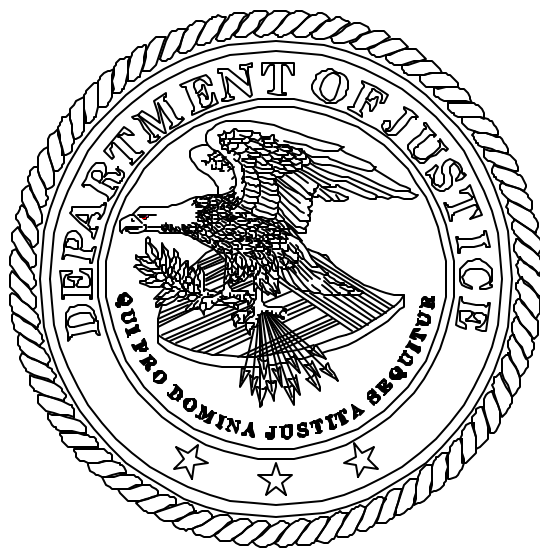


**REPORT TO CONGRESS
ON THE ACTIVITIES AND OPERATIONS
OF THE
PUBLIC INTEGRITY SECTION
FOR 2000**



**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 that the United States Department of Justice report annually to Congress on the operations and activities of the Department's Public Integrity Section. The Report describes the activities of the Public Integrity Section during 2000. It also provides statistics on the nationwide federal effort against public corruption during 2000 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 may 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 continued to serve as Chief of the Section throughout 2000. 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 2000. Part II describes the cases prosecuted by the Section in 2000. 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 1981 through 2000.

TABLE OF CONTENTS

PART I

**OPERATIONAL RESPONSIBILITIES OF
THE PUBLIC INTEGRITY SECTION**

A. RESPONSIBILITY FOR LITIGATION 1

 1. Recusals by United States Attorneys' Offices 1

 2. Sensitive and Multi-District Cases 2

 3. Federal Agency Referrals 3

 4. Requests for Assistance; Shared Cases 4

B. SPECIAL SECTION PRIORITIES 4

 1. Special Counsel and Independent Counsel Matters 4

 2. Election Crimes 5

 3. Conflicts of Interest Crimes 7

C. LEGAL AND TECHNICAL ASSISTANCE 8

 1. Training and Advice 8

 2. Advisor to President's Council on Integrity and Efficiency
 and Executive Council on Integrity and Efficiency 9

 3. International Advisory Responsibilities 9

 4. Legislative Activities 11

 5. Case Supervision and General Assistance 11

PART II

**PUBLIC INTEGRITY SECTION INDICTMENTS,
PROSECUTIONS, AND APPEALS IN 2000**

INTRODUCTION 13

FEDERAL JUDICIAL BRANCH 13

FEDERAL LEGISLATIVE BRANCH 15

FEDERAL EXECUTIVE BRANCH 15

STATE AND LOCAL GOVERNMENT 30

ELECTION CRIMES 33

PART III

**NATIONWIDE FEDERAL PROSECUTIONS
OF CORRUPT PUBLIC OFFICIALS**

INTRODUCTION	35
LIST OF TABLES	35
TABLE I: Nationwide Federal Prosecutions of Corrupt Public Officials in 2000	36
TABLE II: Progress Over the Past Two Decades: Nationwide Federal Prosecutions of Corrupt Public Officials	37
TABLE III: Federal Public Corruption Convictions by District Over the Past Decade	39

PART I

OPERATIONAL RESPONSIBILITIES OF THE PUBLIC INTEGRITY SECTION

A. RESPONSIBILITY FOR LITIGATION

The work of the Public Integrity Section focuses on public corruption -- 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 fall primarily into the following four categories:

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. These cases may also be politically sensitive, because their ultimate targets tend to be politicians or agents or employees of 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 official and private interests.

If the conflict of interest is substantial, the local office is removed, or recused, from the case. Recusal is a procedure by which the local office either asks to step aside, or is asked to step aside, 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 of crimes by federal judges and other judicial officers almost always require local recusal. There are important policy and practical reasons for recusal by the local office in these cases. 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 a prosecutor investigating a judge were to appear before the judge on other matters. Thus, as a matter of established Department practice, judicial corruption cases generally are handled by the Public Integrity Section.

Similar concerns regarding 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 2000 the Section handled a number of significant cases as a result of recusals. One of these cases resulted in the conviction of the Clerk of the Bankruptcy Court for the Middle District of Florida on bribery and conspiracy charges in connection with his receipt of thousands of dollars for steering purchase orders for products sold to federal courts to a vendor doing business with the Bankruptcy Court. In another case, an employee of the United States Attorney's Office in the Central District of California was indicted on theft and fraud charges for stealing over \$100,000 in goods and services by misusing government charge cards issued to her and others.

2. Sensitive and Multi-District Cases

In addition to recusals, the Public Integrity Section also handles two other special categories of cases. At the request of the Assistant Attorney General of the Criminal Division, the Section may be assigned 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 any 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 cases of this sort in 2000. One case resulted in the conviction of the Inspector General of the Department of Commerce for a criminal conflict of interest. During 2000, the Section also resolved conflict of interest allegations against several high-level government officials, with the concurrence of the Civil Division, through civil settlements. These cases included the former United States Ambassador to Ireland, a Deputy Assistant Attorney General of the Justice Department, and an official of the Export-Import Bank of the United States.

During 2000 the Public Integrity Section also continued to handle, along with the Criminal Division's Fraud Section, the Department's continuing investigation of alleged corruption relating to Salt Lake City's bid for the 2002 Winter Olympics. This investigation resulted in the 2000 convictions of the former Senior Director of International Relations and Director of Protocol of the United States Olympic Committee for conspiracy and false statements.

The third category of special cases handled by the Section, multi-district cases, are simply 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, or, when appropriate, to assume operational responsibility for the entire case. For example, in 2000 the Section handled a multi-district case involving allegations that false documents were submitted in connection with federal civil cases pending in the Eastern and the Western Districts of Wisconsin, which resulted in the conviction of a former employee of the Environmental Protection Agency for criminal contempt.

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 (IG) for the executive branch agencies, 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 require close consultation with the agency IG's Office and prompt prosecutive evaluation. In 2000, a referral from the IG's Office of the Federal Aviation Administration led to the conviction of an FAA official for theft and computer fraud relating to his conversion of over \$30,000 of federal funds. Another referral, from the United States Department of the Air Force, led to the conviction in 2000 of a supervisory special agent for a felony conflict of interest.

Another 2000 corruption case that arose out of an agency referral involved a scheme by a senior official of the Federal Highway Administration and his wife to steer multi-million

dollar government research contracts to favored contractors in return for more than \$170,000 in personal loans and consulting contracts. The case was jointly investigated by the FBI and the United States Department of Transportation's Office of Inspector General and resulted in the conviction of the couple on bribery, fraud, and kickback charges.

During the year the Section also continued to focus particular attention on referrals from the intelligence agencies. Matters involving employees of these agencies are unusually sensitive, requiring high-level security clearances and the application of specialized statutes. For example, a referral from an intelligence agency resulted in the conviction in 2000 of the head of a military intelligence unit for making false statements relating to his conversion of agency assets.

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.

Joint responsibility for a case occurs for a number of reasons. 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 to jointly handle a case with another Department component.

In 2000 the Section shared operational responsibility in a number of significant corruption cases. One example is a bribery case involving a former State Department Foreign Service Officer and a citizen of Guyana, which is being handled by the Section and the United States Attorney's Office for the Northern District of Illinois.

B. SPECIAL SECTION PRIORITIES

In addition to the general responsibilities discussed above, in 2000 the Public Integrity Section also was involved in a number of additional priority areas of criminal law enforcement, discussed below.

1. Special Counsel and Independent Counsel Matters

In the Spring of 1999, the Department of Justice recommended that Congress allow the former Independent Counsel Act, a long-term responsibility of the Section, to expire without reauthorization. The Department concluded, based on our two decades of experience with the Act, that it was not fulfilling its original goal and that its costs far outweighed its benefits. On June 30, 1999, following extensive congressional hearings largely supportive of the Department's position, Congress allowed the Independent Counsel Act to lapse. However, the Act continued in effect with respect to those independent counsel investigations that were ongoing at the time.

When the Independent Counsel Act expired, 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 a 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 of an outside Special Counsel to handle the matter, free from day-to-day oversight of his or her decisionmaking. Reviewing matters that raise issues under the regulations and providing recommendations and advice to Department officials are a high priority of the Section. During 2000, the Public Integrity Section assisted in handling a number of matters that raised questions under these regulations.

In addition, during 2000 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.

2. Election Crimes

When the Public Integrity Section was created in 1976, oversight responsibility for election crimes, other than those involving civil rights violations, was assigned to the Section. An Election Crimes Branch was created within the Section in 1980 to handle this responsibility. Headquarters' oversight of election crimes is intended to ensure that the Department's nationwide response to election crime matters is uniform, impartial, and effective.

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 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.

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 aggravated 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 2000 the Branch assisted United States Attorneys' Offices in Alabama, Arkansas, California, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Michigan, Missouri, New Jersey, New Mexico, New York, Ohio, Pennsylvania, South Carolina, Texas, 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. A number of these investigations ultimately resulted in convictions. For example, numerous vote-buying convictions were obtained as a result of investigations in St. Helena Parish, Louisiana, and in Winston County, Alabama.

* Campaign-financing crimes. During the year the Branch also continued to develop a nationwide enforcement strategy for aggravated violations of the Federal Election Campaign Act. As part of this effort, the Branch assisted United States Attorneys in Arkansas, California, the District of Columbia, Louisiana, Michigan, Montana, Nevada, 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 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 2000 the Branch and the United States Attorney's Office for the District of Montana jointly handled a case that culminated in the conviction of an entity called MSE, Inc. for laundering corporate funds to a senatorial campaign. Also during the year, the Branch supervised 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. These cases are described in the Election Crimes section of Part II of this Report.

c. 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 aggravated campaign-financing violations. The FEC has exclusive civil jurisdiction over all violations of the FECA; criminal prosecution by the Justice Department is confined to FECA violations that are aggravated in amount, involve criminal intent, and reflect clear violations of the law. 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.

