

REPORT TO CONGRESS
ON THE ACTIVITIES AND OPERATIONS
OF THE
PUBLIC INTEGRITY SECTION
FOR 1979



Public Integrity Section
Criminal Division
United States Department of Justice

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

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I. INTRODUCTION

Section 529 of the Ethics in Government Act of 1978 requires the Attorney General to "report to Congress on the activities and operations" of the Public Integrity Section. The first such report was filed in June of 1979 as required in the statute. This is the second report. The first report covered the operations of the Section from its creation in March 1976 through June of 1979. This report covers the calendar year 1979. Future annual reports will likewise cover the preceding calendar year.

During 1979 the Section expanded from 21 to 29 attorneys. Section attorneys were primarily involved in the prosecution of political corruption cases throughout the nation. The principal cases are set forth in Section II, infra. In addition, during the past year the Section was active in several other important areas:

(1) Section attorneys processed almost all matters falling under the Special Prosecutor provisions of the Ethics in Government Act of 1978.

(2) Section attorneys, in conjunction with attorneys from the Fraud Section and agents from the White Collar Crime Section of the Federal Bureau of Investigation, conducted

two highly successful week-long seminars for several hundred federal prosecutors and investigators on substantive and procedural methods for combating corruption and fraud.

(3) Section attorneys monitored and approved all federal election investigations nationwide.

(4) Section attorneys regularly advised virtually all federal agencies on corruption matters.

(5) Section attorneys provided ongoing advice, support services and operational assistance to most United States Attorney offices on corruption matters.

(6) Section attorneys participated in Department of Justice and congressional legislative initiatives affecting the corruption area, such as the Federal Criminal Code and the amendments to the Federal Election Campaign Act.

(7) Along with the Fraud Section, the Public Integrity Section actively

' participates in the institution, operation and monitoring of the newly-formed Economic Crime Enforcement Program.

(8) Section attorneys have participated in the training and advising of the newly-created Inspectors General and their aides on corruption matters.

(9) Section attorneys have been involved in ongoing efforts to monitor major corruption problems and initiatives nationwide in order to assist the Attorney General in setting investigative and prosecutive priorities.

(10) Section attorneys have responded to or provided information for responses to over a thousand pieces of correspondence addressed to the Department of Justice from other Executive agencies and Congress.

II. OPERATIONS

During the calendar year 1979, the Public Integrity Section was operationally involved in a large number of significant corruption prosecutions. Following is a list of the major public

corruption cases handled in 1979 where indictments were returned in which the Public Integrity Section had full or shared operational responsibility for the prosecution.^{1/} The cases have been categorized according to the type of public officials involved: members of Congress, federal executive branch officials, federal judges or state and local officials. Additionally, there are many other cases involving corruption of public office where the defendant does not fit neatly into any of the above categories. These cases have been placed in a miscellaneous category.

The Section has recently instituted a management information system which will collect and dispense the type of case load information presented in this report. The system was not in place during 1979, so that information for the report has been collected by going through existing records and interviewing the attorneys.

A. Cases Involving Members of Congress

1. Otto Passman, found not guilty by a jury of violating 18 U.S.C. 371, 201(c), 201(g) and 26 U.S.C. 7201.
2. Nicholas Galifianakis, indicted for violation of 18 U.S.C. 1621; indictment dismissed by Court.

1/ There have been many other federal corruption indictments during this time period brought by other components of the Department of Justice, including United States Attorneys' offices and the Organized Crime and Racketeering Section, in which the Public Integrity Section had little or no operational involvement. These cases are included in the statistics found in the last section of this report.

3. Claude Leach was acquitted after trial of vote-buying. Over 20 other individuals, including several officials, were convicted as part of the same investigation.
4. Daniel Minchew, former administrative assistant to Senator Talmadge, was convicted of false statements and sentenced to four months imprisonment.

There were 16 additional investigations of members of Congress where prosecution was declined and there are eight investigations ongoing.

