guilty to concealing public records and a federal jury convicted Davis of conspiring to defraud the United States during an official audit.

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

A federal grand jury returned a seven-count indictment on January 17, 2001, against Gregory B. Floto, a senior inspector of the United States Customs Service and the President of the National Treasury Employees Union Chapter 116. Floto was charged with three counts of mail fraud, three counts of false statements, and one count of obstruction of justice. The charges stemmed from Floto's use of his position as Union Chapter 116 President to convert union funds for his personal benefit.

Specifically, the indictment alleged that from August 1994 through January 1997 Floto misappropriated union funds to pay the balances due on his personal credit card accounts for the purchase of such personal items as clothing and jewelry, to pay for repairs and enhancements to his home, and to cause the union to pay for official travel expenses for which Floto had also sought and obtained reimbursement from the Customs Service. In addition, the indictment alleged that Floto furthered and concealed his scheme by, among other things, falsifying the union's check register and filing false union financial reports with



the United States Department of Labor. Finally, the indictment charged that Floto obstructed the grand jury's proceedings by encouraging a witness to provide false testimony and by providing that witness with a fraudulent exculpatory document to present to the grand jury.

Floto subsequently pled guilty to filing false reports regarding union disbursements with the Department of Labor.

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

\_\_\_\_\_ Jon D. Glassman, the former Deputy for International Coordination of the Task Force for Military Stabilization in the Balkans (Task Force), of the United States Department of State, paid \$10,000 on July 6, 2001, as part of a civil settlement to resolve allegations that he violated the post-employment conflict of interest law applicable to federal employees.

Glassman began his employment with the Department of State in 1968 at the American Embassy in Madrid, Spain. From 1991 through 1994, Glassman served as United States Ambassador to Paraguay. Glassman subsequently served as the Deputy for the Task Force from 1996 through January 2, 1998, when he retired from government service. The Task Force oversaw the international donor funds designated for the Bosnian Government's purchase of military equipment and training.

On January 6, 1998, Glassman contacted the United States Embassy in Bosnia-Herzegovina ("Bosnia"), located in Sarajevo, to inform the Embassy that he anticipated an April 1998 trip to Bosnia with representatives from Northrup Grumman, his new employer. The purpose of the trip was to discuss Northrup Grumman's business dealings in Bosnia, which involved providing Bosnia with air defense radar systems.

In the Settlement Agreement, the Government asserted that Glassman and other Northrup Grumman representatives met with the American Ambassador and other Embassy personnel at the United States Embassy in Sarajevo in April 1998, and that during the meeting Glassman stated that he wanted the Embassy's support for the contract with his employer.

Glassman's request for Embassy support was a violation of the federal conflict of interest law that prohibits certain former senior level government officials, within one year after terminating government service, from making a communication to an employee of his former agency on behalf of any other person to influence a matter on which such other person seeks official action.

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

On March 6, 2001, Juanita Yvette Lozano, the former office manager and receptionist for the Bush Campaign's chief media consultant, Maverick Media, was indicted by a federal grand jury on charges stemming from her mailing of the Bush Campaign's debate preparation materials to former Congressman Tom Downey, a close associate of former Vice President Al Gore. The three-count indictment charged Lozano with mail fraud, false statements to the FBI, and perjury before the grand jury. On June 14, 2001, Lozano pled guilty to mail fraud and perjury.

As part of her plea, Lozano admitted that she gathered and copied over 120 pages of debate preparation documents and a 60-minute video tape of a private debate preparation session involving then-Governor Bush and his key advisors. Lozano used her home and office computers the week before the leak to gather information about Downey, including his address in Washington, DC. Downey was slated to assist presidential candidate Gore in his debate preparation. Lozano sent the materials to Downey on September 11, 2000, in an Express Mail package using the name "Amy Smith" and a false return address. The package included a cover note bearing the name "Amy" which described the materials and stated, "I will call you soon to find out what other materials can be useful to the VP." After receiving the package on September 13, 2000, Downey reported the matter and turned the materials over to the FBI.

During the criminal investigation, Lozano appeared voluntarily before the grand jury and falsely testified that she knew nothing about Downey or his location prior to the leak. Lozano also lied to the FBI during the investigation.

On August 31, 2001, Lozano was sentenced to a one-year term of imprisonment, the maximum term of imprisonment permissible under the applicable sentencing guidelines. Lozano was also fined \$3,000 and given a three-year term of supervised release.

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**United States v. Menyweather, Central District of California**

On March 16, 2001, Dorothy Menyweather, a clerk in the Administrative Office of the United States Attorney's Office for the Central District of California, pled guilty to a mail fraud scheme to deprive the United States Attorney's Office of her honest services.

In her guilty plea, Menyweather admitted that she stole between \$350,000 and \$500,000 from the Government between July 1998 through February 2000, when her scheme

was discovered. She admitted to misusing government credit cards issued to her and in the name of former employees for the purchase of goods and services for the United States Attorney's Office. Menyweather purchased thousands of dollars in travel-related expenses for herself, her family, and friends as well as computers and related equipment, computer games, car repairs, cellular telephones and air time, stereos, food, clothing, and gift certificates. The specific count of conviction involved Menyweather's shipment of computers and related equipment bought with a government credit card for sale to customers identified by her sister-in-law in Tacoma, Washington, for which she obtained approximately \$12,500.

Menyweather was sentenced on June 25, 2001, to a five-year suspended sentence with 40 days of incarceration to be served on consecutive weekends, and 3,000 hours of community service. She was also ordered to pay restitution totaling \$435,918. The United States is appealing her suspended sentence.

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

Henrietta G. Nicholas, a former contract specialist in the Office of Acquisition Management of the United States Department of Commerce, was sentenced on April 20, 2001, to six months of imprisonment, followed by two months of home confinement and three years of supervised release. Nicholas was also ordered to pay restitution to the Government in the amount of \$46,939. Nicholas had previously pled guilty to conversion of government funds.

While employed by the Commerce Department, Nicholas was issued a government charge card to purchase equipment, supplies, and services for the Department. From June 30 through August 24, 2000, Nicholas purchased more than \$48,000 of goods and services for her own personal use using the government charge card issued to her. These purchases included food, clothing, jewelry, rent, furniture, resort and cruise reservations, concert and sporting event tickets, airline tickets, restaurant meals, computer and communications equipment, a projection television, camera equipment, and rental cars.

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**United States v. Parker, Southern District of Florida**

On October 24, 2001, Clarence Parker, formerly a guard at the Immigration and Naturalization Service's Krome Service Processing Center ("Krome") in Miami, Florida, pled guilty to a one-count information charging him with engaging in a sexual act with a detainee at Krome while the detainee was under his custodial authority.