3. 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 criminal misconduct proscribed by one of the federal conflicts of interest statutes. These crimes are codified in Sections 203 through 209 of the federal criminal code and 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. Also, as noted below, on occasion a criminal conflicts referral may warrant civil disposition in lieu of prosecution. In these cases the Section often handles the civil settlement in consultation with the Civil Division.

The Section also handles recusals and special assignments involving conflicts matters. For example, during 2000 the Section was assigned to investigate a conflict of interest allegation involving a Deputy Assistant Attorney General of the Justice Department. The matter ultimately was resolved by a civil settlement. This enforcement option for conflicts of interest matters is further discussed below.

In addition, referrals of conflicts allegations from the United States Department of Commerce and the United States Department of the Air Force led to two criminal conflicts convictions in 2000. During the year the Section also resolved two additional agency conflicts referrals through civil settlements.

b. Civil Enforcement for Conflicts of Interest. During 2000 the Section continued its implementation of an effective enforcement strategy 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.

In 2000, as noted above, the Section's conflicts of interest cases included three conflicts matters that were resolved under this enforcement strategy. These cases involved a former United States Ambassador, an official of the United States Export-Import Bank, and an official of the Justice Department. In each case the Section obtained, with the approval of the Civil Division, a civil settlement that included a civil payment. These cases are described in Part II.

c. Coordination. The Public Integrity Section works closely with the United States Office of Government Ethics (OGE) to coordinate conflicts of interest issues with other executive branch agencies and offices. The purpose of this coordination is to ensure that the Administration's overall legislative and enforcement efforts 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.

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. In 2000 the Section's assistance fell 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 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 Justice Department's Office of Legal Education. 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 2000, the Section Chief and three Section prosecutors participated in a week-long corruption conference at the National Advocacy Center in Columbia, South Carolina, and addressed such topics as federal laws and prosecutive theories relating to corruption, charging corruption offenses, sentencing issues, proactive investigative techniques, and election crimes. Also in 2000, the Section Chief and two Section prosecutors addressed FBI corruption supervisors at the FBI Academy in Quantico, Virginia, on the handling of corruption investigations. The Section also participates in training events sponsored by other federal departments and agencies, and provides instructors for the annual ethics training programs of the United States Office of Government Ethics.

In addition, the Section teaches courses at the Federal Law Enforcement Training Center in Glynco, Georgia, for investigators in the Offices of Inspectors General. Finally, the Section's Election Crimes Branch lectures at training seminars for state and local election officials on the Department's enforcement responsibilities in the area of election crimes.

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

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 mandated to establish policies and procedures to ensure consistency in conducting investigations and reporting activities under the Executive Order. The year after its creation, the Integrity Committee approved the "Policy and Procedures for Exercising the Authority of the Integrity Committee." The Procedures, drafted with the assistance of the Public Integrity Section, provide a framework for the investigative function of the Integrity Committee. Allegations of wrongdoing by IGs and their senior staff are initially reviewed by the Public Integrity Section for potential criminal investigation. 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.

As noted above, in 2000 the Section handled a conflicts of interest allegation against a former Inspector General of the Department of Commerce, which resulted in the conviction of the former IG for a criminal conflict of interest. This case is summarized in Part II.

3. International Advisory Responsibilities

The Section's responsibilities in the area of international law enforcement have increased dramatically over the past few years, as the Department's international law enforcement efforts have expanded. In addition to its routine briefings of foreign delegations on public corruption issues, at the behest of senior Department officials, the Section has become increasingly involved in supporting efforts to assist the international community in combating public corruption in foreign countries and at the international level. This work includes both participation in international proceedings and coordination with other components of the Justice Department, the State Department, and other federal agencies.

During 2000, the focus of the Section's international activities continued to be the ongoing anti-corruption efforts of the Council of Europe (COE). The COE is an intergovernmental organization comprised of more than 40 countries, which, among other things, works to protect the rule of law, seeks solutions to problems facing European society, and helps consolidate democratic stability in Europe. In support of these aims, the COE's anti-corruption efforts include a Criminal Law Convention on Corruption. The Convention

provides for the criminalization of specific types of corruption, including bribery and related offenses. The Convention is monitored by the COE's Group of States Against Corruption (GRECO). The United States joined GRECO and signed the Convention in the Fall of 2000. The Convention is pending Senate ratification.

During the year the Section led an interagency working group in connection with the Convention and GRECO's monitoring mechanisms. The Section participated in work of the COE's Multi-disciplinary Group on Corruption and its working groups relating to the Convention and the Program of Action Against Corruption. In addition, a Section member served as the head of the United States delegation at a COE Steering Conference to negotiate a strategy for the design and implementation of the South Eastern Europe Stability Pact's Anti-corruption Initiative. A Section member also attended the COE's 5th European Conference of Specialized Services in the Fight Against Corruption held in Turkey in 2000, and was a member of the United States delegation to the 2000 Stability Pact Conference in Bosnia-Herzegovina, where attendees approved the Stability Pact's Anti-corruption Initiative.

During 2000 the Section continued to work with the State Department on the implementation of the Organization of American States (OAS) Inter-American Convention Against Corruption, which was ratified by the Senate in the Summer of 2000. The Section also worked on other anti-corruption efforts, including those undertaken by the Organization for Security and Co-operation in Europe. The Section continued to work closely with other components of the Justice Department and with the State Department on developing instruments relating to United Nations' anti-corruption efforts, including a code of conduct; and continued to support the efforts of other agencies, such as the State Department's Bureau of International Narcotics and Law Enforcement Affairs and the United States Office of Government Ethics, to assist foreign governments and institutions in implementing effective measures to deter and to detect public corruption. Finally, during 2000, the Section assisted in preparations for the Second Global Forum on Fighting Corruption and Safeguarding Integrity, which was cosponsored by the United States and held in the Netherlands in the Spring of 2001.

Section experts routinely address foreign officials in connection with the prevention, detection, and prosecution of public corruption offenses. During 2000, Section prosecutors lectured at the International Law Enforcement Academy in Hungary and traveled to the Czech Republic, Kenya, and Ukraine to address senior government officials on corruption statutes and issues. Additionally, during the year, the Section made presentations to visiting officials from Belgium, Bolivia, Colombia, Japan, the People's Republic of China, South Africa, Tanzania, and the Republic of Uzbekistan, and briefed an official of the United Nations' Interregional Crime and Justice Research Institute on how corruption offenses are addressed in the United States.

In 2000 the Section's Election Crimes Branch also continued to provide international assistance. The Branch participated in official exchanges with foreign election officials and lawmakers to share expertise on the investigation and prosecution of election crimes. These presentations were conducted under the auspices of the Federal Election Commission, the United States Information Agency, and the Justice Department's Office of International Affairs and Office of Overseas Prosecutorial Development Assistance and Training. In 2000 the Branch addressed visiting officials from the African nations of Cote d'Ivoire, Chad, the Democratic Republic of the Congo, Ghana, Guinea, Mali, and Mauritius, many of the countries

of Central and South America, Hungary, Mozambique, Republic of Nigeria, Republic of Yemen, Russian Federation, Spain, South Africa, Thailand, and Ukraine on United States election crime statutes and their enforcement. The Branch also addressed foreign officials during two six-day workshops by the United States Agency for International Development and the International Foundation for Electoral Systems relating to election adjudication and the rule of law: one in the Republic of Georgia in connection with that country's 2000 presidential election and the other in Ukraine.

4. Legislative Activity

An important responsibility of the Public Integrity Section is the review of proposed legislation affecting the prosecution of public officials. The Section is often called upon to provide comments on proposed legislation, to draft testimony for congressional hearings, and to respond to congressional inquiries concerning legislative proposals. For example, during 2000 the Section reviewed and commented on various legislative proposals relating to criminal conflicts of interest statutes and campaign financing reform.

5. 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 sensitive public corruption cases, 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. For example, in 2000 the Section provided assistance to the United States Attorney's Office for the Eastern District of Pennsylvania during its investigation of the Majority Leader of the Pennsylvania State Senate. Experienced prosecutors from the Section reviewed the case thoroughly, met with the prosecutors handling the case, and provided advice regarding potential corruption charges. As a result of the investigation, the Senate Majority Leader pled guilty, resigned his post, and was sentenced to prison.

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 advise law enforcement personnel on its use.

Finally, the Section provides numerous other miscellaneous support services to United States Attorneys in connection with corruption cases. Much of this support comes in the form of serving as liaison with other components of the Department in order to expedite approval of such procedures as immunity requests, wiretapping orders, and applications for witness protection.

PART II
PUBLIC INTEGRITY SECTION
INDICTMENTS, PROSECUTIONS, AND APPEALS
IN 2000

INTRODUCTION

As discussed 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 operational responsibility during 2000. 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 2000 and over the previous two decades.

As in previous reports, the Section's corruption cases for calendar year 2000 are separated into categories, based on the branch or level of government affected by the corruption. Election crimes are grouped separately. The prosecutions summarized below reflect the Section's casework during 2000 and the status of its cases as of December 31, 2000. Related cases are grouped together; unrelated cases are set off by double lines. Part II also provides statistics for each category on the number of matters closed by the Section without prosecution during 2000 and the number of matters pending at the end of the year.

