

REPORT TO CONGRESS
ON THE ACTIVITIES AND OPERATIONS
OF THE
PUBLIC INTEGRITY SECTION
FOR 1981



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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Criminal Division
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April, 1982**

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ANNUAL REPORT TO CONGRESS

Section 529 of the Ethics in Government Act of 1978 requires the Attorney General to "report to Congress on the activities and operations" of the Public Integrity Section. This Report, the fourth submitted pursuant to the Act, covers calendar year 1981. Part I of this Report describes the present operations and functions of the Public Integrity Section, highlighting the major activities of 1981, and Part II details the cases handled by the Section during 1981. Part III presents data on the national effort to combat public corruption during 1981, based on the Section's annual survey of United States Attorneys.

Part I

Operations of the Public Integrity Section

The Section was created in 1976, consolidating in one office responsibility for overseeing the investigation and prosecution both of federal crimes involving abuse of the public trust by elected or appointed public officials at all levels of government, and of election crimes. It prosecutes selected cases against federal, state, and local officials, and is available as a source of advice and expertise to law enforcement officials and prosecutors at all levels of government. In addition, the Section serves as a center for planning, coordination and implementation of nationwide programs focused against public corruption. The size of the Section was approximately 24 attorneys during 1981, and Gerald E. McDowell continued to be Chief of the Section.

A. Operational Responsibilities

Most of the Section's resources are devoted to operational responsibility for litigation. In addition to cases arising out of its special initiatives, the Section participates in or directs prosecutions in numerous other corruption cases each year. The Section becomes involved in these cases for a number of reasons, which are enumerated below.

Recusals. It is extremely important that the appearance of fairness and impartiality be maintained in the conduct of government corruption investigations. If the United States Attorney has had a significant business,

social, political, or other relationship with any subject or principal witness in a corruption case, then it is generally inappropriate for the United States Attorney or his or her office to conduct the investigation and prosecution. Where the conflict is substantial, such cases are usually transferred to the Public Integrity Section for prosecution or direct supervision. For example, in 1981 the Kentucky investigation into corruption in that state was the responsibility of the Section because the United States Attorney's Office was recused. Any case involving a federal judge poses conflict of interest problems for the United States Attorney, and is normally referred to the Section for investigation.

Provision of Manpower or Expertise. In those situations where the available manpower or expertise in a United States Attorney's Office is insufficient to undertake a significant corruption case, the Public Integrity Section often provides attorneys to serve as either lead counsel, cocounsel, or secondary counsel. For example, a Virgin Islands case against the Director of Utilities and Sanitation was brought by the Section when the United States Attorney requested the help of the Section, resulting in the first successful public corruption case ever prosecuted in the Virgin Islands. The Section's participation in such cases also serves as valuable training to the lawyers in the field, who learn through working with Section prosecutors the unique statutes and investigative techniques most useful in such cases.

Sensitive or Multi-District Cases. In addition to formal recusals and cases where manpower is requested or needed, the Public Integrity Section becomes involved in highly sensitive matters and in matters that extend beyond district lines. Sensitive cases include those which, because of their importance, require close coordination with high Department officials, require a significant amount of coordination with other federal agencies in Washington, involve classified materials, or are so politically controversial on a local level that they are more appropriately handled out of Washington. When an investigation crosses district lines, the Public Integrity Section can provide coordination among various United States Attorneys' Offices, or, where appropriate, can assume operational responsibility for the entire investigation. The Section's continuing role in some of the cases developed in the course of the ABSCAM investigation reflects both of these considerations.

Federal Agency Referrals. Each year, the Section receives numerous referrals directly from federal agencies.

During 1981, the Section worked closely with the Inspectors General (IGs) of the various federal agencies, assisting them in their efforts to pursue allegations of official corruption. The Section provided a number of training sessions for IG investigators. In addition, the Section held an informal gathering of Assistant Inspectors General for Investigation to discuss continuing problems of investigation and prosecution of corruption in the federal work force. The meeting focused on problems encountered in conflicts of interest investigations. The Section also developed a systematic approach for handling referrals of alleged payroll abuses by federal employees. Among the agency referrals handled by the Section this year were the prosecution of an Agency for International Development official and a State Department foreign service officer.

B. Special Prosecutor Matters

The Public Integrity Section is responsible for reviewing and processing all matters assigned to it by the Attorney General under the Special Prosecutor provisions of the Ethics in Government Act (28 U.S.C. §591, et seq.). These matters are handled as high priorities of the Section, both because of their sensitivity and the strict time limitations built into the legislation. For example, in 1981, the Section handled the Richard Allen and Raymond Donovan Special Prosecutor matters.