Parker was a contract guard at the Krome federal detention center for three years, until he was suspended in June 2001 because of the allegations against him. For much of his tenure at Krome, Parker's duty station was the attorney visiting area, where he was responsible for monitoring the detainees who were waiting to visit with their attorneys. During September and October 2000, Parker caused a female detainee to be brought to the attorney visiting area, where he engaged in sexual contact with the detainee.

Parker was sentenced on December 20, 2001, to a three-year term of probation.

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### **United States v. Kristina Pearson, Eastern District of Virginia**

Kristina Pearson, formerly an office automation clerk with the Bureau of the Census of the United States Department of Commerce, pled guilty on December 7, 2001, to a one-count information charging her with theft of government money.

Pearson, whose government duties had included the processing of credit card payments by outside purchasers of census data, credited her personal bank card numerous times, and used the credited funds to purchase goods and services for her own benefit.

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### **United States v. Shirlene Pearson, Eastern District of Texas**

Shirlene Marie Pearson pled guilty on March 9, 2001, to a one-count information charging her with making false statements to the United States Attorney's Office. Pearson was employed in the United States Attorney's Office as a clerk, under the Student Temporary Employment Program (STEP), from 1996 to June 2000.

The STEP program provides college students who are in need of financial assistance with part-time employment positions. As a condition of STEP employment, the students must periodically furnish proof of their attendance in good standing at their respective universities.

The information charged that when Pearson dropped out of Lamar University after the Fall 1997 semester, she forged invoices purportedly issued by the University to her, which she then furnished to the United States Attorney's Office in order to maintain her employment in the STEP program.

On June 22, 2001, Pearson was sentenced to three years of probation and a fine of \$500.

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**United States v. Smith, Southern District of Florida**

Mary Anne Smith pled guilty on March 7, 2001, to a one-count information charging theft of \$25,000 of government money. Smith was a former budget and accounting analyst for the Miami Field Division of the Drug Enforcement Administration, where she also served as Alternate Cashier for the Division's Imprest Fund.

As Alternate Cashier, Smith received a \$50,000 cash advance consisting of funds belonging to the United States. From September 1999 through September 2000, Smith repeatedly took varying amounts of money which ultimately totaled \$25,000 from the cash advance for her own personal use. She used the cash to pay personal bills, including property taxes, car and home insurance, and various credit card expenses.

Smith was sentenced on July 12, 2001, to two years of probation with a condition of six months of home detention.

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**United States v. Tatum, Northern District of Mississippi**

On January 31, 2001, Alan Tatum, a former special agent with the Federal Bureau of Investigation, was sentenced to five months of imprisonment, three years of supervised release, and a \$500 fine. Tatum had previously pled guilty to making and using a false writing.

In 1998, while an FBI special agent, Tatum interviewed Mack Bowens in Oxford, Mississippi, after Bowens had been arrested on an outstanding warrant. At the time of the interview, Bowens did not sign an FBI Waiver of Rights Form. Subsequently, Tatum forged Bowens's name, as well as the name of a purported witness, on an FBI Waiver of Rights Form, thereby misleading persons to believe that the form was lawfully and genuinely executed. Tatum later falsely testified during Bowens's trial in federal court in Greenville, Mississippi, that Bowens signed the FBI Waiver of Rights Form, and the form was entered into evidence at trial.

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**United States v. Thompson, Western District of Tennessee**

On January 3, 2001, Clifton Thompson, a former mail carrier with the United States Postal Service in Memphis, Tennessee, was sentenced to a two-year term of probation.

Thompson had previously pled guilty to one count of theft of mail by a United States Postal Service employee.

Between May and August, 1999, during several controlled deliveries initiated by United States Postal Inspectors, Thompson stole several first-class letters and packages containing compact disks, videotapes, and United States Department of Agriculture food coupons worth approximately \$2,000. Thompson was indicted on one count of theft of mail by a Postal Service employee and two counts of theft of articles sent in the United States mail.

Thompson was prosecuted by the United States Attorney's Office for the Western District of Tennessee. The United States Attorney's Office recused itself after Thompson's guilty plea was entered and the Public Integrity Section handled Thompson's sentencing.

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

Floyd H. Tumblin, III, a computer specialist employed by the Central Intelligence Agency, pled guilty on March 21, 2001, to one count of fraud to obtain federal employees' compensation.

In 1987, Tumblin began receiving benefits under the Federal Employees' Compensation Act (FECA) following a back injury suffered while working for the CIA. To receive those benefits, Tumblin had to acknowledge on certification forms that he had a duty to report any change in employment or income status to the United States Department of Labor. In 1995, while Tumblin was continuing to receive FECA benefits, he established and began operating a business called Computer Discounters, an online computer sales company that Tumblin set up as a sole proprietorship in the name of his fiancée. Tumblin admitted that he knowingly failed to report to the Department of Labor the fact that he established and operated Computer Discounters, as well as benefitted from the income it generated, during the time he was receiving FECA benefits. As part of his plea agreement, Tumblin agreed to make restitution in the amount of \$20,000, the loss to the Government that resulted from his concealment.

Tumblin was sentenced on June 5, 2001, to 20 days of imprisonment and a five-year term of supervised probation, and was ordered to pay the CIA \$20,000 in restitution.

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

Michael J. Wallace pled guilty on June 5, 2001, to a two-count information charging theft of government computer equipment and unauthorized removal of classified materials. Wallace was a computer specialist for the United States Department of State from July 2000 until his resignation in February 2001.

From July 2000 through January 2001, Wallace stole computer equipment, including hard drives, belonging to the Department of State for his own personal use and for the purpose of providing it to members of an international computer piracy group. In return, members of the group provided Wallace with cash and access to illegally obtained computer software. One of the hard drives Wallace stole contained classified national security information. Investigators intercepted this hard drive, and therefore no damage to national security occurred as a result of the theft.

Wallace was sentenced on October 11, 2001, to a five-year term of probation, including four months of home detention, and was ordered to pay \$5,000 in restitution.

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### **United States v. Welch, District of Oregon**

Denise A. Welch pled guilty on March 29, 2001, to a one-count information charging theft of more than \$39,000 in government money. Welch was the Deputy Administrative Officer for the United States Attorney's Office for the District of Oregon from September 1995 until March 2001.

From January 2000 until her suspension from active duty in November 2000, Welch repeatedly caused government checks to be issued to pay for personal charges she had made with her government-issued credit card and to pay for other personal expenses. Welch falsified government forms and computer files and, in some cases, forged signatures in order to obtain the required approval for these government checks. The total amount of government money Welch converted to her own use was \$39,105.

Welch was sentenced on July 26, 2001, to 10 months of imprisonment, followed by three years of supervised release.