B. Cases Involving Executive Branch Officials

1. William Hurwitch, former Ambassador to the Dominican Republic, was convicted of 18 U.S.C. 641 and received probation.
2. Michael Pintar, the Minnesota Governor's Special Assistant and representative to the Great Lakes Regional Commission, and his wife, Barbara Pintar, a Commission employee, were convicted after trial of conspiracy and multiple counts of mail fraud, Hatch Act violations and misapplying federal program funds. Mr. Pintar was sentenced to five years imprisonment, Mrs. Pintar six months.
3. Stephen Vitale, a consular officer, was acquitted after trial of conflict of interest charges. Walters & Costanzo, a Miami law firm, was convicted of false claims charges growing out of the same investigation.
4. Richard Sennett, former Assistant Director of the Bureau of Engraving and Printing, was convicted of conflict of interest charges. He was sentenced to a fine and

probation. Dismissal of a similar indictment against James Conlon, former Director of the Bureau, is pending appeal.

5. Joseph Charette, former Administrative Officer for the Drug Enforcement Administration in Mexico City, was indicted for violations of 18 U.S.C. 641, 1001 and 1341. An unsuccessful mid-trial defense motion to dismiss is pending appeal.
6. Enrico Sambucini, a former buyer for the Army-Air Force Exchange Service, pleaded guilty to violations of 18 U.S.C. 201(g) and 209 and 26 U.S.C. 7266(1).
7. World Wide Book Co., Inc. of San Antonio pleaded guilty to conspiracy to defraud the United States for a scheme involving bribery of an officer in connection with the Army-Air Force Exchange Service Procurement.

There are 45 additional investigations involving federal executive branch officials ongoing and 53 such investigations where prosecution was declined.

C. Cases Involving Federal Judiciary

1. United States Magistrate Jack Simms of Louisiana was convicted after trial of conspiracy and substantive violations of the federal vote-buying law (42 U.S.C. 1973i(c)).
2. William Lowe, foreman of a federal grand jury which was investigating Congressman John Jenrette, was convicted of obstructing that grand jury's investigation. Mr. Lowe received a sentence of two years imprisonment.

There are four investigations ongoing involving the federal judiciary and four such cases were declined during the past year.

D. Cases Involving State and Local Officials

1. John Maeras, Sheriff of Madison County, Illinois, and John Cooper, his Chief of Field Operations, were convicted after trial of racketeering, conspiracy, mail fraud, wire fraud, and false statements. Sentences of up to 15 years imprisonment were imposed.
2. Oscar Page and Ray Wolfe, both Dayton area County Commissioners, were convicted of Travel Act (18 U.S.C. 1952) violations and received sentences of imprisonment.
3. Matthew Cianciulli, Pennsylvania State Representative, was convicted after trial of multiple counts of election fraud and received a sentence of three years imprisonment.
4. Chester Blaylock, former Director of the Governor's Highway Safety Program in Mississippi, was indicted for violations of 18 U.S.C. 371 and 1001. Trial is pending.
5. Bob Perry, former aide to Mississippi Governor Cliff Finch, was indicted for violations of 18 U.S.C. 1623. Trial is pending.
6. 17 members of the Chicago Currency Exchange Association were indicted on racketeering and fraud charges for improperly attempting to influence Illinois legislative and executive actions affecting their industry. One defendant, Irwin Levin, has pleaded guilty to two counts of mail fraud. The others are pending trial.

7. Dewey Durham and Fletcher A. Smith, Deputy Clerks of the Davidson County, Tennessee Criminal Court Clerk's Office, were convicted after trial of racketeering and conspiracy. Chief Clerk Earl Hawkins was acquitted of perjury and obstruction charges and a mistrial was declared on the racketeering and conspiracy charges. Jerry Hibdon, a bail bondsman, was acquitted of all charges.
8. Chris Hood, a Nashville, Tennessee bail bondsman, pleaded guilty to racketeering conspiracy for a scheme involving bribery of criminal court officials.
9. Frank Todd, a former Clerk of the Davidson County, Tennessee Criminal Court Clerk's Office, pleaded guilty to racketeering conspiracy.
10. Joe Neeley, Deputy Clerk of Davidson County Criminal Court, pleaded guilty to racketeering conspiracy.
11. Wren Worley, a County Commissioner for Adair County, Oklahoma, was acquitted after trial of conspiracy, mail fraud and election fraud.
12. Six county judges in Arkansas have been convicted of various felony charges growing out of corrupt purchasing practices.
13. Claudia Nava-McCain, the elected City Clerk of Gary, Indiana, pleaded guilty to 18 U.S.C. 371 and 26 U.S.C. 7206(1) and (2). She was sentenced to three years imprisonment and fined \$5,000.
14. John Beeler, a former County Commissioner, was reindicted for violation of 18 U.S.C. 1951 after his first conviction on the same charge was reversed on appeal. Trial is pending.