FEDERAL JUDICIAL BRANCH

<p>During 2000, the Public Integrity Section closed six matters involving allegations of corruption affecting the federal judicial branch. As of December 31, 2000, one such matter was pending in the Section. Also during 2000, the Section handled the following cases involving crimes affecting the judicial branch:</p>

United States v. Corum, Eleventh Circuit Court of Appeals

On August 15, 2000, the Eleventh Circuit Court of Appeals summarily affirmed the conviction and 78-month sentence of Dana H. Corum. Corum, a private investigator and former paralegal, was convicted in 1999 by a federal jury in Tampa, Florida, of conspiracy, obstructing justice in a pending federal criminal case, obstructing justice in a federal grand jury investigation, and acting as an accessory after the fact to perjury.

Corum was one of two private investigators hired to make a false accusation against a federal judge and an Assistant United States Attorney in an attempt to disqualify the judge from presiding over a pending criminal case. During a federal grand jury investigation that was triggered by this accusation, Corum and her coconspirators repeatedly attempted to corroborate the false accusation by providing false information to the FBI, false testimony to the grand jury, and fabricated documents in response to a grand jury subpoena.

Two of Corum's coconspirators -- Michael Barfield, a paralegal, and Deana Scapaccino, a private investigator -- had pled guilty to multiple felony charges in connection with this scheme. Barfield was sentenced to ten years in prison; Scapaccino was sentenced to 15 months in prison.

United States v. Stewart, Middle District of Florida

Carl R. Stewart pled guilty on November 29, 2000, to conspiracy to commit bribery and bribery. Stewart was the Clerk of Court for the United States Bankruptcy Court for the Middle District of Florida from 1986 until June of 2000.

From the Spring of 1998 until May of 2000, Stewart engaged in several bribery schemes with the Systems Manager for the Bankruptcy Court and a vendor doing business with the Bankruptcy Court, in which they accepted cash payments from the vendor in return for using their official positions to influence the purchase of products from the vendor's companies by federal courts. Specifically, Stewart and the Systems Manager recommended to other federal court officials that they purchase equipment from one of the vendor's companies. In exchange, the vendor paid Stewart and the Systems Manager cash commissions for all sales traceable to their recommendations. The promotional efforts by Stewart and the Systems Manager generated about one million dollars in sales by the vendor to numerous federal courts.

In addition, Stewart and the Systems Manager caused the Bankruptcy Court to purchase from vendor's companies products at inflated prices and products that were never delivered to the Bankruptcy Court. In return, Stewart and the Systems Manager accepted a portion of the profits that the vendor's companies received from these transactions. The illegal payments to Stewart and the Systems Manager 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.

Stewart was subsequently sentenced to 27 months in prison and ordered to pay restitution in the amount of \$260,431.

United States v. Weston, Southern District of Mississippi

Michael Weston, a convicted narcotics dealer serving a substantial prison sentence, pled guilty on February 3, 2000, to making a false statement. Weston was sentenced on April 13, 2000, to 40 months in prison.

During the Spring of 1996, Weston offered to testify for the United States against Willie Culley, another narcotics defendant who was awaiting trial. In hopes of earning a motion for reduction of sentence from the United States Attorney's Office, Weston concocted a false story about specific drug transactions with Culley and communicated that false story during an interview conducted by a special agent of the Drug Enforcement Administration and an Assistant United States Attorney.

FEDERAL LEGISLATIVE BRANCH

During 2000, the Public Integrity Section closed five matters involving allegations of corruption in or affecting the federal legislative branch. As of December 31, 2000, three such matters were pending in the Section. The Public Integrity Section handled no cases involving the federal legislative branch in 2000.

FEDERAL EXECUTIVE BRANCH

During 2000, the Public Integrity Section closed 122 matters involving allegations of corruption within the federal executive branch. As of December 31, 2000, 84 such matters were pending in the Section. Also during 2000, the Section handled the following cases involving executive branch corruption:

United States v. Adegbile, Southern District of Ohio

On October 13, 2000, Isaiah O. Adegbile, a former Community Partnership Specialist with the Dayton, Ohio, Office of the Bureau of the Census, United States Department of Commerce, was indicted by a federal grand jury on one count of using the wires in furtherance of a scheme to deprive the Census Bureau of his honest services, and five counts of bribery.

Adegbile assisted with the Census Bureau's promotional programs in connection with the Census 2000 campaign. He was authorized to purchase promotional goods from local vendors such as T-shirts, rulers, mugs, etc. that advertised Census 2000. Between the Fall of 1999 and the Spring of 2000, Adegbile misused his Census Bureau position to solicit and receive secret cash payments from four Dayton vendors in exchange for favorable treatment in purchasing promotional goods from those vendors for the Census Bureau.

United States v. Blake, Eastern District of Virginia

Douglas J. Blake, a former supervisory special agent with the United States Department of the Air Force, pled guilty on July 11, 2000, to a felony conflict of interest. Blake was sentenced on September 22, 2000, to one year of probation and fined \$2,000. Blake resigned from his position with the Air Force in March 2000, during the investigation.

The charge arose from allegations of criminal conduct that surfaced in connection with the renovation of government office space for a polygraph unit in which Blake served as the supervisor. Blake and an individual named Emmitt Champion were business partners in a series of ongoing ventures in the construction business in which they shared profits. Blake used the equipment and resources of his government office to advance their joint business interests.

In April 1998, during the early stages of the renovation planning, Blake advised Champion that a bid process would be initiated to award the renovation contract and that Champion and his company should bid on the project. Champion asked Blake about the legality of bidding on the project in light of their business relationship and Blake assured Champion that there would be no conflict problems because Blake would not participate in the bidding or selection process.

Blake subsequently participated fully in the selection of the contractor. Blake advised the Contracting Officer's Technical Representative that Champion should be selected to receive the contract, and he also provided negative information about the other bidders. Blake ultimately took over decisionmaking authority for the contract and, on July 8, 1998, personally selected Champion for the construction project. Blake admitted that he knew he should not have made the selection because of his relationship with Champion, and that he did not disclose to anyone in his agency his relationship with Champion and his company.

United States v. Boster, Eastern District of Virginia

Mark A. Boster, formerly the Deputy Assistant Attorney General of the Justice Department's Information Resources Management Office, entered into a civil settlement with the Government on August 30, 2000, to resolve allegations that Boster violated a federal post-employment prohibition applicable to former senior government officials when Boster communicated with his former office at the Department of Justice concerning a matter on which he sought official action. Boster paid the Government \$30,000 in connection with the settlement.

The civil settlement grew out of an investigation of a communication by Boster in April 1999, after he left the government, with a senior Justice Department official relating to a contract of his employer, Science Applications International Corporation. Boster's communication violated a conflict of interest statute that prohibits certain senior government officials from communicating with the official's former agency within one year of leaving government service on behalf of a third party seeking official action on a matter.

United States v. Carroll and Khan, Northern District of Illinois

On March 21, 2000, a grand jury indicted Thomas Patrick Carroll and Halim Khan on one count of conspiracy to commit visa fraud, one count of producing illegal identification documents, one count of bribery, and a forfeiture count for the proceeds arising out of the conduct charged in the first two counts. Carroll has subsequently pled guilty.

Carroll had been a Foreign Service Officer of the United States Department of State for eight years. Since March 1998, he 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 non-immigrant (i.e., tourist or temporary) visa applications by foreign nationals. Following an investigation in Guyana and elsewhere that produced extensive tape-recorded evidence of Carroll recruiting a cooperating witness to take money for issuing visas to persons Carroll identified and Carroll himself directly soliciting and accepting bribes in return for issuing visas, federal agents arrested Carroll outside his parents' home near Chicago on March 17, 2000. Searches conducted pursuant to numerous warrants uncovered approximately \$1,000,000 in United States currency and ten 100-ounce gold bars worth approximately \$300,000 in safe deposit boxes maintained by Carroll. Additional searches and other investigation also uncovered \$535,000 in accounts controlled by Carroll and his wife, which were seized or restrained by the government.

Halim Khan is a citizen and resident of the Republic of Guyana. Carroll and Khan sought a cooperating witness's agreement to issue 250 visas in exchange for \$1,000,000. On March 17, 2000, federal agents arrested Khan as he prepared to board a flight back to Guyana.

On March 22, 2000, a magistrate judge detained Carroll pending trial as a danger to the community, following a detention hearing at which the Government played tapes of Carroll discussing the intimidation and beating of potential witnesses against him. The Government also proffered evidence that Carroll had directed and personally participated in beating persons who threatened the conspiracy.

This case is being handled jointly by the Public Integrity Section and the United States Attorney's Office for the Northern District of Illinois.

United States v. Coleman, District of Columbia

Hilton D. Coleman, a former Deputy United States Marshal, pled guilty on April 17, 2000, to a felony information charging theft of federal funds. Coleman was a supervisor in the Witness Protection Program in the Superior Court of the District of Columbia and had worked for the United States Marshals Service for 14 years. He resigned during the investigation of this case.

The information charged that Coleman engaged in a scheme to embezzle \$6,500 in witness subsistence funds from the Witness Protection Program by pocketing the difference between the amounts he withdrew from the fund and the lesser amounts that he actually gave the witnesses, and then forging these witnesses' signatures on receipts which matched the larger amounts that Coleman withdrew from the fund.

On July 31, 2000, Coleman was sentenced to three years' probation and was ordered to pay \$6,500 in restitution to the Marshals Service.

United States v. Davis, District of Columbia

On February 23, 2000, Rodney D. Davis, a former operational accountant at the Federal Aviation Administration, pled guilty to computer fraud. Davis was sentenced on May 11, 2000, to six months' imprisonment, 200 hours of community service, and \$28,636 in restitution.