C. Technical Assistance

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

Advice. The Public Integrity Section is staffed with many highly-trained specialists with considerable experience prosecuting corruption cases. When not operationally involved in a case, Section attorneys are available to advise on substantive questions, investigatory methods, indictment drafting, and motions.

Authorization. In order to achieve some degree of national control and uniformity among corruption prosecutions, the Section reviews certain investigations and indictments, as directed by the Assistant Attorney General for the Criminal Division. Authorization from the Section is currently required before federal prosecution may proceed in all election-related cases, and in corruption cases brought under the Hobbs Act. For example, in 1981 the Section authorized the United States Attorney in the Western District of Oklahoma to seek indictments against numerous

county commissioners, also providing advice and guidance on the most effective way to structure the indictments. In the course of its review of the proposed indictments, the Section provided on-site review of the massive undercover investigation into fraud and corruption in procurement of supplies on behalf of local governments in Oklahoma.

Training. The Public Integrity Section plays an active role in training prosecutors and investigators in substantive and procedural matters necessary for the successful prosecution of corruption cases. During the past year, the Section devoted special attention to training investigators at the various IG offices, and participated in numerous training seminars for investigators working for the IGs. Throughout the year, Section attorneys delivered lectures on a number of topics concerning corruption investigations and prosecutions to investigators for the Postal Inspection Service, Naval Investigative Service, the Defense Contract Audit Agency, the Federal Bureau of Investigation and others.

General Assistance and Supervision. Close Departmental supervision of prosecutions is extremely important in public corruption cases, which are typically delicate, complex, and highly visible. Section attorneys are occasionally called upon to travel to districts across the country to conduct a careful review of sensitive cases, such as the Oklahoma cases described above, evaluating the quality of the investigatory work and the adequacy of the proposed indictments. The presence of Public Integrity Section attorneys helps to ensure that these important public corruption cases are properly developed and brought to trial, since the Section can often identify problems early on and either provide needed assistance, or, if necessary, assume operational responsibility for the prosecution.

The Section has developed considerable expertise in the supervision and oversight of the use of undercover operations in serious corruption cases. The Section Chief and Deputy Section Chief sit on the FBI's Undercover Review Committee, and are thus familiar with the practical problems involved in such operations. Thus, the Section has the ability to manage this sensitive investigative technique, and to advise law enforcement personnel on its use.

The Section provides numerous other miscellaneous support services to United States Attorneys in connection with corruption cases. Much of this support comes in the form of serving as liaison with other components of the Department in order to expedite such things in corruption

cases as immunity requests, Title III wiretapping orders, and witness protection program applications.

D. 1981 Special Initiatives

The Section oversees Federal enforcement policy in three major areas: crimes by federal personnel; state and local corruption; and corruption of the franchise. During 1981 the Section began or continued programmatic initiatives in each of these areas, a number of which are described below.

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

During the past year, the Section developed a systematic approach for handling the numerous referrals on alleged payroll abuses by federal employees. In addition, the Section addressed the sensitive area of corruption in the field of law enforcement, and prosecuted several cases in this area during 1981. The Section also continued work on its Immigration Project, which concentrated in 1981 on the sale of fraudulent entry visas. Prosecutions resulting from these initiatives are described in Part II of this Report.

State and Local Corruption. This year, the Section continued its investigations in Kentucky and Chicago. In 1981, the Section had full operational responsibility for these two investigations; in both instances the United States Attorney recused himself and his entire office. The Kentucky investigation is a large-scale, in-depth probe of a number of separate allegations of systemic state corruption. They include a multi-million dollar insurance fraud scheme by state officials and allegations of fraud and kickbacks in the awarding of state leases and land purchases, together with a number of other areas of alleged corruption in state government. Also during 1981, the Section's Chicago investigation, which has been active since 1977, examined the activities of high-level state officials in prior administrations,

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

Corruption of the Franchise. The Election Crimes Branch brought a number of significant prosecutions in several states during 1981. The Branch's work in 1981 helped to firmly establish the legal theories most effective in handling election crimes cases, particularly the use of the mail fraud statute and the anti-fraud section of the Voting Rights Act. A major project in Dillon County, South Carolina was completed with a plea of guilty from a prominent businessman and state highway commissioner who wielded corrupt political power in the county, bringing the total number of vote-buying convictions obtained in Dillon County to 29. This investigation demonstrates the usefulness of the election crimes statutes in addressing systemic local corruption. Moreover, the Dillon County cases provide an excellent example of the effectiveness of a cooperative venture, with the Election Crimes Branch, the Economic Crime Specialist (who was stationed in Columbia, South Carolina), the United States Attorney's Office, and state law enforcement personnel working closely together on the project. The 1981 Dillon County cases are described in Part II.

