



United States  
**Office of Government Ethics**  
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MEMORANDUM

TO: Designated Agency Ethics Officials and Inspectors General

FROM: Amy L. Comstock  
Director

SUBJECT: 2001 Conflict of Interest Prosecution Survey

This Office has completed its annual survey of prosecutions involving the conflict of interest criminal statutes (18 U.S.C. §§ 203, 205, 207, 208, 209) for the period January 1, 2001, through December 31, 2001. Information on 5 new prosecutions by U.S. Attorneys' offices and the Public Integrity Section of the Department of Justice's Criminal Division was provided to us with the assistance of the Executive Office for United States Attorneys in the Department of Justice. Summaries of the prosecutions reported to this Office can be found on our web site at [www.usoge.gov](http://www.usoge.gov) under "Laws and Regulations."

## 2001 Conflict of Interest Prosecution Survey

[CASE 1] While employed by the Department of State, [the defendant] served as the Deputy for International Coordination of the Task Force for Military Stabilization in the Balkans (Train and Equip Program) until his retirement on January 2, 1998. At all pertinent times, [he] was paid at the rate of level 5 of the Senior Executive Service pay scale. The Train and Equip Program was established to assist the Bosnian government in developing a stable military environment. The Program was funded by various countries including the United States and oversaw funds designated for the purchase of military equipment and training. [The defendant's] responsibilities were to secure international funding, to advise the Bosnian government on available funds and equipment, and to monitor the integrity of the fund's disbursement and negotiation activity.

On January 5, 1998, [he] began work for [Company A] as the Vice-President for International Business Development for the Electronic Sensors and Systems Division. On January 6, 1998, [he] contacted the United States Embassy in Bosnia-Herzegovina to inform them that he anticipated a trip to Bosnia with representatives from his new employer to discuss their agreements with Bosnia to provide air traffic control and air defense radar systems. [He] then requested a meeting for himself and his colleagues with the American Ambassador to Bosnia to brief the Ambassador on [Company A's] efforts. Prior to the trip, the Department of State requested that [the defendant] provide a concept paper describing the air traffic control and air defense radar systems. [He] provided the concept paper, in which he also mentioned the hope of securing funding from Bosnia for the contracts and Bosnian support with the United States Government. A foreign company was the only other competition for the contracts.

On April 22, 1998, [the defendant] and other [Company A] representatives met with the American Ambassador and other Embassy personnel at the Sarajevo Embassy. The Government has evidence that during the meeting [the defendant] expressed that he wanted the Embassy's support for the contract.

On July 18, 1998, the Bosnian government entered into an \$11.3 million contract with [Company A] to initiate the first stage of the project. On August 13, 1998, [the defendant] received knowledge that a Department of State official told Bosnian government officials that the [Company A] contract was more than Bosnia needed and the foreign competitor offered a more appropriate and less costly package. [The defendant] contacted personnel at the Sarajevo Embassy and the Department of State to gain support for United States contracts in Bosnia.

The Government maintained that [the defendant's] conduct violated 18 U.S.C. § 207(c), a one-year post-employment restriction that prohibits a former "senior employee" from communicating to or appearing before his former department or agency, on behalf of another person or entity other than the United States, with the intent to influence official action. [The defendant] denied the allegations. Pursuant to a civil settlement agreement signed by the parties, [he] paid the Government \$10,000, and the Government released [him] from its claims under 18 U.S.C. § 207.

Prosecution handled by the Public Integrity Section of the Department of Justice's Criminal Division.

[CASE 2] [The Government employee] was the HIV Vaccine Coordinator for the Centers for Disease Control (CDC) until December 1999. While employed by CDC, [he] made recommendations about, and participated in the negotiations of, the terms of CDC's collaboration with a private company, [Company B]. At some point during the negotiations, [he] began negotiating for post-retirement employment with [Company B]. The Government maintained that [his] conduct violated 18 U.S.C. § 208 for participating personally and substantially as a Government employee in a particular matter in which, to his knowledge, an organization with whom he was negotiating prospective employment has a financial interest. Pursuant to a settlement agreement dated February 5, 2001, [the Government employee] paid the Government \$32,500, and the Government agreed not to proceed criminally on the alleged violations under 18 U.S.C. § 208.

Prosecution handled by the Northern District of Georgia.

[CASE 3] [The Government employee] was a Cattle Inspector for the Department of Agriculture. His duties included inspecting animals that would be brought into the United States. When the owner of two horses took the horses to Mexico for a show, [the Government employee] solicited and received \$500 for assisting the owner in crossing the horses back into the United States.

[The Government employee] was charged with violating 18 U.S.C. §§ 203, 205, 208 and/or 209. After the United States filed a motion for summary judgment, [he] settled the case through the entry of an Agreed Judgment in the amount of \$5,000 and resigned his position.

Prosecution handled by the Western District of Texas.

[CASE 4] [The Government employee] worked at the Norfolk Naval Shipyard as a GS-12 Asbestos Control Project Manager. His duties included ensuring compliance with all applicable regulations concerning the abatement and disposal of asbestos and other fibrous materials. This required him to become aware of the abatement plans and practices of contractors. While employed at the Shipyard, [he] also worked as the training director for [Company D], a business owned by [businesswoman J] that monitored and tested airborne concentrations of asbestos fibers. [Company D] provided abatement training for [Company E] and [Company F], asbestos and lead abatement contracting companies owned by [businesswoman J and her husband]. These companies performed asbestos abatement work at the Norfolk Naval Shipyard.

The Government alleged that [the Government employee] provided Government contract pricing information to [Company E], [Company F] and [Company D]. In addition, it alleged that [he] allowed abatement work by [Company E], [Company F], and [Company D] to proceed when he knew the abatement plans contained false and fraudulent information, including training certificates falsified by [the Government employee] as the training director for [Company D].

The Government maintained that [the Government employee's] conduct violated 18 U.S.C. § 208(a) for participating personally and substantially as a Government employee in a particular matter in which, to his knowledge, he had a financial interest. [The Government

employee] entered a guilty plea and was sentenced to 3 years' probation, fined \$5,000, and given 384 hours of community service.

Prosecution handled by the Eastern District of Virginia.

[CASE 5] [The Government employee] was a Senior Attorney at the Social Security Administration when she opened her own private practice in 1994. In her practice, she represented Social Security claimants against the Social Security Administration while still working at the agency. Some of the outside cases were the same kind of cases she defended for Social Security.

The U.S. Attorney's Office for the Western District of Washington began to pursue a case against [the Government employee] under 18 U.S.C. § 205, for acting as an attorney before a Federal agency in connection with a particular matter in which the United States is a party. Ultimately, [she] admitted to several conflicts violations at a Social Security administrative debarment hearing. She entered into a pre-filing settlement for \$113,000 to be paid in installments over the next 15 years.

Prosecution handled by the Western District of Washington.