Davis, using government computer equipment, passwords, and user ids that were entrusted to him, successfully accessed the FAA computer system without permission several times in order to transfer FAA funds from U.S. Treasury accounts into his personal bank account. As part of his scheme, Davis first used the FAA computer to identify funds in inactive holding accounts, and then created a fictitious vendor/payee to whom the FAA allegedly owed money. Then, when other FAA accountants and supervisors stepped away from their desks, Davis used the computers, passwords, and user ids assigned to them to instruct the FAA computer to transfer FAA funds from the holding accounts into the fictitious vendor's account, which was, in reality, Davis's personal bank account. His scheme was discovered after a fourth attempted transfer was detected. Davis has since resigned from federal employment.

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

A grand jury returned a five-count indictment on April 11, 2000, against Major Darla K. Davis and Acting Sergeant Francisco T. Perez-Davis, two supervisory federal police officers employed by the Atlanta, Georgia, office of the Federal Protective Service (FPS). The indictment charged that Davis and Perez-Davis directed several FPS police officers under their command to alter and falsify police reports provided to federal auditors from the Office of Personnel Management (OPM) in February 1997. FPS officers are responsible, among other things, for the security in and around federal buildings.

According to the indictment, the federal auditors were reviewing the FPS officers' 1996 workload to determine the propriety of a decision made by the General Services Administration (GSA) to increase the officers' base annual salary by two grade levels. In order to retain the salary increase, the defendants conspired during the audit to defraud OPM and GSA by representing that fraudulent police reports accurately reflected an increase in the number and type of complex criminal investigations their office handled in 1996. Davis and Perez-Davis allegedly supervised several subordinate officers in altering and falsifying the submitted police reports while the audit was being conducted.

The first three counts charged Davis and Perez-Davis with conspiracy to defraud OPM and GSA by making false statements and concealing public records, with aiding and abetting the commission of false statements by submitting false police reports, and with aiding and abetting the concealment of public records by concealing genuine police reports from the auditors. The fourth count charged Davis with making a false statement by faxing fraudulent statistics to OPM and GSA, and the fifth count charged Perez-Davis with making a false statement by submitting a fraudulent facsimile to OPM and GSA.

United States v. DeGeorge, District of Columbia

Francis DeGeorge, Inspector General of the United States Department of Commerce from 1988 to 1998, pled guilty on May 25, 2000, to a misdemeanor charge of engaging in a criminal conflict of interest. The charge arose from DeGeorge's participation, while serving as Inspector General, in contract negotiations with an organization that he was simultaneously negotiating with for prospective employment. DeGeorge was sentenced on June 22, 2000, to one year of probation.

As Inspector General of the Department of Commerce, DeGeorge was responsible for oversight of a contract between Litton/PRC, a Virginia-based information technology provider, and the National Weather Service, a component of the Department of Commerce. The contract involved updating the National Weather Service's automated system. DeGeorge participated personally and substantially in the contract by making recommendations and rendering advice on the matter. Although he knew that Litton/PRC had a financial interest in the outcome of the contract, DeGeorge negotiated for employment with Litton/PRC representatives between November 1995 and July 1996, while continuing to oversee the Government's contract with Litton/PRC.

United States v. Emerine, Eastern District of Missouri

Bill V. Emerine pled guilty on May 30, 2000, to making a false statement to obtain an agricultural loan and fraudulently converting property that was pledged as security for an agricultural loan. Pursuant to a plea agreement, Emerine further stipulated, for sentencing purposes, that he committed the separate offense of conversion of government property. Emerine was sentenced on September 15, 2000, to 18 months of imprisonment and \$527,230 in restitution.

Emerine owned an agricultural business. In December 1995, he converted over \$25,000, which comprised the proceeds of the sale of cotton mortgaged to an agricultural lender. In April 1996, Emerine submitted false documents overvaluing his agricultural business to that same agricultural lender. In addition, Emerine converted over \$150,000 in government property, which was the subject of the factual stipulation for sentencing purposes.

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

United States v. Filchock, Eastern District of Virginia

Michael P. Filchock, a former loan officer with the Export-Import Bank of the United States, entered into a civil settlement with the Government on August 31, 2000, to resolve allegations that he violated a federal conflict of interest law when he authored documents recommending the approval of loan guarantees for First National Bank of New England at the same time that he was negotiating for employment with the Bank. Filchock paid the Government \$5,000 in accordance with the settlement.

Filchock's actions in preparing and submitting memoranda in August 1997 relating to First National Bank were in violation of a federal conflict of interest law that prohibits a federal employee from participating in a particular matter in which the employee knows that an organization with which the employee is negotiating prospective employment has a financial interest.

United States v. Francis, Eastern District of Virginia

On March 29, 2000, Dwight Francis, a former employee of the Central Intelligence Agency, pled guilty to a misdemeanor violation of theft of government property. Francis was sentenced on August 8, 2000, to six months' home confinement, a \$2,000 fine, and \$64,097 in restitution.

Francis worked for the CIA while attending college under a scholarship from the United States Government known as the Stokes Program. Under the Stokes Program, the Government provided college tuition, fees, and books to Francis, plus a salary. In August 1997, Francis received government funds for his tuition and books for summer courses at a college. Francis retained the funds for his personal use, and submitted a false receipt indicating that he had paid the college for tuition.

At sentencing, the court found that Francis had falsified his grades to the CIA, so he could continue receiving Stokes Program funds to which he was not entitled because of his poor academic performance. Accordingly, the court imposed a significantly higher offense level under the federal sentencing guidelines and full restitution.

United States v. Higgins, District of New Jersey

Richard Higgins, an employee of the United States Postal Service, pled guilty on February 2, 2000, to an information charging him with making a false statement to the Postal Service. Higgins was sentenced on May 10, 2000, to five years of probation and ordered to pay \$6,000 in restitution. The judge waived a fine due to Higgins's poor health and financial status.

Between June 1997 and May 1998, Higgins submitted fraudulent travel vouchers to the Postal Service for reimbursement of expenses he claimed were associated with his volunteered participation in the Combined Federal Campaign. Higgins submitted over 50 vouchers claiming a total of \$6,000 worth of mileage, tolls, and gasoline to nonexistent destinations.

United States v. Hilyard, District of Columbia

Jonathan S. Hilyard pled guilty on August 21, 2000, to a felony information charging him with making false statements in a matter within the jurisdiction of a federal agency. He was sentenced on November 20, 2000, to two years' probation and a \$1,000 fine.

In 1996, Hilyard was in command of a military intelligence unit. In this position, Hilyard was responsible for making cash payments to intelligence agents and accounting for those disbursements in written documents with receipts. In February 1996, Hilyard created a voucher with a forged receipt purporting to account for proper disbursement of \$16,600 in asset funds when, in fact, he had converted \$13,000 of these funds to his personal use. Hilyard then submitted this fraudulent voucher to his headquarters. Hilyard resigned from federal employment prior to sentencing.

United States v. Horner, Southern District of California

Michael Horner, a former inspector with the United States Customs Service, pled guilty on September 7, 2000, to conspiracy to obstruct a congressional investigation and to giving false information to the FBI. Horner was sentenced on December 11, 2000, to ten months in prison and three years of supervised release.

In April 1997, Horner forged a memorandum on Customs Service stationery, purporting to be from the San Diego District Director of the Customs Service, which instructed Customs inspectors to give preferential treatment through the inspection process to a trucking company that had been suspected by the Customs Service of having ties to a Mexican drug smuggling cartel. Horner sent this memorandum to CBS's *60 Minutes* to support a segment on corruption in the Southwest Districts of the Customs Service. On April 20, 1997, *60 Minutes* televised the piece on border corruption, displaying the forged memorandum, along with an interview of Horner and excerpts from a Customs Service intelligence memorandum linking the trucking company to the Mexican drug smuggling cartel.

Following the *60 Minutes* show, Senator Dianne Feinstein of California planned to initiate Senate hearings into corruption in the Customs Service and the San Diego District Director's possible involvement with the trucking company. To persuade the Senator's office that the forged memorandum was genuine, Horner forged the signatures of three Customs inspectors to affidavits authenticating the forged memorandum as a document they had seen in the course of their duties. Horner also told the FBI during an interview in 1998 that he obtained the forged memorandum and affidavits from his sources in the Customs Service, whom he refused to identify.

United States v. Isabella, Eastern District of Pennsylvania

Anthony Isabella, a former agent of the IRS, pled guilty on January 21, 2000, to bank fraud. On April 17, 2000, Isabella was sentenced to five months of community confinement, followed by five months of home detention, and a \$3,000 fine.

Isabella was the Financial Officer for the Eagle Fitness Association (EFA), which operated the gymnasium in the basement of the United States Attorney's Office. EFA maintained checking and savings accounts at the First Union National Bank. As the Financial Officer, Isabella was responsible for maintaining the books and records, reconciling the books, and paying taxes.

From September 1996 through July 1997, Isabella made four unauthorized cash withdrawals from EFA's savings account at First Union. Isabella also withdrew \$25,000, purchased a \$20,000 certificate of deposit as he was authorized to do, and converted \$5,000 for personal use. In total, Isabella defrauded First Union of \$20,200. Isabella concealed his thefts by posting general ledger journal entries to "contract expense" on the Income Statements and by balancing EFA's financial statements to the actual cash in the bank. When confronted with these transactions, Isabella intentionally attempted to mislead officials about the withdrawals in an effort to hide his involvement.

United States v. Kennedy, Eastern District of Virginia

Kimberly Kennedy, a former CIA employee, pled guilty on April 27, 2000, to a misdemeanor violation of theft of government property. Kennedy was sentenced on July 18, 2000, to one year of probation, to include three days in jail; a \$1,000 fine; and restitution in the amount of \$2,190.

In 1997, Kennedy received \$2,190 from the CIA to attend courses at Mount Vernon College. Kennedy converted these funds to her personal use instead of paying her college tuition. Kennedy subsequently submitted a memorandum to the CIA falsely certifying that she had paid Mount Vernon College the money that was advanced to her.