Part II

Prosecutions and Indictments in 1981

As described above, the participation of the Public Integrity Section in the prosecution of public corruption cases ranges from sole responsibility for the entire case to approving an indictment or offering advice on the framing of charges. This portion of the Report describes those cases handled by the Section, or in which it shared substantial operational responsibility with the United States Attorney's Office. The hundreds of public corruption cases handled every year by the United States Attorneys' Offices are reflected in the statistics gathered as Part III of this Report. This section of the Report is divided according to the level of government affected by the corruption. Also included is a special section on Election Crimes, which received special emphasis in the Public Integrity Section in 1981, as a result of the 1980 elections. The prosecutions and indictments reported below reflect the Section's work during 1981 and the status of its cases as of December 31.

A. Corruption and Official Misconduct
at the Federal Level

1. The Judicial Branch:

- Federal District Judge Alcee Hastings, Southern District of Florida, was indicted together with District of Columbia attorney William Borders on charges of conspiracy to commit bribery and obstruction of justice by accepting an \$150,000 bribe to fix a racketeering case.

- Also during 1981, the Section declined prosecution of two matters involving allegations against members of the judicial branch, and has four open investigations in such matters.

2. The Executive Branch:

- George C. Warner, a former official with the Agency for International Development, pled guilty to charges of accepting cash gratuities for his influence in the awarding of contracts for seed rice, part of the Cambodia rescue effort.

- John Hudson, the Director of the Census Office in Oklahoma pled guilty and received a one-year sentence for patronage offenses.

- A retired State Department Foreign Service Officer, John R. Graham, was indicted on conflict of interest charges arising out of his conduct while on a tour of duty in South Africa.

- In a separate indictment, Graham was charged together with Bruce Kramme, a Foreign Service Officer, with theft of government property.

- Morris Davis, a Drug Enforcement Administration Agent, was found not guilty of fraud.

- Essie Jones, an Federal Trade Commission Administrative Secretary, pled guilty to embezzling more than \$10,000 from the United States.

- Department of Justice employee Jijuan Dickson pled guilty to embezzling from the Government.

- The conviction of James Conlon, former director of the United States Bureau of Engraving and Printing, for criminal conflict of interest, was affirmed by

the United States Court of Appeals for the District of Columbia Circuit.

- Drug Enforcement Administration Agent Forrest Beverly was indicted for perjury. He has since been acquitted of the charges.

- William L. Atcherson, former United States Information Agency employee, pled guilty to embezzlement.

- Guilty pleas to conspiracy to obtain visas by fraud were received from William Neng, Sok-Harn Neng, and James Neng.

- Eighty-one matters involving executive branch officials were closed without prosecution in 1981, while sixty-three matters remain open.

3. The Legislative Branch:

- Former Congressman Charles Carney was acquitted on charges of accepting an illegal gratuity.

- Ten investigations involving members of the legislative branch or their staffs are underway, while five such matters were declined for prosecution in 1981.

B. Corruption at the State and Local Levels

- The Public Integrity Section's project investigating corruption in Kentucky state government under prior administrations continued through 1981. Howard Hunt, the State Democratic Chairman, was indicted on charges of conspiracy to accept kickbacks on state insurance contracts and filing a false income tax return. Indicted with him was Insurance Commissioner Harold McGuffey. Hunt has since pled guilty, and McGuffey is participating in a pretrial diversion program. State Senator Woodrow Stamper was tried on charges of conspiracy, extortion and mail fraud, along with income tax violations. The jury could not reach a verdict on three counts, and a mistrial was declared; retrial is pending. Stamper was acquitted on the remaining counts, as was his codefendant, Robert Link.

- Two perjury cases growing out of the Kentucky investigations are under indictment involving Louisville attorney Walter Swyers, and Frankfort, Kentucky engineer David Clark.

- In a case arising out of the ABSCAM investigation, Camden, New Jersey Mayor Angelo Errichetti, and

New Jersey State Casino Commissioner Kenneth MacDonald were indicted on extortion and bribery charges.