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## **Counterfeit Check Prosecutions District of Columbia**

The following cases stem from an ongoing investigation of counterfeit checks written on accounts at banks located in the Washington, DC, metropolitan area. One of the accounts was controlled by the federal government. From November 1998 until September 2000, a group of counterfeit check passers was responsible for cashing over \$125,000 in counterfeit checks at Washington-area banks. The group created the checks on personal computers using financial information stolen from a variety of sources. The counterfeit checks, which were created to resemble corporate payroll checks, were typically made payable to the order of names obtained on stolen identification.

### **United States v. Badon**

\_\_\_\_\_Tonya Lee Badon pled guilty on August 16, 2001, to a one-count information charging her with conspiracy to commit bank fraud.

Badon was a member of a group of counterfeit check passers that operated in the Washington metropolitan area. The leaders of the group drove Badon and other passers to Washington-area banks and paid them to go into the banks and cash the counterfeit checks using stolen identification.

### **United States v. Johnson**

On August 14, 2001, Kristi N. Johnson pled guilty to a one-count information charging her with conspiracy to commit bank fraud. Johnson was one of the leaders of the group of counterfeit check passers.

Johnson and others created, and directed others to cash, over \$125,000 in counterfeit checks. They created the checks using financial information stolen from a variety of sources, including from Johnson's employer. Johnson and her coconspirators drove the check passers to Washington-area banks and paid them to go into the banks and cash the counterfeit checks using stolen identification.

Johnson was sentenced on October 23, 2001, to 30 months of imprisonment and ordered to pay over \$105,000 in restitution.



### **United States v. Malone and Robinson**

Gladys Malone and Felicia Robinson were indicted by a federal grand jury on November 16, 2001, on charges stemming from their role in the counterfeit check cashing operation. The four-count indictment charged each of the defendants with conspiracy to commit bank fraud, to make and possess counterfeit securities, and to transport counterfeit securities in interstate commerce, and with three counts of bank fraud.

Malone and Robinson were leaders of the group of counterfeit check passers, and were responsible for the cashing of over \$125,000 in counterfeit checks at Washington-area banks. They, along with Kristi Johnson, created the checks on personal computers using financial information stolen from a variety of sources. Malone and Robinson recruited and drove check passers to Washington-area banks and paid them to go into the banks and cash the counterfeit checks using the stolen identification.

Malone and Robinson subsequently pled guilty to conspiracy to commit bank fraud.

### **United States v. Mason**

Camille Mason pled guilty on September 10, 2001, to a one-count information charging her with conspiracy to commit bank fraud.

Mason was one of the group's check passers. She and others were driven by leaders of the group to banks in the Washington metropolitan area and were paid to cash the counterfeit checks.

### **United States v. Shorts**

On September 25, 2001, Anthony E. Shorts pled guilty to a one-count information charging him with conspiracy to commit bank fraud.

Shorts was another member of the group of counterfeit check passers, and received money from leaders of the group to cash counterfeit checks in the Washington, DC area.

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## **IMPAC Prosecutions Eastern District of Virginia**

The following cases are part of a continuing investigation into misuse of government charge cards issued under the "IMPAC" (International Merchant Purchase Authorization

Card) program. IMPAC cards are used by employees of a variety of government agencies for purchasing supplies and services. The Public Integrity Section and the United States Attorney's Office for the Eastern District of Virginia jointly handled two of the following six cases.

### **United States v. Celey**

Tyrone Celey, a vendor of office supplies to the Pentagon, pled guilty on March 2, 2001, to a two-count information charging him with bribery and conspiracy to defraud the United States out of more than \$400,000.

Celey and Army Master Sergeant Bobby Gilchrist set up two companies, Pronto Products and Speedy Supply, to sell office supplies to the Pentagon. Celey would pay Gilchrist a portion of the companies' profits in exchange for Gilchrist's placement of orders with Pronto Products and Speedy Supply. Celey and Gilchrist also provided cash and things of value to other Pentagon employees to place orders with these companies. The scheme included charging the Pentagon for products that were ordered but never delivered.

Celey was sentenced on May 18, 2001, to 27 months' imprisonment and ordered to pay the United States Department of the Army \$400,000 in restitution.

This case was prosecuted jointly by the Public Integrity Section and the United States Attorney's Office for the Eastern District of Virginia.

### **United States v. Dodson**

Elindsey C. Dodson, Jr., a supply specialist with the United States Department of the Army at the Pentagon, pled guilty on August 10, 2001, to a one-count information charging him with accepting an unlawful gratuity.

Dodson had authority to make purchases for the United States Department of Defense using his IMPAC card. Dodson accepted cash payments and other things of value from another Pentagon employee, Quintin Swann, after Dodson had made purchases at Swann's behest from a company named Direct Office Products, a company in which Swann had a direct financial interest.

On November 9, 2001, Dodson was sentenced to a three-year term of probation and ordered to pay a \$2,500 fine.

### **United States v. Gilchrist**

Bobby Gilchrist, former Master Sergeant assigned to the Joint Chiefs of Staff at the Pentagon, pled guilty on February 23, 2001, to a three-count information charging him with receiving \$200,000 in bribes, money laundering, and conspiracy to defraud the United States out of more than \$400,000.

As described above, Gilchrist and Celey set up two companies, Pronto Products and Speedy Supply, to sell office supplies to the Pentagon. In exchange for a portion of the companies' profits, Gilchrist would place orders with the companies and provide cash and things of value to other Pentagon employees to place orders with those companies. The scheme included charging the Pentagon for products that were ordered but never delivered. In addition, Gilchrist received cash payments from Robin Noland, who ran an office supply company called Direct Office Products (DOP), for placing both legitimate and bogus purchase orders with DOP. Gilchrist admitted receiving approximately \$200,000 from the schemes and causing a loss to the Government in excess of \$400,000. Noland has previously been convicted for his role in the scheme.

Gilchrist was sentenced on June 15, 2001, to a 41-month term of imprisonment and ordered to pay \$400,000 in restitution.

This case was handled jointly by the Public Integrity Section and the United States Attorney's Office for the Eastern District of Virginia.

### **United States v. Hawkins**

On January 5, 2001, Charles Hawkins, a former government office supplies vendor, was sentenced to 15 years' imprisonment under the Armed Career Criminal Act. Hawkins had been convicted of four prior violent felonies and was therefore subject to a mandatory minimum sentence of 15 years. Hawkins was also sentenced to 60 months' imprisonment for conspiracy to defraud the United States, to run concurrently, and was ordered to pay the Government approximately \$93,000 in restitution. The sentence was based on Hawkins's earlier guilty plea to a two-count information charging him with being a felon-in-possession and with conspiracy to defraud the United States out of money and property.