United States v. Menyweather, Central District of California

A federal grand jury returned a ten-count indictment on December 13, 2000, against Dorothy Menyweather, a former employee of the United States Attorney's Office in Los Angeles. The indictment charged Menyweather with one count of theft of government property and nine counts of wire and mail fraud.

The indictment alleged that, from July 1997 until March 2000, Menyweather used government credit cards issued to her and other employees of the United States Attorney's Office to purchase over \$100,000 of goods and services for her personal use and the use of others. Those items included clothing, computers, computer software, appliances, cellular telephones, car repairs, cameras, luggage, airline tickets, and lodging. The indictment further alleged that, although Menyweather kept most of the items she purchased with government funds, she sold or gave some items to friends and relatives. The indictment also alleged that Menyweather concealed the scheme by falsely characterizing the nature of the purchases to her supervisor and by making false entries about the purchases into a government computer database.

Menyweather has subsequently pled guilty.

United States v. Pong, Eastern District of New York

Donald E. Pong, a former United States Department of Defense contracting official and former United States Customs Service Inspector, was sentenced on February 25, 2000, to 15 months in prison, fined \$40,000, and ordered to pay \$45,000 in restitution as a result of his bribery conviction. Pong had previously pled guilty to accepting \$45,000 in bribes from the

president of an international shipping company in exchange for awarding the company Defense Department shipping contracts.

Pong worked as a transportation specialist in the Military Traffic Management Command (MTMC), a component of Defense Department. In this capacity, Pong was responsible for selecting the commercial shipping companies that would receive government contracts for the shipment of military and humanitarian assistance cargo. Pong admitted that, from approximately May 1996 through March 1997, he awarded more than \$2 million in shipping contracts to the Navajo Shipping Agency, a Queens, New York-based commercial steamship company, in exchange for \$45,000 paid to him by the president of the company. Pong then left the MTMC and became a Customs Service Inspector. He was fired from the Customs Service as a result of his conviction.

This case, and the related case summarized below, were handled jointly by the Public Integrity Section and the United States Attorney's Office for the Eastern District of New York.

United States v. Sawhney, Eastern District of New York

William Sawhney, the President and sole owner of an international shipping company, was sentenced on June 23, 2000, to four months in prison, fined \$40,000, and ordered to pay restitution in the amount of \$45,000 as a result of his conviction for bribing Defense Department official Donald Pong to obtain government shipping contracts.

Sawhney's company, Navajo Shipping Agency, arranges for the ocean transport of cargo worldwide. In 1996 and 1997, Sawhney made payments totaling more than \$45,000 to Donald Pong in order to obtain Defense Department contracts for the shipment of military and humanitarian assistance cargo. In return, Pong steered more than \$2 million in shipping contacts to Sawhney's company.

United States v. Radell, Eastern District of Wisconsin

Marc M. Radell, a former employee of the EPA's Office of Regional Counsel, Region III, pled guilty on June 27, 2000, to criminal contempt in connection with his creation of false documents in a court case, and false testimony concerning these documents. Radell was sentenced on September 25, 2000, to one year of probation, 50 hours of community service, and a \$5,000 fine.

The charge arose from allegations of criminal conduct that surfaced during federal civil cases pending in the Eastern and Western Districts of Wisconsin. In 1995, the Oneida, Menominee, and Lac du Flambeau Indian Tribes applied for Treatment as State ("TAS") status under the Clean Water Act. On January 25, 1996, the EPA Region V Administrator approved TAS status for the three Tribes.

Lawsuits challenging the EPA's decisions were then filed by the State of Wisconsin and other interested parties in United States District Courts in both the Eastern and Western Districts of Wisconsin. In May 1996 and thereafter, an EPA Water Division employee, assisted by Radell, created Factual Analyses relating to the three Tribes to support the EPA's decision. These Factual Analyses were included in the administrative records that were filed in federal courts in the Eastern and Western Districts of Wisconsin. As Radell knew, these administrative records falsely represented that the Factual Analyses existed in January 1996.

Subsequently, during the course of the litigation, Radell falsely claimed in affidavits submitted to the federal courts that the Factual Analyses had existed in January 1996, prior to the EPA's granting of TAS status to the Tribes. In the Spring of 1997, the courts granted the State of Wisconsin's motions for discovery regarding the circumstances and timing of the creation of the Factual Analyses. As part of the court-ordered discovery, in May of 1997, Radell falsely testified that the Factual Analyses existed in January 1996, prior to the EPA's granting of TAS status to the Tribes.

United States v. Runfola, Eastern District of Virginia

Jean G. Runfola, an independent contractor for a federal agency, pled guilty on February 10, 2000, to a felony information charging her with making false claims against the United States. On May 12, 2000, Runfola was sentenced to six months of home confinement and a fine of \$3,000. She was also ordered to pay the costs of home confinement. In addition, Runfola's contract with the Government was terminated and, pursuant to a plea agreement, she made full restitution.

Runfola's duties included work at a variety of locations in the Washington, DC, Metropolitan area. Runfola was paid a salary from the federal government and was further entitled to claim reimbursement for mileage on her personal vehicle through vouchers submitted to the Government. From January 1995 to April 1999, Runfola submitted false vouchers claiming a total of \$26,667 in reimbursement for mileage she had not incurred in her official duties.

United States v. Shibata, Ninth Circuit Court of Appeals

On January 26, 2000, the United States Court of Appeals for the Ninth Circuit affirmed the conviction of Clifford T. Shibata, a former Group Supervisor of the Drug Enforcement Administration.

A federal jury convicted Shibata in 1998 of six counts of mail fraud, one count of theft of government property, and six counts of false statements in connection with a scheme to defraud the DEA. At trial the Government proved that Shibata, while a Group Supervisor in DEA's San Francisco Field Division, used his position to steal \$178,425 between 1994 and 1996 from an imprest fund intended for purchases of narcotics and payments to informants. Shibata forged signatures of agents under his supervision to conceal his scheme.

The court imposed the maximum sentence of 37 months of imprisonment, after enhancing Shibata's offense level under the sentencing guidelines for abuse of his position of trust, and for obstructing justice by perjuring himself at trial and attempting to frame his secretary through an anonymous letter that returned \$1,500 in stolen funds.

On appeal, Shibata unsuccessfully argued, among other things, that his defense counsel was ineffective because he called as a witness a handwriting expert whose technical errors were demonstrated on cross-examination.

United States v. Smith, District of Columbia

On September 22, 2000, Jean Kennedy Smith, former United States Ambassador to Ireland, entered into a civil settlement with the Government to resolve allegations that Smith violated a federal conflict of interest law. Smith paid \$5,000 in connection with the settlement.

Smith served as Ambassador to Ireland from June 1993 to October 1998. On August 5, 1998, while serving as Ambassador, Smith sent a letter on United States Department of State letterhead to Irish Prime Minister Bertie Ahern requesting a one-million dollar donation from the Irish Government for the Year 2000 Irish Festival. The Festival was sponsored by the John F. Kennedy Center for the Performing Arts and was held at the Kennedy Center in the Spring of 2000. The Kennedy Center is a non-profit cultural and charitable organization in Washington, DC. At the time that she sent the letter, Smith was serving, and continues to serve, on the Board of Trustees for the Kennedy Center.

Smith's letter to the Irish Government was a violation of a federal conflict of interest law that prohibits a federal executive branch employee, including an Ambassador, from participating in a particular matter in which, to her knowledge, an organization in which she is serving as a trustee has a financial interest.

United States v. Tatum, Northern District of Mississippi

Alan Tatum, a former special agent with the FBI, pled guilty on July 26, 2000, to a one-count felony information charging him with making and using a false writing.

While employed as an FBI special agent, Tatum interviewed Mack Bowens on December 1, 1998, 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, on April 19, 1999, during Bowens's federal trial, Tatum forged Bowens's name, as well as the name of a purported witness, on an FBI Waiver of Rights Form. Tatum then testified that Bowens signed the FBI Waiver of Rights Form and the Form was entered into evidence at Bowens's trial.

Tatum was subsequently sentenced to five months in prison, three years of supervised release, and a fine of \$500.

Federal Highway Administration Prosecutions

Seven individuals were charged in connection with the Section's investigation into corruption at the Federal Highway Administration (FHWA), an agency of the United States Department of Transportation. The cases discussed below were concluded in 2000. Three other defendants were convicted previously.

United States v. Clark and Clark, Eastern District of Virginia

James Clark, a former official of the Federal Highway Administration, pled guilty on February 3, 2000, to bribery and using the wires in furtherance of a scheme to defraud the

FHWA of his honest services. In addition, James Clark's wife, Brenda Clark, pled guilty to paying a kickback to a government contractor in exchange for a subcontract. Brenda Clark was sentenced on April 28, 2000, to 30 days in prison and ordered to pay \$23,000 in restitution. James Clark was sentenced on October 6, 2000, to 27 months in prison and was ordered to pay \$73,000 in restitution.

James Clark had authority over FHWA contractors who performed transportation research and engineering under multi-million dollar government contracts. As part of his plea, Clark admitted the facts alleged in an eight-count indictment -- specifically, that the Clarks had solicited contractors over whom James Clark exercised official responsibility for more than \$170,000 in personal loans and consulting contracts and used a series of pass-through companies and a business name to conceal their activity. In return, James Clark used his official position for the benefit of those contractors, secretly steering a \$19 million FHWA contract to one contractor and arranging more than \$100,000 in consulting work for another.

James Clark also pled guilty to accepting a \$49,000 bribe from an Oak Ridge National Laboratory employee working on an FHWA contract for which Clark had substantial responsibility. The employee arranged a \$49,000 subcontract for the Clarks in exchange for James Clark's agreement to arrange consulting work for the employee with a second contractor under Clark's supervision. Brenda Clark pled guilty to incorporating a \$6,000 kickback for the Oak Ridge National Laboratory employee into the price the Clarks charged the Government in the \$49,000 subcontract and to paying a \$5,000 kickback to the employee, all in an effort to influence the employee to award the \$49,000 consulting subcontract to the Clarks. Prior to law enforcement's interruption of this scheme, the Clarks received \$23,000 of the proposed \$49,000 contract price.