- In Chicago, former state officials Elliot Epstein, John Filan and Robert Touhy were indicted together with businessman Allen Bahn on fraud charges, involving the awarding of state contracts in return for campaign contributions.

- In the Virgin Islands, Director of Utilities and Sanitation James Moorhead was convicted by a jury of fraud; and sentenced to two years' imprisonment.

- Mississippi County Commissioner Arlan Robinson was indicted for extortion and false statements to the federal government.

- Gary, Indiana police officer Robert Matthews was convicted and sentenced to six years' imprisonment for drug trafficking.

- Michael Pintar, staff representative to the Upper Great Lakes Regional Commission for the Minnesota State Governor, pled guilty to conspiracy to defraud and patronage offenses. Barbara Pintar, Secretary to the Commission, also pled guilty.

- The Section closed eight matters against state and local officials without prosecution in 1981, and continues investigation in 34 other such matters.

C. Election Crimes

- The Election Crimes Branch handled a number of successful projects around the country in 1981 in matters growing out of the 1980 election cycle. During 1981, the Branch declined prosecution in approximately 75 cases after investigation, and investigation continues in eighteen additional matters.

- A major effort against election fraud and corrupt control of local government was completed in Dillon County, South Carolina. Without exception, every person indicted in the course of the probe either was convicted by a jury or pled guilty:

Alan H. Shafer, South Carolina State Highway Commissioner and businessman who dominated Dillon County politics, pled guilty and was sentenced to three and a half years and a \$12,000 fine. South Carolina State Senator

Eugene Carmichael was convicted by a jury of vote buying and obstruction of justice. He received a sentence of 10 years and a \$20,000 fine.

Four Dillon County Councilmen pled guilty to vote buying; Harry Fore, Elwood McQueen, Lloyd Meekins, and Leon Moody. Former Dillon County Sheriff Roy Lee and Deputy Sheriff William P. Jones each pled guilty. Former Postmaster Joe Grady Flowers was convicted by a jury, and County Recreation Director David Bethea pled guilty.

In addition to the public officials listed above, fifteen private citizens involved with them in the election fraud scheme either were convicted by a jury or pled guilty.

- In Kansas City, Missouri, Lois Sayre, Donald Leslie, and Marie Leslie pled guilty to vote buying.

- Pikeville, Kentucky Sheriff Thomas Salyers, social case-worker Lily Mae Castle and Deputy Sheriff Harold Howard were all convicted by a jury of vote fraud.

- Another major project in Plymouth, Pennsylvania resulted in twelve convictions. The chairman of the Plymouth Democratic Committee, Bennie Mazur, pled guilty to vote buying. Democratic party officials Samuel Lewis, Vincent Dougherty and Rudolph Ricko all pled guilty to vote fraud, as did Magistrate Bernard Wojcik. Also pleading guilty to vote buying were Borough Councilmen John Williams, George McDaniels, Joseph Conniff, William DeRemer, John Chervenitski, Robert Soha, and Robert Mundy.

- In Wheeler County, Georgia, Bertha Manus, J.C. Gilder, and G.M. Joiner all pled guilty to vote buying.

- Republican party official Harry Longest and candidate Ernest Brown pled guilty to election fraud in Orange County, Indiana.

- The conviction of Ella Bowman for vote buying in Shreveport, Louisiana was affirmed by the Fifth Circuit Court of Appeals.

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PART III

FEDERAL PROSECUTIONS
OF
CORRUPT PUBLIC OFFICIALS
1981

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

April 1982

Federal Prosecutions of Corrupt Public Officials

Each year, the Public Integrity Section collects information from the United States Attorneys about the public corruption cases they have handled. This portion of the Report describes the results of the 1981 survey, as well as those of earlier surveys. Tables I-IV display the numbers, types, dispositions, and geographical distribution of these reported corruption cases.

Presented below is a sample of significant public corruption cases drawn from the 1981 questionnaire responses. Only those cases handled exclusively by the United States Attorneys' Offices or the Organized Crime Strike Forces are included; many important corruption cases were handled jointly with the Public Integrity Section, and were described in Part II of this report. The sample cases are organized according to the level of government affected by the corruption.

A. Corruption and Official Misconduct at the Federal Level

1. The Legislative Branch:

- District of Columbia: Congressman Richard Kelly of Florida and two co-conspirators were convicted of conspiracy to bribe a United States Congressman and defraud the United States, bribery, and violating the Travel Act. A fourth co-conspirator pled guilty.