Hawkins was the principal operator of CJ's Stationery, an office supply company doing business with a variety of government departments and agencies, including the Department of Defense and the Environmental Protection Agency. Hawkins conspired with employees of the Environmental Protection Agency and the Pentagon to submit fraudulent charges on their IMPAC cards. During the course of the fraud investigation, agents executed

a search warrant at Hawkins's residence and found a fully loaded Smith & Wesson .357 magnum and a Mossberg .12 gauge pump-action shotgun with a pistol grip.

### **United States v. Smith**

On May 25, 2001, Joseph L. Smith, Jr., a former Management Analyst with the Assistant Secretary of the Army at the Pentagon, pled guilty to a one-count information charging him with bribery.

Smith had authority to make purchases for the United States Department of Defense using his IMPAC card. Smith received cash payments from Pentagon employee Quintin Swann, in return for which Smith allowed Swann to use Smith's IMPAC card to place bogus purchase orders with Direct Office Products, a company in which Swann had a direct financial interest.

Smith was sentenced on August 10, 2001, to a one-year term of probation and a \$5,000 fine.

### **United States v. Swann**

Quintin A. Swann, a supply specialist with the Assistant Secretary of the Army at the Pentagon, pled guilty on January 31, 2001, to a two-count information charging bribery and a fraud scheme to deprive the Government of his honest services.

Swann and Robin Noland set up a company called Direct Office Products (DOP) to sell office supplies to the Pentagon. In exchange for half of all DOP profits, Swann would place his own orders with DOP and provide cash and things of value to other Pentagon employees to place orders with DOP. This scheme included charging the Pentagon for products that were ordered but never delivered. Noland has previously been convicted for his role in the scheme.

In addition, Swann had a similar scheme with another government vendor, Charles Hawkins, the proprietor of CJ's Stationery. Swann admitted to receiving between \$90,000 and \$100,000 in cash from the two schemes. Swann agreed that the loss to the Government from his conduct was between \$180,000 and \$200,000.

On May 25, 2001, Swann was sentenced to a fourteen-month term of imprisonment. His sentence was based in part on the court's finding that Swann provided substantial assistance to the Government in its ongoing investigation. Swann was also ordered to pay the Department of the Army approximately \$90,000 in restitution.

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**Southwest Border Investigation  
Western District of Texas**

The following cases resulted from the Section's investigation into allegations of corruption by law enforcement agents on the Southwest Border employed by the United States Customs Service and the United States Border Patrol.

**United States v. Barron**

On January 26, 2001, Manuel Barron, a former informant for the United States Customs Service, pled guilty to the importation of marijuana and conspiracy to import marijuana. Barron, along with a corrupt United States Customs Service special agent named David Jenkins, was involved in the importation of approximately 250 kilograms of marijuana. Barron was also part of another smuggling ring that included a now-convicted former United States Customs Inspector.

**United States v. Cuanda-Munoz**

Benigno Cuanda-Munoz pled guilty on March 9, 2001, to a one-count information charging conspiracy to bribe a public official. Cuanda-Munoz was a confidential informant for the United States Customs Service in El Paso, Texas, who conspired to pay a Customs special agent in return for the agent's use of his official position to facilitate the importation and delivery of marijuana to narcotics traffickers.

As a confidential informant, Cuanda-Munoz established a close working relationship with Customs Supervisory Special Agent Ramon Torrez. Beginning in approximately March of 1999, he assisted the Customs Service by transporting large quantities of marijuana from Mexico to Texas as part of undercover controlled deliveries. At the same time, with the assistance of Torrez and some of the agents Torrez supervised, Cuanda transported into Texas and delivered to his customers for further distribution throughout the United States without seizure almost eight tons of marijuana. Sometimes Torrez permitted the entire load to be smuggled by Cuanda and other times he would permit Cuanda to skim only part of a load which was later seized by his group. Torrez's apparent motive was to generate large seizure statistics which were made possible by letting Cuanda smuggle some large loads without seizure.

Fearing that Torrez was going to resign from Customs, in approximately July of 1999 Cuanda told Torrez that he was being threatened by people associated with the owners of marijuana he had transported which had been seized by United States law enforcement

agents, because the owners suspected he was a government informant. Cuanda asked Torrez to help him import and deliver two additional tons of marijuana without seizure to dispel rumors that he was an informant. Torrez told Cuanda that he would help him and that he wanted \$80,000 for his assistance. Shortly thereafter, on two separate occasions, using Torrez's power and authority as a supervisory Customs agent, Torrez and Cuanda transported approximately one ton of marijuana from Mexico to Texas. Neither Torrez nor any agents in his group seized the marijuana. Pursuant to their agreement, Cuanda paid Torrez approximately \$80,000 in cash.

### **United States v. Jenkins**

On April 10, 2001, former United States Customs Special Agent David H. Jenkins, II, pled guilty to misprision of a felony for failing to disclose his knowledge of and participation in the illegal importation from Mexico and delivery in El Paso, Texas, of 250 kilograms of marijuana.

Jenkins was a Customs special agent for approximately three years and a former United States Border Patrol agent and supervisor for approximately nine years. He was charged with assisting a confidential informant in the importation and delivery of marijuana. Jenkins admitted he let the load go without making any seizures or any reports of the activity after his informant complained that he was being threatened by traffickers who suspected he was a government informant.

Jenkins resigned from the Customs Service and has been cooperating with the government.

### **United States v. Martinez**

Juan Martinez, a United States Border Patrol agent, was indicted on June 27, 2001, on one count of conspiracy to defraud the United States by impeding and obstructing the United States Customs Service and United States Border Patrol in carrying out their governmental functions, and on one count of concealing a material fact. On June 11, 2001, Martinez had been charged by complaint with one count of conspiracy to defraud the United States by impeding and obstructing the United States Customs Service and United States Border Patrol in carrying out their duties to prohibit narcotics trafficking and deport aliens, and defrauding the United States Border Patrol of his duty of honest services. Martinez was arrested on the complaint the following day.

From July 1998 through July 1999, Martinez was assigned to a task force of Border Patrol agents and agents from other federal, state, and local law enforcement agencies.

During that time, he assisted other law enforcement agents and certain informants in importing approximately 16,000 pounds of marijuana without seizure into the El Paso area from Mexico. Martinez also helped return a seized vehicle that had been used to smuggle marijuana to an informant, and he assisted in the release of illegal aliens, marijuana, and a vehicle from other Border Patrol agents who had detained the vehicle and its occupants. Martinez concealed his involvement in the smuggling operations by not submitting required reports and by submitting or causing others to submit false and misleading reports of official activities.

Martinez subsequently pled guilty to a superseding indictment charging him with a scheme to conceal a material fact.