United States v. Hsu, District of Columbia

On January 7, 2000, James Hsu, a former contractor with the FHWA, pled guilty to a misdemeanor information charging him with unlawful supplementation of the salary of a federal employee. He also agreed to continue cooperating with the Government in its investigation of corruption involving FHWA contracts. Based on Hsu's cooperation, the court immediately sentenced Hsu to six months of probation and a \$5,000 fine.

In 1997, Hsu brought information to the Government regarding a scheme in which FHWA official Alberto Santiago was soliciting contractors for cash payments and permitting the contractors to recoup their payments through false claims in their government contracts. The investigation subsequently confirmed that Hsu and other contractors had paid Santiago more than \$150,000 in cash over a three-year period and that Santiago had agreed to submit more than \$200,000 in false claims.

As a result of the investigation, Santiago pled guilty to conspiracy, bribery, and money laundering and was sentenced to 37 months in prison. Another contractor, Hobih Chen, pled guilty to conspiracy to pay gratuities, to defraud the United States, and to commit money laundering and was sentenced to 24 months in prison. Hsu's cooperation also led to Ajay Rathi, a former employee of the Oak Ridge National Laboratory, who pled guilty to conspiracy to pay gratuities and submit \$100,000 in false claims. Rathi also cooperated in the investigation and was sentenced to probation, based on the Government's motion for a downward departure from the sentencing guidelines.

Hsu's and Rathi's cooperation also led to the discovery of a separate bribery scheme orchestrated by Santiago's deputy, James Clark, and his spouse, Brenda Clark, which is summarized above.

United States v. Kanaan, District of Columbia

On February 25, 2000, a federal grand jury returned a two-count indictment against Ammar Kanaan, a former contractor with the FHWA. Kanaan was charged with conspiring to pay over \$150,000 in gratuities to FHWA official Alberto Santiago, to defraud the United States of over \$200,000, to defraud the United States of Santiago's honest services, and with paying an unlawful gratuity to Santiago. Kanaan is a fugitive and now resides in Syria. There is an outstanding warrant for his arrest.

Kanaan was the last person to be charged in connection with Santiago's scheme to obtain cash from four FHWA contractors between 1993 and 1997 by submitting inflated invoices under contracts with the FHWA and the Oak Ridge National Laboratory. Kanaan accepted cash and checks from other contractors, and paid cash and money orders to Santiago.

IMPAC Prosecutions

The cases summarized below arose out of the Section's continuing investigation into misuse of government charge cards issued under the "IMPAC" (International Merchant Purchase Authorization Card) program.

United States v. Hawkins, Eastern District of Virginia

Charles D. Hawkins, a former government office supplies vendor, pled guilty on October 10, 2000, to a two-count information charging him with being a felon-in-possession of a firearm 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 federal departments and agencies, including the Department of Defense and the Environmental Protection Agency. Hawkins was arrested on June 27, 2000, on charges of conspiring to defraud the United States.

Hawkins operated an office supply company and conspired with employees of the EPA and the Pentagon to submit fraudulent charges on their IMPAC cards to his company. Hawkins and the government employees then shared the proceeds resulting from the false charges. During the course of the fraud investigation, agents executed a search warrant at Hawkins's residence and found firearms and ammunition. Specifically, the agents found and seized a fully loaded Smith & Wesson .357 magnum and a Mossberg .12 gauge pump-action shotgun with a pistol grip. Hawkins was previously convicted of four violent felonies and therefore qualifies as an Armed Career Criminal under federal law, which means he is subject to a minimum sentence of 15 years.

Hawkins was subsequently sentenced to 15 years in prison under the Armed Career Criminal Act. He was also sentenced to 60 months in prison for the conspiracy charge, to run concurrently, and was ordered to pay the Government \$93,000 in restitution.

United States v. Lee, District of Columbia

Lolita Flemmings Lee, a former Support Services Specialist with the EPA, pled guilty on September 11, 2000, to a one-count information charging conspiracy to steal money of the United States and to defraud the United States out of property and money. On November 21, 2000, Lee was sentenced to six months of home confinement and three years of probation. Lee was also ordered to pay the Government approximately \$68,000 in restitution and to perform 500 hours of community service.

Lee and office supplies vendor Charles Hawkins agreed to cause false charges to be placed on Lee's government charge card. Hawkins provided no supplies or merchandise in exchange for the false charges. Instead, Hawkins provided Lee with phony invoices to conceal the false charges, and they shared the proceeds resulting from the false charges. Lee also received periodic cash payments from Hawkins at her worksite at the EPA. Lee also used her government charge card to purchase a fence and a bay window for her personal residence.

United States v. Nicholas, District of Columbia

On December 12, 2000, Henrietta G. Nicholas pled guilty to an information charging conversion of more than \$48,000 in government funds. Nicholas was a Contract Specialist in the Office of Acquisition Management of the United States Department of Commerce.

The charges arose as a result of Nicholas's misuse of a government credit card issued to her by the Commerce Department for the purchase of equipment, supplies, and services. Nicholas purchased more than \$48,000 in goods for her own personal use by using the government charge card issued to her. These purchases included clothing, jewelry, furniture, resort and cruise reservations, concert and sporting event tickets, airline tickets, computer and communications equipment, a projection television, camera equipment, rental cars and rent..

Nicholas was subsequently sentenced to six months in prison, two months of home confinement, and restitution of \$46,939.

United States v. Noland, Eastern District of Virginia

Robin Noland, a former government office supplies vendor, pled guilty on September 11, 2000, to a one-count information charging conspiracy to steal money of the United States and to defraud the United States out of money and property. Noland owned and operated Direct Office Products, an office supply company doing business with the Department of Defense.

Noland conspired with Pentagon employees to submit fraudulent charges on the employees' IMPAC cards. In exchange, Noland made cash payments to the Pentagon employees. The total loss to the Government due to Noland's conduct was more than \$70,000.

On December 22, 2000, Noland was sentenced to a two-year term of supervised probation, based in part on the court's finding that Noland provided substantial assistance to

the Government in its ongoing investigation. Noland was also ordered to pay the Government \$72,500 in restitution.

**United States Customs Service Prosecutions
Western District of Texas**

United States v. Barron

On August 16, 2000, a federal grand jury returned a three-count indictment against Manuel Barron, a former informant for the United States Customs Service. The indictment charged Barron with violating federal drug laws based on a scheme to import large quantities of marijuana into the United States. Specifically, Barron was charged with possessing with the intent to distribute, and with distributing, in excess of 100 kilograms of marijuana on or about March 31, 1999, and with conspiring with others to import more than 100 kilograms of marijuana between June 1997 and September 1997.

Baron has subsequently pled guilty.

United States v. Cuanda-Munoz

Benigno Cuanda-Munoz, an informant for the Office of Internal Affairs of the United States Customs Service, was indicted on May 24, 2000, for illegally reentering the country without permission after having been convicted of a narcotics offense. He has subsequently pled guilty.

This prosecution was handled by the Public Integrity Section with assistance from the United States Attorney's Office for the Western District of Texas.

STATE AND LOCAL GOVERNMENT

<p>In 2000, the Public Integrity Section closed nine investigations of alleged corruption involving state or local government. As of December 31, 2000, eleven such matters were open. Also during 2000, the Section prosecuted the following cases involving state or local corruption:</p>
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United States v. Johnson, Sixth Circuit Court of Appeals

The United States Court of Appeals for the Sixth Circuit affirmed the conviction of former Ohio State Senator Jeffrey D. Johnson on September 5, 2000. Johnson was convicted by a jury in 1998 on three counts of extortion under color of official right and was sentenced to 15 months of imprisonment.

The charges arose out of Johnson's solicitation of purported loans and campaign contributions from a cooperating witness and several Cleveland grocers in exchange for Johnson's assistance with a variety of state agencies, including the Ohio Women, Infants, and Children program, the lottery commission, and the liquor control board.

Olympic Committee Prosecutions District of Utah

The following cases resulted from the Justice Department's continuing investigation of Salt Lake City's bid to host the 2002 Olympic Winter Games. The Public Integrity Section is assisting the Fraud Section of the Department's Criminal Division with these cases. In addition to the cases summarized below, which were concluded in 2000, one defendant was convicted in 1999.

United States v. La Mont

Alfredo La Mont, former Senior Director of International Relations and Director of Protocol for the United States Olympic Committee (USOC), pled guilty on March 14, 2000, to a two-count information charging conspiracy to defraud the United States by impeding and obstructing the functions of the IRS and making a false declaration under penalty of perjury on an IRS tax return.

The charges arose out of a scheme in which La Mont and others, including two officers of the Salt Lake Winter Olympic Bid Committee (SLBC), concealed approximately \$48,000 which the SLBC had paid to La Mont. A series of sham contracts concealed the fact that the SLBC was paying La Mont, as a "consultant" through a fictitious company, to influence the USOC and members of the International Olympic Committee (IOC) in favor of awarding the 2002 Olympic Winter Games to Salt Lake City.

Initially, La Mont, while an officer of the USOC, agreed to help the SLBC defeat other United States cities which were competing with Salt Lake City to be selected by the USOC as the United States's candidate to host the Olympic Winter Games in 2002. After Salt Lake City was selected by the USOC as the United States's candidate city in 1989, La Mont agreed to accept money from the SLBC to help the SLBC influence members of the IOC to vote for Salt Lake City. As part of these services, La Mont assisted the SLBC in secretly funneling money to a member of the IOC.

In addition, La Mont filed an IRS Form 1040 for tax year 1997 on which he omitted \$40,000 in income that he received for serving as a consultant on behalf of the Rome Olympic Bid Committee.