- New York, Eastern District: In a case handled by the Brooklyn Strike Force, United States Senator Harrison Williams was convicted of bribery, conspiracy, and Travel Act violations. The charges arose out of circumstances in which Williams agreed to accept a hidden share in a mining venture in return for using his influence to secure government contracts for the titanium venture.

2. The Executive Branch:

- District of Columbia: A payroll clerk at the United States Army Military District of Washington was convicted for a scheme in which he manipulated computers to cause the issuance of about \$38,000 worth of government checks to his friends and relatives, by creating fictitious military employees.

- Iowa, Southern District: The Executive Director of the Agricultural Stabilization and Conservation Service in Iowa was convicted for causing or attempting to cause employees to make political contributions. The employees were intimidated and feared that they would be denied or deprived of compensation or benefits of their employment.

- New Jersey: An investigation of corruption and fraud within the Customs community, begun in 1980, continued. Two additional Customs Service officials were convicted, as were fourteen others involved with corrupt Customs officials.

- New York, Southern District: In another continuing investigation of corruption in the Customs Service, in New York nine Customs employees were convicted of a variety of crimes including conspiracy to defraud the United States, perjury committed during their appearances before the grand jury, bribery and theft of goods from the United States Customs warehouse.

- New York, Southern District: The former acting Chief of the Finance Division of the Small Business Administration's (SBA) New York District office was convicted with a wholesale automobile dealer of conspiracy to defraud the United States and mail fraud. Beginning in 1975, the dealer bribed the SBA official to secure the approval of over \$1,500,000 in SBA loans. Over the years, the bribes exceeded \$250,000, financed through kickbacks on the loans.

- New York, Southern District: Five officials of the Department of Labor, including an assistant Deputy Commissioner, were convicted on charges of accepting cash payoffs in connection with compensation claims pending before the Department.

- New York, Southern District: Five employees of the United States Postal Service, including two supervisors, were convicted of soliciting and accepting cash payoffs to provide preferential delivery services to commercial postal patrons, as well as conspiring to solicit and receive such payments.

- New Mexico: A United States Marshal was convicted of embezzling more than \$40,000 of government funds.

- Texas, Northern District: Four federal employees were convicted and three are awaiting trial as a

result of a continuing investigation of the Army-Air Force Exchange Service. Seven private citizens were also convicted in connection with this investigation.

3. The Judicial Branch:

- Michigan, Eastern District: The Chief Clerk of the Bankruptcy Court in Detroit was convicted of misusing his position. This case is part of a larger investigation into corruption in the United States Bankruptcy Court in Detroit.

- Texas, Eastern District: A federal probation officer was convicted for receiving bribes to falsify probation reports to the District Court.

B. Corruption at the State Level

- Indiana, Southern District: The President Pro Tempore of the Indiana Senate was convicted of accepting bribes, as was the lobbyist who arranged the scheme.

- Indiana, Southern District: Two former members of the Indiana General Assembly and a lobbyist were awaiting trial in a bribery scheme at the end of the year.

- Louisiana, Eastern District: The State Commissioner of Administration and reputed organized crime leader Carlos Marcello were convicted of conspiring to use bribes and kickbacks to obtain a state insurance contract, in a case handled by a team headed by the United States Attorney and the Strike Force Chief.

- Mississippi, Southern District: The former State Bank Comptroller and the former Director of the State Employment Security Commission were convicted of mail fraud and wire fraud in an influence-peddling scheme for obtaining bank charters.

- New Jersey: A State Senator and Mayor of Union City, one of the most powerful public officials in the state, was indicted with five other public officials and three private citizens for receiving kickbacks.

- Tennessee, Middle District: Former Governor Ray Blanton was convicted of using his position to corruptly influence the award of liquor licenses; two former aides were convicted as well.

- Tennessee, Western District: In addition, there have been several bid-rigging cases involving

officials and others closely connected to the Blanton administration.

C. Corruption at the Local Level

- District of Columbia: A former associate judge of the Superior Court of the District of Columbia was convicted in connection with a scheme in which he accepted various gratuities from an excavation company in exchange for suspending fines on hundreds of the company's overweight dirt-hauling trucks.

- Illinois, Northern District: An investigation of official corruption at the Cook County Board of Tax Appeals continued. The investigation, which began in 1979, has resulted in the indictment of twenty-one persons in connection with the fraudulent processing of over \$80 million in assessment reductions.