### **United States v. Torrez**

Ramon F. Torrez, a former United States Customs Service supervisory special agent, was indicted on June 27, 2001, on one count of conspiracy to defraud the United States by impeding and obstructing the United States Customs Service and United States Border Patrol in carrying out their governmental functions, and on one count of concealing a material fact. Torrez was also indicted on one count of agreeing to accept and accepting a bribe in connection with narcotics trafficking, and on one count of conspiracy to import a controlled substance. On June 11, 2001, Torrez had been charged by complaint with one count of agreeing to accept and accepting a bribe in connection with narcotics trafficking.

While a supervisory Customs special agent in El Paso, Texas, Torrez was assigned to supervise a task force of United States Customs agents and agents from other federal, state, and local law enforcement departments. From July 1998 through March 2000, Torrez, Martinez, and another law enforcement agent assisted certain informants in importing approximately 16,000 pounds of marijuana without seizure into the El Paso area from Mexico. In approximately July of 1999, one of the informants offered to bribe Torrez in exchange for his assistance in importing two one-ton loads of marijuana from Mexico into the United States. Torrez agreed to accept \$80,000, and used his official position to assist the informant in importing the two loads of marijuana. He called the Border Patrol to clear the area of the river where the loads were to be crossed of Border Patrol agents and then escorted the loaded vans from the river bed into El Paso for further distribution.

Torrez subsequently pled guilty to a superseding information charging him with conspiracy to defraud the United States and conspiracy to bribe a public official.

## **Visa Fraud Prosecutions Northern District of Illinois**

The following cases resulted from the investigation into the illegal issuance of nonimmigrant visas. These prosecutions are being handled jointly by the Public Integrity Section and the United States Attorney's Office for the Northern District of Illinois.

### **United States v. Carroll**

\_\_\_\_\_ Thomas Patrick Carroll pled guilty on April 6, 2001, to an indictment charging one count of conspiracy to commit visa fraud, one count of producing illegal identification documents, one count of bribery, and a forfeiture allegation for the proceeds of the first two counts. Carroll also agreed to forfeit \$2.5 million in cash. In addition, Carroll is required to forfeit real property and personal property that constitutes, was derived from, or is traceable to the proceeds obtained from his visa fraud offenses.

Carroll, an official with the Foreign Service of the United States Department of State, was stationed at the United States Embassy in Georgetown, Republic of Guyana, where he served one year as a Vice Consul with authority to adjudicate applications for nonimmigrant visa applications by foreign nationals. Following an undercover investigation in Guyana and elsewhere, which produced extensive tape-recorded evidence of Carroll recruiting a cooperating witness to take money in exchange for issuing visas to persons identified by Carroll, federal agents arrested Carroll on March 17, 2000. Searches conducted pursuant to numerous warrants subsequently discovered, among other things, approximately \$1,000,000 in United States currency, together with ten 100-ounce gold bars worth approximately \$200,000, in safe deposit boxes maintained by Carroll.

### **United States v. Khan**

Haleem Khan, a resident of the Republic of Guyana, pled guilty on November 16, 2001, to an information charging conspiracy to commit bribery and alien smuggling. Khan also agreed to forfeit \$250,000 to the Government.

Beginning in December 1998, Khan recruited numerous individuals willing to pay him to obtain nonimmigrant visas at a cost of \$12,500. Khan then provided the names of these individuals to Thomas Carroll, who issued the nonimmigrant visas in exchange for approximately \$8,000 per visa from Khan. This arrangement continued through March 2000, when Khan and Carroll were arrested by federal officials.



Khan also recruited citizens of Guyana who were willing to pay him \$10,000 in exchange for being transported illegally into the United States. Khan and others arranged for these aliens to be transported from Guyana to Canada. The aliens were then transported covertly across the United States-Canada border.

### **United States v. Mortley**

Hargobin Mortley, a resident of Georgetown, Republic of Guyana, pled guilty on January 16, 2001, to bribery.

In 1999, Mortley paid \$8,000 in United States currency to Thomas Carroll, who at the time was a State Department Foreign Service Officer stationed at the United States Embassy in Georgetown, Republic of Guyana, with the intent to influence the issuance of a nonimmigrant visa for a third party.

Mortley was sentenced on January 26, 2001, to a prison term of nine months and 22 days.

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<h2><b>STATE AND LOCAL GOVERNMENT</b></h2>
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<p>In 2001, the Public Integrity Section closed six investigations of alleged corruption involving state or local government. At the end of 2001, eight such matters were open. Also during 2001, the Section prosecuted the following cases involving state or local corruption:</p>
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### **United States v. Anderson, District of Utah**

A federal jury in Salt Lake City, Utah, convicted Larry F. Anderson, former Director of Utah's Division of Radiation Control, on September 6, 2001, of one count of tax evasion and three counts of filing fraudulent tax returns. Anderson was acquitted on charges of extortion and honest services fraud. On November 28, 2001, Anderson was sentenced to 30 months in prison. In addition, Anderson was ordered to pay a fine of \$50,000, costs of prosecution totaling \$3,891, and a special assessment fee of \$400.

Anderson was accused of extorting cash, gold coins, and a condominium in Park City, Utah, from Khosrow B. Semnani, the president of Envirocare, Inc., a radioactive waste disposal facility. Anderson regulated Envirocare as part of his duties as Director of the Division of Radiation Control.

Anderson conceded during trial that he received items of value from Semnani between 1988 and 1995, but maintained that he received these items as a result of a legitimate business deal. Specifically, Anderson claimed that in 1987, Semnani agreed to pay him several million dollars for his ideas for creating the business venture which eventually became Envirocare. Semnani maintained that Anderson extorted him and that he paid Anderson because of Anderson's position within state government and because he feared that Anderson would cause financial harm to his business if he did not pay. Semnani placed the total value of the payments at approximately \$600,000; Anderson valued them at a lesser amount. Anderson did not report any of this income on his federal tax returns.

This case was handled jointly by the Public Integrity Section and the United States Attorney's Office for the District of Utah.

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**United States v. Aqua Alliance, Inc., Anzelmo, Gottenstrater, Maraldo, Simmons, and Stump, Southern District of Texas**

On May 30, 2001, the United States filed a one-count information charging Aqua Alliance, Inc., formerly known as Air & Water Technologies, Inc., with bribery concerning a federally funded program. Aqua Alliance's subsidiary, Houston-based Professional Services Group, Inc. (PSG), managed the wastewater treatment system for the City of New Orleans and its Sewerage and Water Board. Aqua Alliance signed a plea agreement on June 22, 2001, admitting the charged offense.

In addition, also on May 30, 2001, a federal grand jury returned a ten-count indictment charging former PSG president and Aqua Alliance executive officer Michael M. Stump, former Sewerage and Water Board member Katherine R. Maraldo, former PSG attorney and lobbyist Salvador A. Anzelmo, and former PSG vice presidents William K. Gottenstrater and H. Grant Simmons with conspiracy to violate the Travel Act, to commit mail and wire fraud, and to commit bribery. In addition, the indictment charged each defendant with substantive violations of the Travel Act and the mail and wire fraud statutes.