United States v. Welch and Johnson

A federal grand jury returned a 15-count indictment on July 20, 2000, against Thomas K. Welch, former President of the Salt Lake City Olympic Bid Committee and the Salt Lake City Olympic Organizing Committee (SLOC), and David R. Johnson, former Vice President of SLBC/SLOC. The defendants were charged with one count of conspiracy, five counts of mail fraud, five counts of wire fraud, and four counts of interstate travel in aid of racketeering.

According to the indictment, Welch and Johnson secretly paid an official of the United States Olympic Committee to assist the SLBC in winning the designation as the USOC's candidate city; personally diverted \$130,000 in SLBC income; offered and paid \$1 million to influence the votes of more than a dozen International Olympic Committee members; prepared

and executed a series of bogus contracts; and falsified SLBC/SLOC's books, records, and other publicly available documents so as to conceal their activities.

Some of the counts have since been dismissed by the judge in this case.

Operation Plunder Dome Prosecutions District of Rhode Island

The cases summarized below arose out of Operation Plunder Dome, an FBI undercover investigation of municipal corruption in Providence. At the request of the United States Attorney's Office for the District of Rhode Island the Public Integrity Section worked jointly with that office on these cases. The following cases were concluded in 2000.

United States v. Annarino

Anthony Annarino, the former Tax Collector for the City of Providence, pled guilty on March 29, 2000, to two counts of attempted extortion under color of official right. As part of Annarino's plea agreement, the United States agreed to dismiss conspiracy and mail fraud charges against him.

Annarino admitted that he accepted \$500 in cash from Providence businessman Anthony Freitas in exchange for forgiving interest and penalties that Freitas owed on property taxes relating to two commercial properties in Providence. Unbeknownst to Annarino, Freitas was a cooperating witness with the FBI. Annarino also admitted that he accepted approximately \$6,000 from various Providence taxpayers in exchange for reducing or forgiving interest payments owed on their taxes.

United States v. Ead

On February 14, 2000, David C. Ead, former Vice Chairman of the City of Providence Board of Tax Assessment Review, pled guilty to an information charging him with three separate extortion conspiracies, two counts of attempted extortion, and one count of extortion. In addition, Ead agreed to cooperate in the Government's investigation.

Ead admitted that he was part of a conspiracy to extort money from Anthony Freitas in exchange for having the BTAR grant tax assessment reductions on two properties owned by Freitas. Ead admitted accepting \$1,200 from Freitas for his participation in the scheme.

Ead also admitted that he was part of a conspiracy to extort \$15,000 from the Estate of Fernando Ronci relating to \$580,000 in back property taxes owed by the estate. In October 1998, Ead and a high-ranking Providence official agreed that the BTAR would accept an offer of compromise on the back taxes, whereby the estate would pay \$100,000 to the City plus a \$15,000 bribe. After the BTAR approved the compromise, a lawyer for the Ronci estate gave Ead \$15,000 in cash. Ead gave \$10,000 of those funds to a second high-ranking Providence official with the understanding that he would pass the \$10,000 on to the official who had approved the compromise. The official who had approved the deal subsequently told Ead that the intermediary took care of delivering the payment to him.

The third extortion conspiracy involving Ead related to an effort in 1999 to permit Anthony Freitas to purchase two Providence lots for a \$1,000 payment to the City plus a

\$10,000 bribe to the same Providence official who had approved the Ronci deal. Ead told a city official, whom he referred to as the "man downtown" that Freitas wanted to purchase the lots and was willing to give the official "ten big ones." The official then instructed an official from the Providence Department of Planning and Development to put together the deal and Ead subsequently told Freitas that the deal had been approved. Before the deal was consummated, however, Ead became suspicious about Freitas. He told the official about his apprehension and the official told Ead to forget the deal.

United States v. Glancy

Rosemary Glancy, Providence Deputy Tax Assessor, was convicted by a federal jury on March 17, 2000, on all counts of an indictment alleging that she participated in a scheme to extort money in exchange for official acts. Glancy was convicted of conspiracy to commit extortion, two counts of attempted extortion, one count of conspiracy to commit mail fraud by depriving the City of Providence of both tax revenues and the intangible right to her honest services, and three substantive mail fraud counts. On July 7, 2000, Glancy was sentenced to 33 months of imprisonment and was ordered to pay \$25,000 in restitution.

Glancy and her coconspirators accepted \$7,500 in bribes from Anthony Freitas in exchange for lowering the tax assessments on three properties owned by Freitas. Two other defendants named in the indictment, Joseph Pannone and David Ead, had earlier pled guilty to conspiracy, extortion, and mail fraud charges.

The trial of Glancy was handled by the United States Attorney's Office for the District of Rhode Island; the Public Integrity Section assisted with the investigation.

United States v. Mosca

On January 21, 2000, Angelo A. Mosca, Jr., pled guilty to a two-count information charging him with extortion and conspiracy to commit extortion. Mosca also agreed to cooperate in the investigation.

Mosca, an attorney, was retained in August 1998 to represent the Estate of Fernando Ronci before the BTAR with respect to the assessment of back taxes on a parcel of property owned by the Ronci estate. No taxes had been paid on the property since the 1950's, the back taxes and interest on the property as of August 1998 were approximately \$580,000, and a tax lien had been imposed.

Mosca admitted that, in October 1998, BTAR Vice Chairman David Ead told him that the BTAR would agree on a compromise with the Ronci estate whereby the back taxes and interest on the property would be wiped out in exchange for a \$100,000 payment to the City and a \$15,000 bribe. Mosca delivered \$15,000 in cash to Ead. On November 5, 1998, all liens previously levied on the property were removed.

Mosca also admitted that he paid a separate \$10,000 bribe to Ead and former BTAR Chairman Pannone in exchange for the BTAR lowering the property tax assessment on Mosca's law office building. Mosca appeared before the BTAR fifteen minutes early on November 23, 1998, at a time when Ead and Pannone had arranged for a barebones quorum to be present. The BTAR immediately granted an assessment reduction on Mosca's building from \$365,100 to

\$158,700. On December 11, 1998, Mosca gave Ead and Pannone \$10,000 in cash in exchange for the reduction.

ELECTION CRIMES

The Public Integrity Section closed two matters involving allegations of election crimes during 2000. As of December 31, 2000, one such matter was pending in the Section. During 2000, the Section participated in the following cases involving election crimes.

United States v. MSE, Inc., District of Montana

MSE, Inc., an engineering corporation headquartered in Butte, Montana, pled guilty on April 27, 2000, to making contributions to federal candidates through conduits and making corporate contributions to federal candidates in violation of the Federal Election Campaign Act. The corporation agreed to pay a criminal fine of \$97,500 and a civil penalty to the Federal Election Commission of an additional \$19,500. In addition, the corporation's two principal officers agreed, as part of the corporation's probation, to perform community service by lecturing business groups throughout Montana on the prohibitions of the FECA, and to implement a corporate compliance agreement aimed at ensuring that the company did not violate the FECA in the future. The corporation was sentenced on April 27, 2000, in accordance with the plea agreement.

This case arose out of a series of corporate contributions totaling \$9,750 that MSE made through 13 conduits to the 1998 campaign of United States Senator Kit Bond of Missouri. The laundered contributions were delivered when the Senator stopped briefly in Butte to attend a fundraiser that MSE's principals had arranged for him. There was no evidence to suggest that the Senator or his campaign had any knowledge of the illegal nature of the contributions.

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

United States v. Woodard & Jordan, Northern District of Alabama

Jimmy Woodard, the Sheriff of Jefferson County, Alabama, and Albert Jordan, an attorney from Birmingham, were indicted on June 21, 2000, for conspiring to obtain criminal history records from the National Crime Information Center (NCIC) for use in an election contest, for the conversion of NCIC records, and for accessing government computers without authority.

In 1998, Woodard lost reelection by 37 votes. He hired Jordan to file an election contest. The indictment charges that Woodard and Jordan conspired to use Sheriff Office personnel to access NCIC computers to run criminal history checks on hundreds of people who had voted by absentee ballot in the 1998 general election in Jefferson County, in the hopes that they would find criminal histories they could use to challenge the qualifications of voters who cast votes for Woodard's opponent.

On October 8, 2000, the case was dismissed on procedural grounds. The Department has appealed the dismissal.

The United States Attorney for the Northern District of Alabama is recused from the case. The case is being prosecuted by an Assistant United States Attorney from Birmingham 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 United States Attorneys 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 within each district.