- Massachusetts: A City of Boston School Committeeman was convicted for attempting to extort \$650,000 in connection with the award of a school busing contract.

- Michigan, Western District: A local rehabilitation officer and a municipal police chief conspired to file false claims in a Housing and Urban Development (HUD) program, resulting in a loss to HUD of approximately \$200,000.

- New Hampshire: A City of Concord Councilman pled guilty to theft or embezzlement of employment training funds.

- New York, Eastern District: The Chairman of the Nassau County Republican Party was convicted on mail fraud and extortion charges arising from an insurance kickback scheme. The kickbacks, amounting to approximately one million dollars, spanned the period 1967-1978.

- New York, Eastern District: Officials of an engineering firm and the firm itself were convicted of violating the anti-racketeering statute, conspiracy, extortion and racketeering. During the period from 1967 through 1979, they engaged in a pattern of racketeering activity involving bribery of influential public officials and political figures in Rockland County, New York; Wallingford, Connecticut; Parsippany, New Jersey; Suffolk County, New York; and Camden, New Jersey in order to obtain consulting engineering contracts and secure favorable

treatment for the firm in various federally funded sewer construction projects.

* * *

Described below are samples of types of cases illustrating patterns of corruption, in which cases involving similiar facts were prosecuted in several districts across the country.

County Commissioner/Vendor Corruption. Numerous corruption cases were handled nationwide concerning county commissioners and corrupt purchasing practices. In a statewide investigation of kickbacks to County Commissioners that has affected a substantial majority of Oklahoma's 231 county commissioners, more than 100 commissioners, former commissioners and suppliers were convicted or agreed to plead guilty on related charges in 1981. The most prevalent practice was a 10 percent kickback on supplies delivered, but there were also numerous instances of 50-50 splits involving bogus billing for which no supplies were delivered. The investigation, begun in the Western District of Oklahoma, has expanded to the Eastern and Northern Districts of Oklahoma as well as to the Eastern District of Texas, where seventeen county commissioners were convicted and three are awaiting trial. A similar case was developed in the Eastern District of Arkansas where, as part of an investigation of corrupt vendors, two former county judges (chief administrative officers) were convicted of accepting bribes and kickbacks while in office, along with one vendor.

An institutional food company located in Arkansas and specializing in sales to public schools was convicted along with certain officers and employees and numerous school officials of paying kickbacks to public school purchasing agents over the past five years. The scheme operated in numerous counties in Arkansas, Tennessee and Mississippi.

In the Northern District of Mississippi, three county supervisors were convicted for taking kickbacks from a New York-based chemical company that sold chemicals at grossly inflated prices. Evidence collected in the course of the investigation indicates that the scheme is operating in several states.

Patterns of Local Corruption. Systemic corruption in city government received attention in several districts across the country in 1981. For example, in Connecticut, as part of a major effort to combat a pattern of corruption in the City of Bridgeport, five city officials and employees were indicted and are awaiting trial. In the Middle

District of Florida, an investigation into corrupt practices in Port Orange resulted in one city official being convicted, two city officials pleading guilty, and two private individuals awaiting trial. In New Jersey, an investigation of systemic corruption in Kearny resulted in the conviction of the former mayor, a town councilman, and the head of the Kearny sewage treatment plant.

Law Enforcement Protection. A number of local law enforcement officials were convicted for accepting or extorting payment in exchange for protection of such illegal activities as gambling, drug smuggling, or prostitution. Such cases were handled in the Western District of Pennsylvania, South Carolina, Northern District of Indiana, Southern District of Georgia, Western District of Texas, and Northern District of Florida, among others.

Cable Television. In Massachusetts, an attorney was convicted for attempting to bribe a Danvers, Massachusetts Selectman in connection with a cable television license. In the Western District of Pennsylvania, a former assistant business administrator of New Castle was convicted on a charge that he conspired to bribe city council members for their votes on proposed rate increases for the cable company.