15. Rudy DeSua, a Pennsylvania State Transportation official, pleaded guilty to 18 U.S.C. 1951.

There are 62 ongoing investigations involving state and local officials and 15 such cases were declined during 1979.

E. Miscellaneous Cases

1. Perch Hankin was convicted after trial of four counts of illegal campaign contributions. The conviction was reversed on appeal and the indictment dismissed.
2. Albert Engle was convicted of conspiracy and the Travel Act for his role in bribing two former trustees of Miami Township, Ohio, Oscar Page and Ray Wolfe.
3. Lee Branch, a Memphis congressional campaign worker, was acquitted after trial of conspiracy and 18 U.S.C. 245(b)(1)(a).
4. Eleanor and Samuel Elias, campaign workers for Governor Shapp of Pennsylvania, pleaded guilty to multiple counts of 18 U.S.C. 614 and were sentenced to a fine.
5. Walter Mikell of South Carolina pleaded guilty to 18 U.S.C. 1001 for his part in a scheme involving fraudulent loan applications submitted to the Farmers Home Administration.
6. William A. Thompson, a Democratic party official in Tennessee with close ties to the Blanton administration pardon and parole process, was convicted after trial of income tax violations and sentenced to two years imprisonment.

Several other lengthy investigations not otherwise reported, including the Korean bribery matters and the ITT-Chile matter, were concluded by the Section this year.

III. NATIONWIDE STATISTICS

In addition to the above-listed cases handled primarily by the Public Integrity Section, there has been an increase in the number of corruption prosecutions nationwide. The following statistics, prepared by the Public Integrity Section from questionnaires submitted annually to all United States Attorneys, set forth the number, type, geographical distribution and disposition of all corruption cases nationwide.

FEDERAL PROSECUTIONS
OF
CORRUPT PUBLIC OFFICIALS
1970 - 1979

A Report Compiled
By
The Public Integrity Section
Criminal Division
United States Department of Justice

February 27, 1980

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TABLE I

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	TOTAL
Federal Officials Indicted	9	58	58	60	59	53	111	129	133	114	784
Federal Officials Convicted	9	40	42	48	51	43	101	94	91	102	621
Federal Officials Awaiting Trial on December 31	0	0	4	2	1	5	1	32	42	21	108
State Officials Indicted	10	21	17	19	36	36	59	50	55	56	359
State Officials Convicted	7	16	10	17	23	18	35	38	56	31	251
State Officials Awaiting Trial on December 31	0	0	0	0	0	5	30	33	20	29	146
Local Officials Indicted	26	46	106	85	130	139	194	157	171	211	1,265
Local Officials Convicted	16	28	75	64	87	94	100	164	127	151	906
Local Officials Awaiting Trial on December 31	0	0	0	2	4	15	98	62	72	63	316
Others Involved Indicted	18	35	27	80	66	27	199	171	198	285	1,106
Others Involved Convicted	12	24	15	52	56	24	144	144	135	252	858
Others Involved Awaiting Trial on December 31	0	0	1	14	0	2	70	83	71	65	306