The indictment alleged that beginning in 1993, Stump, Anzelmo, Gottenstrater, and Simmons began providing a variety of benefits to Maraldo to influence her official action concerning the administration and renewal of PSG's New Orleans contract. Initially, Maraldo became involved in a legal dispute with the City of New Orleans regarding the validity of her seat on the City's Sewerage and Water Board, and PSG officials paid over \$9,000 for her legal fees. Thereafter, in 1994 Maraldo and a business partner invested in a speculative real estate venture known as Oak Harbor. PSG paid over \$70,000 to Maraldo over the next two years, which Maraldo and her partner used to pay their Oak Harbor

mortgage and other personal expenses. To conceal the company's payments to Maraldo, the conspirators used a PSG employee and the business partner as conduits. Floyd Hill, the PSG conduit for these payments, pled guilty in 1999 to a mail fraud scheme to deprive his employer of his honest services. In addition to the cash payments, PSG and Anzelmo provided Maraldo with legal services to make the Oak Harbor property more saleable, with Anzelmo billing PSG for his efforts.

Aqua Alliance was sentenced on December 14, 2001, to a \$3 million fine and five years' probation. A jury subsequently found Stump and Maraldo guilty of conspiracy and honest services mail fraud. The jury was unable to reach a verdict on the conspiracy count against Anzelmo. Both Anzelmo and Gottenstrater were acquitted on the remaining charges. The final defendant, Simmons, died in the Fall of 2001.

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**United States v. Diaz, Gillis, McDuffie, Pippins, Stallworth and Stuckey,**  
**Southern District of Alabama**

A federal grand jury returned a twenty-five count indictment on August 3, 2001, against six present and former officers of the Prichard, Alabama, Police Department (PPD): former Lieutenant James Stallworth, former Sergeant John Stuckey, former Detective Frederick Pippins, and Detectives Anthony Diaz, Derek Gillis, and Nathan McDuffie. All six defendants were affiliated with the PPD Vice and Narcotics Unit. The indictment charged the defendants with racketeering, racketeering conspiracy, conspiracy against rights, and deprivation of rights under color of law. The indictment further charged several of the defendants with extortion under color of official right. In addition, Stuckey was charged in several counts with possession with intent to distribute, and distribution of crack cocaine, and Stallworth was charged with embezzlement.

The indictment alleged that from July 1999 through September 2000, the defendants used their positions with the PPD to enrich themselves by engaging in a pattern of racketeering activity and civil rights violations that included extorting, robbing, and soliciting bribes from individuals detained by the PPD for alleged criminal offenses. Specifically, the indictment charged that the defendants unlawfully obtained and kept money from individuals detained by the PPD in return for not pursuing criminal charges against those individuals, and that some of the defendants robbed individuals of money and other things of value when they were detained by PPD officers during the execution of search warrants. To conceal these illegal acts, the indictment alleged that the defendants falsified police paperwork, including police reports and search warrant returns.

Moreover, the indictment charged that Stuckey illegally retained drugs seized by PPD officers in the course of their official duties and then unlawfully distributed those drugs to others for personal use and resale. Finally, the indictment alleged that Stallworth, the former PPD property custodian responsible for securing money seized from individuals by PPD officers, embezzled thousands of dollars in seized monies under the care and custody of the PPD.

Trial began against all six defendants on October 15, 2001. On October 31, 2001, following several days of deliberations, the jury announced that it could not reach a unanimous verdict on any of the counts with respect to any of the defendants. The judge consequently declared a mistrial. Four of the defendants, Stallworth, Stuckey, Gillis and Diaz, have subsequently pled guilty. The two remaining defendants, Pippins and Diaz, were subsequently found guilty at a retrial.

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**United States v. Welch and Johnson, District of Utah**

On November 15, 2001, a senior district court judge dismissed the remaining conspiracy, mail and wire fraud counts of the indictment against Thomas K. Welch and David R. Johnson. Welch had been the President of the Salt Lake City Bid Committee for the 2002 Olympic Winter Games and Johnson had been the Senior Vice President. The indictment had alleged an elaborate scheme to win the bid for the Olympics by making disguised and concealed payments to International Olympic Committee members.

On July 16, 2001, the judge had dismissed the Travel Act counts of the indictment. The November order found that the dismissed Travel Act counts infected the rest of the indictment and that references to the Utah commercial bribery statute “may have influenced the grand jury’s decision to indict the defendants on the conspiracy, mail and wire fraud charges.” In his order, the judge rejected the defense’s other arguments and found that the allegations of mail and wire fraud were sufficient to allege a crime and survive a motion to dismiss.

Both of the district court’s orders are currently on appeal.

This case is being handled jointly by the Public Integrity Section and the Fraud Section of the Criminal Division.

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**United States v. Reyes and Maldonado, Fifth Circuit Court of Appeals**

On January 23, 2001, the United States Court of Appeals for the Fifth Circuit affirmed the convictions of former Houston City Councilman Ben T. Reyes and former Houston Port Commissioner and lobbyist Betti Maldonado for their participation in a corruption scheme involving the Houston City Council. Reyes had been sentenced to 108 months in prison and a \$51,000 fine, and Maldonado had been sentenced to 51 months in prison. After a three-month trial, the jury had convicted Reyes of four counts of federal programs bribery, one count of conspiracy and one count of honest services mail fraud; Maldonado was convicted of two counts of bribery and one count of conspiracy.

The charges stemmed from an FBI undercover investigation initiated in 1995, based upon an allegation that Reyes regularly demanded payoffs from city contractors. Shortly after the investigation began, Reyes, while still a member of the City Council, directed a fictional company established by the FBI, “The Cayman Group,” to seek an ownership interest in a \$150 million convention center hotel to be developed under city contract. To ensure the award of that contract to a favored developer, Reyes orchestrated a conspiracy in which he solicited and received a \$50,000 cash payment from the Cayman Group, and in turn made cash payments to three other Councilmen. Reyes was assisted by Maldonado in carrying out the conspiracy.