April, 1982

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TABLE I

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Year Ended December 31, 1981

Federal Officials

Indicted	198
Convicted	159
Awaiting Trial	23

State Officials

Indicted	87
Convicted	66
Awaiting Trial	36

Local Officials

Indicted	244
Convicted	211
Awaiting Trial	102

Others Involved

Indicted	349
Convicted	294
Awaiting Trial	70

Total

Indicted	878
Convicted	730
Awaiting Trial	231

TABLE II

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Federal Officials	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTALS</u>
- Indicted	9	58	58	60	59	53	111	129	133	128	123	198	1,119
- Convicted	9	40	42	48	51	43	101	94	91	115	131	159	924
- Awaiting Trial on December 31	0	0	4	2	1	5	1	32	42	21	16	23	147
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State Officials													
- Indicted	10	21	17	19	36	36	59	50	55	58	72	87	520
- Convicted	7	16	10	17	23	18	35	38	56	32	51	66	369
- Awaiting Trial on December 31	0	0	0	0	0	5	30	33	20	30	28	36	182
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Local Officials													
- Indicted	26	46	106	85	130	139	194	157	171	212	247	244	1,757
- Convicted	16	28	75	64	87	94	100	164	127	156	168	211	1,290
- Awaiting Trial on December 31	0	0	0	2	4	15	98	62	72	67	82	102	504
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Others involved													
- Indicted	18	35	27	80	66	27	199	171	198	289	279	349	1,738
- Convicted	12	24	15	52	56	24	144	144	135	252	202	294	1,354
- Awaiting Trial on December 31	0	0	1	14	0	2	70	83	71	69	87	70	467
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Totals													
- Indicted	63	160	208	244	291	255	563	507	557	687	721	878	5,134
- Convicted	44	108	142	181	217	179	380	440	409	555	552	730	3,937
- Awaiting Trial on December 31	0	0	5	18	5	27	199	210	205	187	213	231	1,300

FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS

Convictions of Public Officials by Judicial Districts

1976 - 1981

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
Alabama, Northern	0	6	4	9	6	5	30
Alabama, Middle	9	4	5	10	22	3	53
Alabama, Southern	1	0	1	N/A	5	0	7
Alaska	4	3	0	0	0	0	7
Arizona	2	3	0	1	2	6	14
Arkansas, Eastern	1	3	2	3	4	2	15
Arkansas, Western	0	1	0	1	1	1	4
California, Northern	0	0	0	0	0	2	2
California, Eastern	0	0	0	0	N/A	0	0
California, Central	10	8	3	8	4	8	41
California, Southern	1	2	3	7	8	8	29
Canal Zone	N/A	N/A	1	N/A	0	0	1
Colorado	0	1	1	0	0	0	2
Connecticut	0	5	4	4	7	0	20
Delaware	3	0	1	0	0	1	5
District of Columbia	9	10	14	9	19	17	78

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

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
Florida, Northern	1	0	0	0	2	4	7
Florida, Middle	4	1	5	1	2	6	19
Florida, Southern	0	0	3	0	14	0	17
Georgia, Northern	6	2	6	1	2	2	19
Georgia, Middle	9	7	1	1	3	1	22
Georgia, Southern	0	1	0	4	2	8	15
Guam	N/A	N/A	2	0	N/A	2	4
Hawaii	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0
Illinois, Northern	N/A	N/A	16	27	25	35	103
Illinois, Central	1	0	8	2	2	0	13
Illinois, Southern	0	0	4	2	0	0	6
Indiana, Northern	4	6	5	3	7	2	27
Indiana, Southern	0	3	0	0	7	2	12
Iowa, Northern	0	0	0	0	0	0	0
Iowa, Southern	1	0	0	1	0	1	3
Kansas	9	4	0	3	N/A	7	23
Kentucky, Eastern	5	6	5	5	12	5	38
Kentucky, Western	1	0	2	2	0	2	7
Louisiana, Eastern	N/A	N/A	6	7	8	13	34

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
Louisiana, Middle	1	0	0	1	1	3	6
Louisiana, Western	0	1	0	10	2	0	13
Maine	0	0	2	2	3	0	7
Maryland	2	5	20	11	11	3	52
Massachusetts	3	5	7	5	6	7	33
Michigan, Eastern	1	4	1	7	3	10	26
Michigan, Western	1	1	1	0	0	2	5
Minnesota	1	0	0	2	0	0	3
Mississippi, Northern	0	2	3	2	4	6	17
Mississippi, Southern	1	0	5	0	4	9	19
Missouri, Eastern	4	2	1	1	2	2	12
Missouri, Western	1	0	0	0	0	0	1
Montana	1	0	0	0	1	0	2
Nebraska	0	1	0	0	7	0	8
Nevada	1	1	1	3	0	2	8
New Hampshire	0	0	2	0	0	3	5
New Jersey	14	10	15	9	25	8	81
New Mexico	9	9	1	4	0	2	25
New York, Northern	1	0	2	0	0	0	3
New York, Southern	0	8	3	33	17	30	91