TABLE II

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1970

Federal Officials

Indicted	9
Convicted	9
Awaiting Trial	0

State Officials

Indicted	10
Convicted	7
Awaiting Trial	0

Local Officials

Indicted	26
Convicted	16
Awaiting Trial	0

Others Involved

Indicted	18
Convicted	12
Awaiting Trial	0

Total

Indicted	63
Convicted	44
Awaiting Trial	0

TABLE III

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1971

Federal Officials

Indicted	58
Convicted	40
Awaiting Trial	0

State Officials

Indicted	21
Convicted	16
Awaiting Trial	0

Local Officials

Indicted	46
Convicted	28
Awaiting Trial	0

Others Involved

Indicted	35
Convicted	24
Awaiting Trial	0

Total

Indicted	160
Convicted	108
Awaiting Trial	0

TABLE IV

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1972

Federal Officials

Indicted	58
Convicted	42
Awaiting Trial	4

State Officials

Indicted	17
Convicted	10
Awaiting Trial	0

Local Officials

Indicted	106
Convicted	75
Awaiting Trial	0

Others Involved

Indicted	27
Convicted	15
Awaiting Trial	1

Total

Indicted	208
Convicted	142
Awaiting Trial	5

TABLE V

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1973

Federal Officials

Indicted	60
Convicted	48
Awaiting Trial	2

State Officials

Indicted	19
Convicted	17
Awaiting Trial	0

Local Officials

Indicted	85
Convicted	64
Awaiting Trial	2

Others Involved

Indicted	80
Convicted	52
Awaiting Trial	14

Total

Indicted	244
Convicted	181
Awaiting Trial	18

TABLE VI

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1974

Federal Officials

Indicted	59
Convicted	51
Awaiting Trial	1

State Officials

Indicted	36
Convicted	23
Awaiting Trial	0

Local Officials

Indicted	130
Convicted	87
Awaiting Trial	4

Others Involved

Indicted	66
Convicted	56
Awaiting Trial	0

Total

Indicted	291
Convicted	217
Awaiting Trial	5

TABLE VII

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1975

Federal Officials

Indicted	53
Convicted	43
Awaiting Trial	5

State Officials

Indicted	36
Convicted	18
Awaiting Trial	5

Local Officials

Indicted	139
Convicted	94
Awaiting Trial	15

Others Involved

Indicted	27
Convicted	24
Awaiting Trial	2

Total

Indicted	255
Convicted	179
Awaiting Trial	27

TABLE VIII.

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1976

Federal Officials

Indicted	111
Convicted	101
Awaiting Trial	1

State Officials

Indicted	59
Convicted	35
Awaiting Trial	30

Local Officials

Indicted	194
Convicted	100
Awaiting Trial	98

Others Involved

Indicted	199
Convicted	144
Awaiting Trial	70

Total

Indicted	563
Convicted	380
Awaiting Trial	199

TABLE IX

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1977

Federal Officials

Indicted	129
Convicted	94
Awaiting Trial	32

State Officials

Indicted	50
Convicted	38
Awaiting Trial	33

Local Officials

Indicted	157
Convicted	164
Awaiting Trial	62

Others Involved

Indicted	171
Convicted	144
Awaiting Trial	83

Total

Indicted	507
Convicted	440
Awaiting Trial	210

TABLE X .

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1978

Federal Officials

Indicted	133
Convicted	91
Awaiting Trial	42

State Officials

Indicted	55
Convicted	56
Awaiting Trial	20

Local Officials

Indicted	171
Convicted	127
Awaiting Trial	72

Others Involved

Indicted	198
Convicted	135
Awaiting Trial	71

Total

Indicted	557
Convicted	409
Awaiting Trial	205

TABLE XI

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1979

Federal Officials

Indicted	114
Convicted	102
Awaiting Trial	21

State Officials

Indicted	56
Convicted	31
Awaiting Trial	29

Local Officials

Indicted	211
Convicted	151
Awaiting Trial	63

Others Involved

Indicted	285
Convicted	252
Awaiting Trial	65

Total

Indicted	666
Convicted	536
Awaiting Trial	178

TABLE XII

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Convictions of Public Officials by Judicial Districts