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<b>ELECTION CRIMES</b>
As described in Part I, in addition to the Section’s nationwide oversight role regarding the handling of election crimes, the Section is operationally involved in selected election crime cases. During 2001 the Section closed no matters involving allegations of election crimes. As of December 31, 2001, three such matters were pending in the Section. In addition, the Section supervised the following case involving election crimes:

**United States v. Woodward and Jordan, Northern District of Alabama**

Jimmy Woodward, the former Sheriff of Jefferson County, Alabama, and Albert Jordan, an attorney from Birmingham, were indicted in 2000 for conspiring to obtain criminal history records from the National Crime Information Center (NCIC) for use in an election contest, for converting NCIC records, and for accessing government computers without authority. The indictment charged that Woodward and Jordan conspired to use Sheriff’s office personnel to access NCIC computers to run criminal history checks on

hundreds of voters in Jefferson County who had voted by absentee ballot in the 1998 general election, in the hopes they would find criminal histories they could use to challenge the qualifications of voters who cast votes for Woodward's opponent. The charges were dismissed in 2000 on procedural grounds.

The Department appealed the dismissal of the charges. On October 31, 2001, the case was argued before the Eleventh Circuit Court of Appeals by the Appellate Section of the Criminal Division. The Court of Appeals subsequently reversed the trial court's dismissal of the charges and remanded the case for retrial.

The former United States Attorney for the Northern District of Alabama was recused from the case. The case is being prosecuted by an Assistant United States Attorney under the supervision of the Public Integrity Section.

## **PART III**

# **NATIONWIDE FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS**

### **INTRODUCTION**

The tables in this section of the Report reflect data that is compiled from annual nationwide surveys of the United States Attorneys' Offices by the Public Integrity Section.

As discussed in Part I, most corruption cases are handled by the local United States Attorney's Office in the district where the crime occurred. However, on occasion outside prosecutors are asked either to assist the local office on a corruption case, or to handle the case entirely as a result of recusal of the local office due to a possible conflict of interest. The figures in the following tables include all public corruption prosecutions<sup>1</sup> within each district.

### **LIST OF TABLES**

**TABLE I:** Nationwide Federal Prosecutions of Corrupt Public Officials in 2001

**TABLE II:** Progress Over the Past Two Decades:  
Nationwide Federal Prosecutions of Corrupt Public Officials

**TABLE III:** Federal Public Corruption Convictions by District  
Over the Past Decade

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<sup>1</sup>In addition to traditional forms of corruption such as bribery, theft, embezzlement, and conflicts of interest, the tables include nationwide election fraud prosecutions. The tables do not include campaign financing cases. For a listing of jurisdictions handling campaign financing crimes in 2001 with the advice and counsel of the Public Integrity Section, see Part I, Section B.1, of this Report.

# TABLE I

## NATIONWIDE FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS IN 2001

### Federal Officials

Indicted	502
Convicted	414
Awaiting Trial	131

### State Officials

Indicted	95
Convicted	61
Awaiting Trial	75

### Local Officials

Indicted	224
Convicted	184
Awaiting Trial	110

### Others Involved

Indicted	266
Convicted	261
Awaiting Trial	121

### Totals

Indicted	1,087
Convicted	920
Awaiting Trial	437



## TABLE II

### PROGRESS OVER THE LAST TWO DECADES: NATIONWIDE FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>FEDERAL OFFICIALS</b>										
Indicted	158	460	408	563	596	651	629	695	615	803
Convicted	147	424	429	470	523	545	529	610	583	665
Awaiting Trial as of 12/31	38	58	77	90	83	118	86	126	103	149
<b>STATE OFFICIALS</b>										
Indicted	49	81	58	79	88	102	66	71	96	115
Convicted	43	65	52	66	71	76	69	54	79	77
Awaiting Trial as of 12/31	18	26	21	20	24	26	14	18	28	42
<b>LOCAL OFFICIALS</b>										
Indicted	257	270	203	248	232	246	276	269	257	242
Convicted	232	226	196	221	207	204	229	201	225	180
Awaiting Trial as of 12/31	58	61	74	49	55	89	79	122	98	88
<b>PRIVATE CITIZENS INVOLVED IN PUBLIC CORRUPTION OFFENSES</b>										
Indicted	349	265	262	267	292	277	303	313	208	292
Convicted	249	257	257	240	225	256	240	284	197	272
Awaiting Trial as of 12/31	72	77	97	97	84	135	109	109	71	67
<b>TOTALS</b>										
Indicted	813	1,076	931	1,157	1,208	1,276	1,274	1,348	1,176	1,452
Convicted	671	972	934	997	1,026	1,081	1,067	1,149	1,084	1,194
Awaiting Trial as of 12/31	186	222	269	256	246	368	288	375	300	346

**TABLE II (continued)**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Totals
<b>FEDERAL OFFICIALS</b>											
Indicted	624	627	571	527	456	459	442	480	441	502	10,707
Convicted	532	595	488	438	459	392	414	460	422	414	9,539
Awaiting Trial as of 12/31	139	133	124	120	64	83	85	101	92	131	2,000
<b>STATE OFFICIALS</b>											
Indicted	81	113	99	61	109	51	91	115	92	95	1,712
Convicted	92	133	97	61	83	49	58	80	91	61	1,457
Awaiting Trial as of 12/31	24	39	17	23	40	20	37	44	37	75	593
<b>LOCAL OFFICIALS</b>											
Indicted	232	309	248	236	219	255	277	237	211	224	4,948
Convicted	211	272	202	191	190	169	264	219	183	184	4,206
Awaiting Trial as of 12/31	91	132	96	89	60	118	90	95	89	110	1,743
<b>PRIVATE CITIZENS INVOLVED IN PUBLIC CORRUPTION OFFENSES</b>											
Indicted	252	322	247	227	200	292	364	302	256	266	5,556
Convicted	246	362	182	188	170	243	278	306	242	261	4,955
Awaiting Trial as of 12/31	126	99	95	91	80	106	128	89	109	121	1,962
<b>TOTALS</b>											
Indicted	1,189	1,371	1,165	1,051	984	1,057	1,174	1,134	1,000	1,087	22,923
Convicted	1,081	1,362	969	878	902	853	1,014	1,065	938	920	20,157
Awaiting Trial as of 12/31	380	403	332	323	244	327	340	329	327	437	6,298

## TABLE III

### FEDERAL PUBLIC CORRUPTION CONVICTIONS BY DISTRICT OVER THE PAST DECADE

U.S. Attorney's Office	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Totals
Alabama, Middle	4	4	0	1	4	6	4	2	3	5	33
Alabama, Northern	3	4	12	2	4	4	1	17	9	6	62
Alabama, Southern	0	4	11	3	1	9	0	6	0	1	35
Alaska	1	0	0	2	2	3	1	4	16	6	35
Arizona	8	16	10	2	6	8	5	7	8	1	71
Arkansas, Eastern	2	4	2	0	1	4	4	5	7	0	29
Arkansas, Western	2	2	1	0	0	1	1	0	1	0	8
California, Central	35	92	62	94	66	58	39	58	31	16	551
California, Eastern	20	23	19	18	26	17	18	17	18	12	188
California, Northern	13	22	7	25	16	7	14	9	18	1	132
California, Southern	5	0	4	7	16	2	4	4	7	4	53
Colorado	Not Reported	0	Not Reported	0	0	0	2	1	3	7	13
Connecticut	10	3	16	8	5	4	6	8	8	3	71
Delaware	0	8	1	0	0	1	4	2	1	1	18
District of Columbia	Not Reported	39	80	Not Reported	37	32	72	60	46	24	390
Florida, Middle	23	11	Not Reported	22	24	15	12	24	28	5	164