LIST OF TABLES

TABLE I: Nationwide Federal Prosecutions of Corrupt Public Officials in 2000

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

TABLE I

NATIONWIDE FEDERAL PROSECUTIONS OF CORRUPT PUBLIC OFFICIALS IN 2000

Federal Officials

Indicted	441
Convicted	422
Awaiting Trial	92

State Officials

Indicted	92
Convicted	91
Awaiting Trial	37

Local Officials

Indicted	211
Convicted	183
Awaiting Trial	89

Others Involved

Indicted	256
Convicted	242
Awaiting Trial	109

Totals *

Indicted	1,000
Convicted	938
Awaiting Trial	327

* The Northern District of Georgia Did Not Provide Data

TABLE II

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

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
FEDERAL OFFICIALS										
Indicted	198	158	460	408	563	596	651	629	695	615
Convicted	159	147	424	429	470	523	545	529	610	583
Awaiting Trial as of 12/31	23	38	58	77	90	83	118	86	126	103
STATE OFFICIALS										
Indicted	87	49	81	58	79	88	102	66	71	96
Convicted	66	43	65	52	66	71	76	69	54	79
Awaiting Trial as of 12/31	36	18	26	21	20	24	26	14	18	28
LOCAL OFFICIALS										
Indicted	244	257	270	203	248	232	246	276	269	257
Convicted	211	232	226	196	221	207	204	229	201	225
Awaiting Trial as of 12/31	102	58	61	74	49	55	89	79	122	98
PRIVATE CITIZENS INVOLVED IN PUBLIC CORRUPTION OFFENSES										
Indicted	279	349	265	262	267	292	277	303	313	208
Convicted	294	249	257	257	240	225	256	240	284	197
Awaiting Trial as of 12/31	70	72	77	97	97	84	135	109	109	71
TOTALS										
Indicted	808	813	1,076	931	1,157	1,208	1,276	1,274	1,348	1,176
Convicted	730	671	972	934	997	1,026	1,081	1,067	1,149	1,084
Awaiting Trial as of 12/31	231	186	222	269	256	246	368	288	375	300

TABLE II (continued)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Totals
FEDERAL OFFICIALS											
Indicted	803	624	627	571	527	456	459	442	480	441	10,403
Convicted	665	532	595	488	438	459	392	414	460	422	9,284
Awaiting Trial as of 12/31	149	139	133	124	120	64	83	85	101	92	1,892
STATE OFFICIALS											
Indicted	115	81	113	99	61	109	51	91	115	92	1,704
Convicted	77	92	133	97	61	83	49	58	80	91	1,462
Awaiting Trial as of 12/31	42	24	39	17	23	40	20	37	44	37	554
LOCAL OFFICIALS											
Indicted	242	232	309	248	236	219	255	277	237	211	4,968
Convicted	180	211	272	202	191	190	169	264	219	183	4,233
Awaiting Trial as of 12/31	88	91	132	96	89	60	118	90	95	89	1,735
PRIVATE CITIZENS INVOLVED IN PUBLIC CORRUPTION OFFENSES											
Indicted	292	252	322	247	227	200	292	364	302	256	5,569
Convicted	272	246	362	182	188	170	243	278	306	242	4,988
Awaiting Trial as of 12/31	67	126	99	95	91	80	106	128	89	109	1,911
TOTALS											
Indicted	1,452	1,189	1,371	1,165	1,051	984	1,057	1,174	1,134	1,000	22,644
Convicted	1,194	1,081	1,362	969	878	902	853	1,014	1,065	938	19,967
Awaiting Trial as of 12/31	346	380	403	332	323	244	327	340	329	327	6,092

TABLE III

FEDERAL PUBLIC CORRUPTION CONVICTIONS BY DISTRICT OVER THE PAST DECADE

U.S. Attorney's Office	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Totals
Alabama, Middle	0	4	4	0	1	4	6	4	2	3	28
Alabama, Northern	0	3	4	12	2	4	4	1	17	9	56
Alabama, Southern	2	0	4	11	3	1	9	0	6	0	36
Alaska	0	1	0	0	2	2	3	1	4	16	29
Arizona	8	8	16	10	2	6	8	5	7	8	78
Arkansas, Eastern	6	2	4	2	0	1	4	4	5	7	35
Arkansas, Western	1	2	2	1	0	0	1	1	0	1	9
California, Central	34	35	92	62	94	66	58	39	58	31	569
California, Eastern	22	20	23	19	18	26	17	18	17	18	198
California, Northern	6	13	22	7	25	16	7	14	9	18	137
California, Southern	6	5	0	4	7	16	2	4	4	7	55
Colorado	13	Not Reported	0	Not Reported	0	0	0	2	1	3	19
Connecticut	4	10	3	16	8	5	4	6	8	8	72
Delaware	0	0	8	1	0	0	1	4	2	1	17
District of Columbia	23	Not Reported	39	80	Not Reported	37	32	72	60	46	389
Florida, Middle	28	23	11	Not Reported	22	24	15	12	24	28	187

TABLE III (continued)

U.S. Attorney's Office	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Totals
Florida, Northern	6	4	10	5	5	7	8	5	4	8	62
Florida, Southern	14	21	22	51	42	29	31	79	106	71	466
Georgia, Middle	19	4	4	17	6	5	6	3	2	2	68
Georgia, Northern	21	17	13	19	19	11	Not Reported	1*	6	Not Reported	107
Georgia, Southern	1	Not Reported	10	0	7	1	38	6	3	0	66
Guam	0	3	10	9	1	3	7	6	7	19	65
Hawaii	2	1	7	9	6	4	4	6	2	3	44
Idaho	0	2	3	0	7	4	3	7	5	5	36
Illinois, Central	1	1	4	4	10	10	7	8	2	3	50
Illinois, Northern	18	53	84	74	67	71	55	55	53	49	579
Illinois, Southern	0	1	1	2	24	2	2	4	5	7	48
Indiana, Northern	2	2	6	6	7	12	14	3	8	7	67
Indiana, Southern	6	2	5	8	5	5	4	4	1	4	44
Iowa, Northern	3	2	5	3	4	2	1	3	2	0	25
Iowa, Southern	2	2	4	0	0	0	0	1	0	0	9
Kansas	1	0	5	11	3	1	3	3	6	8	41
Kentucky, Eastern	5	1	9	13	9	8	11	8	17	25	106
Kentucky, Western	7	0	5	5	5	11	4	6	8	0	51
Louisiana, Eastern	6	2	13	20	6	30	24	17	19	18	155

TABLE III (continued)

U.S. Attorney's Office	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Totals
Louisiana, Middle	0	0	5	4	6	7	4	13	3	2	44
Louisiana, Western	4	3	8	11	8	11	11	9	2	3	70
Maine	8	7	10	3	1	6	4	0	0	5	44
Maryland	14	15	21	17	0	11	3	5	7	8	101
Massachusetts	1	Not Reported	9	12	27	35	12	27	21	6	150
Michigan, Eastern	8	13	11	6	1	4	10	14	18	7	92
Michigan, Western	8	3	9	10	11	14	3	0	8	4	70
Minnesota	3	Not Reported	4	5	5	7	1	14	8	4	51
Mississippi, Northern	0	2	13	13	12	6	3	0	42	9	100
Mississippi, Southern	7	13	12	6	3	9	4	8	17	14	93
Missouri, Eastern	8	2	7	17	19	5	7	15	16	3	99
Missouri, Western	9	5	6	9	6	16	18	1	10	9	89
Montana	0	1	0	3	0	0	1	4	5	16	30
Nebraska	3	1	1	1	4	1	1	0	0	0	12
Nevada	5	0	0	1	0	6	1	7	9	6	35
New Hampshire	2	1	1	1	0	0	0	1	1	2	9
New Jersey	8	13	21	23	16	41	21	58	43	28	272
New Mexico	0	6	6	6	0	5	Not Reported	0	Not Reported	7	30
New York, Eastern	16	7	62	20	23	11	39	17	18	21	234

TABLE III (continued)

U.S. Attorney's Office	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Totals
New York, Northern	13	12	14	8	11	22	9	9	9	8	115
New York, Southern	68	Not Reported	29	58	39	38	43	61	33	48	417
New York, Western	11	5	11	21	6	11	11	3	7	4	90
North Carolina, Eastern	16	0	3	2	2	5	9	5	4	0	46
North Carolina, Middle	6	3	4	3	1	0	4	8	7	4	40
North Carolina, Western	1	1	1	2	10	1	8	3	3	5	35
North Dakota	2	2	3	8	10	4	5	6	0	2	42
Ohio, Northern	21	15	35	19	19	25	29	90	25	36	314
Ohio, Southern	13	21	26	21	12	13	11	10	29	20	176
Oklahoma, Eastern	0	0	0	1	1	4	3	7	3	2	21
Oklahoma, Northern	1	7	10	0	2	2	4	4	2	3	35
Oklahoma, Western	0	0	6	6	6	1	1	0	7	4	31
Oregon	0	5	1	2	6	0	0	1	3	4	22
Pennsylvania, Eastern	34	14	29	10	24	11	35	25	37	30	249
Pennsylvania, Middle	6	4	9	9	8	8	14	7	12	14	91
Pennsylvania, Western	8	8	9	1	11	10	2	4	8	7	68
Puerto Rico	3	12	13	4	1	4	2	0	13	10	62
Rhode Island	4	0	2	6	6	0	2	1	3	5	29
South Carolina	0	20	26	22	5	4	6	13	11	13	120
South Dakota	0	2	1	1	6	6	7	7	1	2	33

TABLE III (continued)

U.S. Attorney's Office	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Totals
Tennessee, Eastern	4	0	8	5	7	5	6	Not Reported	4	3	42
Tennessee, Middle	1	1	6	6	1	4	1	0	6	0	26
Tennessee, Western	6	4	12	16	12	10	13	7	12	8	100
Texas, Eastern	3	0	5	Not Reported	31	5	2	9	3	4	62
Texas, Northern	0	1	11	2	4	5	26	7	9	6	71
Texas, Southern	3	6	15	33	26	26	34	22	31	29	225
Texas, Western	2	9	16	7	7	9	2	15	10	5	82
Utah	0	0	0	0	0	0	5	2	5	2	14
Vermont	3	0	1	1	2	0	0	1	2	2	12
Virgin Islands	0	0	3	1	0	Not Reported	5	8	11	6	34
Virginia, Eastern	51	26	15	11	13	7	9	32	17	22	203
Virginia, Western	5	7	4	3	1	1	2	2	8	7	40
Washington, Eastern	0	Not Reported	Not Reported	2	0	0	1	0	1	1	5
Washington, Western	7	1	1	2	17	8	6	10	10	16	78
West Virginia, Northern	2	1	0	0	2	0	1	1	3	0	10
West Virginia, Southern	3	1	5	0	3	3	2	8	3	6	34
Wisconsin, Eastern	4	7	7	1	7	8	6	11	4	8	63
Wisconsin, Western	0	0	0	0	0	1	0	0	0	4	5
Wyoming	1	1	1	4	0	3	3	0	1	1	15