1976 - 1979

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTAL</u>
Alabama, Northern	0	6	4	9	19
Alabama, Middle	9	4	5	21	39
Alabama, Southern	1	0	1	N/A	2
Alaska	4	3	0	0	7
Arizona	2	3	0	1	6
Arkansas, Eastern	1	3	2	4	10
Arkansas, Western	0	1	0	1	2
California, Northern	0	0	0	1	1
California, Eastern	0	0	0	0	0
California, Central	10	8	3	12	33
California, Southern	1	2	3	14	20
Canal Zone	N/A	N/A	1	N/A	1
Colorado	0	1	1	0	2
Connecticut	0	5	4	6	15
Delaware	3	0	1	0	4
District of Columbia	9	10	14	19	52
Florida, Northern	1	0	0	0	1
Florida, Middle	4	1	5	3	13
Florida, Southern	0	0	3	0	3

 N/A = Not Available

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTAL</u>
Georgia, Northern	6	2	6	1	15
Georgia, Middle	9	7	1	6	23
Georgia, Southern	0	1	0	4	5
Guam	N/A	N/A	2	0	2
Hawaii	0	0	0	0	0
Idaho	0	0	0	0	0
Illinois, Northern	N/A	N/A	16	30	46
Illinois, Central	1	0	8	3	12
Illinois, Southern	0	0	4	3	7
Indiana, Northern	4	6	5	5	20
Indiana, Southern	0	3	0	2	5
Iowa, Northern	0	0	0	0	0
Iowa, Southern	1	0	0	1	2
Kansas	9	4	0	8	21
Kentucky, Eastern	5	6	5	9	25
Kentucky, Western	1	0	2	2	5
Louisiana, Eastern	N/A	N/A	6	8	14
Louisiana, Middle	1	0	0	4	5
Louisiana, Western	0	1	0	28	29
Maine	0	0	2	2	4
Maryland	2	5	20	22	49
Massachusetts	3	5	7	11	26
Michigan, Eastern	1	4	1	15	21
Michigan, Western	1	1	1	0	3
Minnesota	1	0	0	2	3

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTAL</u>
Mississippi, Northern	0	2	3	1	6
Mississippi, Southern	1	0	5	1	7
Missouri, Eastern	4	2	1	1	8
Missouri, Western	1	0	0	0	1
Montana	1	0	0	0	1
Nebraska	0	1	0	0	1
Nevada	1	1	1	3	6
New Hampshire	0	0	2	0	2
New Jersey	14	10	15	23	62
New Mexico	9	9	1	8	27
New York, Northern	1	0	2	0	3
New York, Southern	0	8	3	29	40
New York, Eastern	21	21	7	4	53
New York, Western	0	5	1	5	11
North Carolina, Eastern	1	0	1	2	4
North Carolina, Western	0	0	0	0	0
North Carolina, Middle				0	
North Dakota	0	0	0	1	1
Ohio, Northern	2	5	6	12	25
Ohio, Southern	12	18	7	14	51
Oklahoma, Northern	0	0	0	0	0
Oklahoma, Western	0	0	4	N/A	4
Oklahoma, Eastern	0	0	0	7	7
Oregon	0	0	1	0	1
Pennsylvania, Eastern	8	6	13	33	60
Pennsylvania, Middle	21	27	16	3	67
Pennsylvania, Western	9	39	12	N/A	60

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTAL</u>
Puerto Rico	1	5	0	N/A	6
Rhode Island	N/A	N/A	0	N/A	0
South Carolina	19	15	8	19	61
South Dakota	0	0	0	2	2
Tennessee, Eastern	0	4	0	4	8
Tennessee, Middle	1	1	2	6	10
Tennessee, Western	2	7	3	8	20
Texas, Northern	6	4	4	17	31
Texas, Southern	8	3	6	9	26
Texas, Eastern	0	1	3	N/A	4
Texas, Western	4	2	0	N/A	6
Utah	0	0	2	3	5
Vermont	0	0	1	0	1
Virgin Islands	N/A	N/A	0	0	0
Virginia, Eastern	4	4	1	2	11
Virginia, Western	0	1	1	0	2
Washington, Eastern	0	0	0	0	0
Washington, Western	0	1	0	15	16
West Virginia, Northern	0	0	1	22	23
West Virginia, Southern	2	0	6	23	31
Wisconsin, Eastern	1	4	2	0	7
Wisconsin, Western	0	3	0	1	4
Wyoming	0	0	0	1	1