**TABLE III (continued)**

<b>U.S. Attorney's Office</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Totals</b>
Florida, Northern	4	10	5	5	7	8	5	4	8	5	61
Florida, Southern	21	22	51	42	29	31	79	106	71	26	478
Georgia, Middle	4	4	17	6	5	6	3	2	2	0	49
Georgia, Northern	17	13	19	19	11	Not Reported	1*	6	Not Reported	3	89
Georgia, Southern	Not Reported	10	0	7	1	38	6	3	0	0	65
Guam	3	10	9	1	3	7	6	7	19	11	76
Hawaii	1	7	9	6	4	4	6	2	3	1	43
Idaho	2	3	0	7	4	3	7	5	5	4	40
Illinois, Central	1	4	4	10	10	7	8	2	3	2	51
Illinois, Northern	53	84	74	67	71	55	55	53	49	9	570
Illinois, Southern	1	1	2	24	2	2	4	5	7	1	49
Indiana, Northern	2	6	6	7	12	14	3	8	7	4	69
Indiana, Southern	2	5	8	5	5	4	4	1	4	2	40
Iowa, Northern	2	5	3	4	2	1	3	2	0	0	22
Iowa, Southern	2	4	0	0	0	0	1	0	0	0	7
Kansas	0	5	11	3	1	3	3	6	8	1	41
Kentucky, Eastern	1	9	13	9	8	11	8	17	25	11	112
Kentucky, Western	0	5	5	5	11	4	6	8	0	2	46
Louisiana, Eastern	2	13	20	6	30	24	17	19	18	2	151

**TABLE III (continued)**

<b>U.S. Attorney's Office</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Totals</b>
Louisiana, Middle	0	5	4	6	7	4	13	3	2	0	44
Louisiana, Western	3	8	11	8	11	11	9	2	3	2	68
Maine	7	10	3	1	6	4	0	0	5	2	38
Maryland	15	21	17	0	11	3	5	7	8	3	90
Massachusetts	Not Reported	9	12	27	35	12	27	21	6	8	157
Michigan, Eastern	13	11	6	1	4	10	14	18	7	8	92
Michigan, Western	3	9	10	11	14	3	0	8	4	6	68
Minnesota	Not Reported	4	5	5	7	1	14	8	4	5	53
Mississippi, Northern	2	13	13	12	6	3	0	42	9	4	104
Mississippi, Southern	13	12	6	3	9	4	8	17	14	4	90
Missouri, Eastern	2	7	17	19	5	7	15	16	3	3	94
Missouri, Western	5	6	9	6	16	18	1	10	9	5	85
Montana	1	0	3	0	0	1	4	5	16	1	31
Nebraska	1	1	1	4	1	1	0	0	0	0	9
Nevada	0	0	1	0	6	1	7	9	6	4	34
New Hampshire	1	1	1	0	0	0	1	1	2	0	7
New Jersey	13	21	23	16	41	21	58	43	28	10	274
New Mexico	6	6	6	0	5	Not Reported	0	Not Reported	7	2	32
New York, Eastern	7	62	20	23	11	39	17	18	21	1	219

**TABLE III (continued)**

<b>U.S. Attorney's Office</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Totals</b>
New York, Northern	12	14	8	11	22	9	9	9	8	7	109
New York, Southern	Not Reported	29	58	39	38	43	61	33	48	7	356
New York, Western	5	11	21	6	11	11	3	7	4	9	88
North Carolina, Eastern	0	3	2	2	5	9	5	4	0	0	30
North Carolina, Middle	3	4	3	1	0	4	8	7	4	5	39
North Carolina, Western	1	1	2	10	1	8	3	3	5	0	34
North Dakota	2	3	8	10	4	5	6	0	2	0	40
Ohio, Northern	15	35	19	19	25	29	90	25	36	21	314
Ohio, Southern	21	26	21	12	13	11	10	29	20	11	174
Oklahoma, Eastern	0	0	1	1	4	3	7	3	2	0	21
Oklahoma, Northern	7	10	0	2	2	4	4	2	3	1	35
Oklahoma, Western	0	6	6	6	1	1	0	7	4	0	31
Oregon	5	1	2	6	0	0	1	3	4	3	25
Pennsylvania, Eastern	14	29	10	24	11	35	25	37	30	13	228
Pennsylvania, Middle	4	9	9	8	8	14	7	12	14	7	92
Pennsylvania, Western	8	9	1	11	10	2	4	8	7	2	62
Puerto Rico	12	13	4	1	4	2	0	13	10	0	59
Rhode Island	0	2	6	6	0	2	1	3	5	2	27
South Carolina	20	26	22	5	4	6	13	11	13	8	128
South Dakota	2	1	1	6	6	7	7	1	2	1	34

**TABLE III (continued)**

<b>U.S. Attorney's Office</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Totals</b>
Tennessee, Eastern	0	8	5	7	5	6	Not Reported	4	3	2	40
Tennessee, Middle	1	6	6	1	4	1	0	6	0	0	25
Tennessee, Western	4	12	16	12	10	13	7	12	8	7	101
Texas, Eastern	0	5	Not Reported	31	5	2	9	3	4	7	66
Texas, Northern	1	11	2	4	5	26	7	9	6	3	74
Texas, Southern	6	15	33	26	26	34	22	31	29	5	227
Texas, Western	9	16	7	7	9	2	15	10	5	3	83
Utah	0	0	0	0	0	5	2	5	2	2	16
Vermont	0	1	1	2	0	0	1	2	2	1	10
Virgin Islands	0	3	1	0	Not Reported	5	8	11	6	1	35
Virginia, Eastern	26	15	11	13	7	9	32	17	22	16	168
Virginia, Western	7	4	3	1	1	2	2	8	7	2	37
Washington, Eastern	Not Reported	Not Reported	2	0	0	1	0	1	1	0	5
Washington, Western	1	1	2	17	8	6	10	10	16	10	81
West Virginia, Northern	1	0	0	2	0	1	1	3	0	0	8
West Virginia, Southern	1	5	0	3	3	2	8	3	6	3	34
Wisconsin, Eastern	7	7	1	7	8	6	11	4	8	10	69
Wisconsin, Western	0	0	0	0	1	0	0	0	4	1	6
Wyoming	1	1	4	0	3	3	0	1	1	0	14