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
New York, Eastern	21	21	7	1	22	11	83
New York, Western	0	5	1	5	6	1	18
North Carolina, Eastern	1	0	1	1	N/A	2	5
North Carolina, Western	0	0	0	0	0	2	2
North Carolina, Middle	*	*	*	0	0	0	0
North Dakota	0	0	0	1	0	0	1
Ohio, Northern	2	5	6	12	3	2	30
Ohio, Southern	12	18	7	21	10	2	70
Oklahoma, Northern	0	0	0	0	0	2	2
Oklahoma, Western	0	0	4	N/A	5	51	60
Oklahoma, Eastern	0	0	0	5	3	9	17
Oregon	0	0	1	0	0	0	1
Pennsylvania, Eastern	8	6	13	11	8	4	50
Pennsylvania, Middle	21	27	16	3	6	16	89
Pennsylvania, Western	9	39	12	7	N/A	4	71
Puerto Rico	1	5	0	N/A	0	0	6
Rhode Island	N/A	N/A	0	N/A	0	4	4
South Carolina	19	15	8	10	11	25	88
South Dakota	0	0	0	2	0	0	2

* = District did not exist.

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
Tennessee, Eastern	0	4	0	2	1	0	7
Tennessee, Middle	1	1	2	3	0	8	15
Tennessee, Western	2	7	3	5	7	7	31
Texas, Northern	6	4	4	7	5	5	31
Texas, Southern	8	3	6	6	1	0	24
Texas, Eastern	0	1	3	N/A	3	19	26
Texas, Western	4	2	0	N/A	3	6	15
Utah	0	0	2	1	N/A	4	7
Vermont	0	0	1	0	N/A	0	1
Virgin Islands	N/A	N/A	0	0	0	1	1
Virginia, Eastern	4	4	1	1	1	13	24
Virginia, Western	0	1	1	0	0	5	7
Washington, Eastern	0	0	0	0	0	0	0
Washington, Western	0	1	0	2	2	1	6
West Virginia, Northern	0	0	1	3	1	0	5
West Virginia, Southern	2	0	6	3	N/A	0	11
Wisconsin, Eastern	1	4	2	0	1	2	10
Wisconsin, Western	0	3	0	1	1	0	5
Wyoming	0	0	0	0	0	0	0

TABLE IV

MOST FREQUENTLY USED STATUTES
IN 1981 PUBLIC CORRUPTION AND OFFICIAL MISCONDUCT CASES

This chart displays those federal criminal statutes that were most frequently used in 1981 in public corruption and official misconduct cases nationwide. The listing under the heading "Frequency" indicates the total number and percentage of corruption indictments in which that statute was utilized; each indictment may allege violations of more than one statute.

Prosecutions of Federal Officials
(Total = 198 indictments)

<u>Statute</u>	<u>Frequency</u>
18 U.S.C. § 201 (Bribery)	45 (23%)
18 U.S.C. § 641 (Theft of public property)	26 (13%)
18 U.S.C. § 371 (Conspiracy)	23 (12%)
18 U.S.C. § 1709 (Theft from the mails)	23 (12%)
18 U.S.C. § 1001 (False Statements to federal agency)	14 (7%)
18 U.S.C. § 287 (False Claims)	14 (7%)

Prosecutions of State Officials
(Total = 87 indictments)

<u>Statute</u>	<u>Frequency</u>
18 U.S.C. § 1951 (Interference with commerce by extortion)	32 (37%)
18 U.S.C. § 1341 (Mail fraud)	24 (28%)
18 U.S.C. § 371 (Conspiracy)	16 (18%)
18 U.S.C. § 1952 (Travel in aid of racketeering)	9 (10%)
18 U.S.C. § 1343 (Wire fraud)	5 (6%)

Prosecutions of Local Officials
(Total = 244 indictments)

<u>Statute</u>	<u>Frequency</u>
18 U.S.C. § 1341 (Mail fraud)	116 (48%)
18 U.S.C. § 371 (Conspiracy)	92 (38%)
18 U.S.C. § 1951 (Interference with commerce by extortion)	83 (34%)
18 U.S.C. § 1001 (False Statements to federal agency)	23 (9%)
18 U.S.C. § 1962 (RICO)	21 (9%)
18 U.S.C. § 242 (Deprivation of rights under color of law)	20 (8%)
18 U.S.C. § 1952 (Travel in aid of racketeering)	18 (7%)