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LEGAL ADVISORY

TO: Designated Agency Ethics Officials

FROM: David J. Apol
Acting Director and General Counsel

SUBJECT: 2017 Conflict of Interest Prosecution Survey

The U.S. Office of Government Ethics (OGE) has completed its annual survey of prosecutions involving the conflict of interest criminal statutes (18 U.S.C. §§ 202-209) and other related statutes for the period January 1, 2017 through December 31, 2017. Information on 11 new prosecutions by the U.S. Attorneys' offices and the Civil Division and Public Integrity Section of the Department of Justice was provided to OGE with the assistance of the Executive Office for United States Attorneys. Summaries of the prosecutions reported to OGE for past years can be found at www.oge.gov under the topic of "[Enforcement](#)."

18 U.S.C. § 201

1. United States v. John and Danielle Kays

Defendants John and Danielle Kays both worked as a civilian employees of the Army for Communications-Electronic Command, and had leadership positions relating to a 10-year, \$19.2 billion dollar contract providing technology services to support the Army's integrated engineering, business operations, and logistics needs.

In 2008, the Kays saw Matthew Barrow, a former college classmate, at another classmate's wedding. At that event, Mr. Kays and Mr. Barrow devised an arrangement whereby Mr. Kays would steer Army business to a company to be formed by Mr. Barrow, MJ-6, and in return, Mr. Barrow would steer business of the glass company he worked for to Transportation Logistics Services (TLS), a company to be formed by Mr. Kays. As part of this arrangement, from August 2008 to June 2014, Mr. and/or Mrs. Kays used their official positions to add MJ-6 as a subcontractor acceptable to the Army, to steer potential employees for government contractors to work for MJ-6, to approve MJ-6 employees to work on various task orders, and to approve other contract-related items for MJ-6.

In 2009 and 2010, Mr. Kays received approximately \$100,715 and \$167,357, respectively, in profits from TLS. In late 2010, Mr. Barrow's employer terminated him after discovering that he had failed to follow proper company procedures regarding vendors and was approving payments to TLS without a contract. After that point, the Kays continued to steer



Army business to MJ-6, with Mr. Barrow instead making cash payments to Mr. Kays that represented a share of the profits the Kays produced for the company through government contracts. In 2011, the Kays received approximately \$333,100 in cash from Mr. Barrow, and from January to October 2012, Mr. Barrow delivered over \$168,000 to Mr. Kays. In 2012, Mr. and Mrs. Kays both filed an OGE 450 for calendar year 2011 in which they failed to disclose that the Kays family had outside sources of income for that year. In 2013, the Kays again filed OGE 450s which failed to disclose the cash the Kays family had received from Mr. Barrow in calendar year 2012. By October 2012, two of the bank accounts Mr. Barrow had been using to pay the Kays had been force-closed, and he refused to make additional cash payments to the Kays; in lieu of cash payments, the trio planned that Mr. Barrow would pay the Kays their share of the MJ-6 profits after one of the Kays left government service, when the payments could be concealed as salary or consulting fees.

From 2009 to 2015, MJ-6 received at least \$1.9 million dollars in profits on over \$21 million in contracts with the Army obtained through bribery; during this time, Mr. Barrow paid Mr. Kays approximately \$800,000 in bribe payments, first through TLS, and then through cash payments. The Kays used the monies received from Mr. Barrow for various expenses, including an extensive home renovation, the down payments on two vehicles, the down payment on a boat, payment of credit card bills, and payment for country club dues and country club events.

The Kays were initially charged with conspiracy in violation of 18 U.S.C. § 371; bribery in violation of 18 U.S.C. § 201; and false statements in violation of 18 U.S.C. § 1001. Mr. Barrow was also charged with conspiracy and bribery. In a plea agreement dated September 1, 2017, Mr. Kays pleaded guilty to bribery in violation of 18 U.S.C. § 201(b)(2)(A) and (C). In a plea agreement dated the same day, Mrs. Kays pleaded guilty to conspiracy to commit bribery and to defraud the United States in violation of 18 U.S.C. § 1371. Mrs. Kays was sentenced on November 8, 2017 to 18 months of imprisonment, one year of supervised release, and a \$100 assessment; she also entered into a Consent Order of Forfeiture dated November 8, 2017 pursuant to which she agreed to forfeit \$250,700. Mr. Kays was sentenced on May 11, 2018 to six years of imprisonment and three years of supervised release, and was ordered to pay restitution in the amount of \$886,519.52; he also entered into a Consent Order of Forfeiture dated May 14, 2018, pursuant to which he agreed to forfeit \$631,705. Mr. Barrow has not yet been sentenced.

This case was handled by the United States Attorney's Office for the District of Maryland. For a copy of Mrs. Kays' Plea Agreement, including the Statement of Facts, see [http://www.oge.gov/web/OGE.nsf/Resources/Kays+-+Danielle+Kays+Plea+Agreement+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Kays+-+Danielle+Kays+Plea+Agreement+(2017)). For a copy of Mr. Kays' Plea Agreement, including the Statement of Facts, see [http://www.oge.gov/web/OGE.nsf/Resources/Kays+-+John+Kays+Plea+Agreement+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Kays+-+John+Kays+Plea+Agreement+(2017)).

2. *United States v. Arnaldo Echevarria*

Defendant Arnaldo Echevarria was a Deportation Officer with Immigrations and Customs Enforcement (ICE). His official duties included, among other things, identifying, locating, arresting, and removing individuals not lawfully present in the United States (undocumented immigrants), and supervising undocumented immigrants who had not yet been deported.

Between 2012 and 2014, Mr. Echevarria accepted and agreed to accept approximately \$78,000 in cash payments and, on occasion, sexual favors from undocumented immigrants, in exchange for him agreeing to obtain and renew employment authorization documents and take other favorable actions on their behalf. In addition, during that same time period, Mr. Echevarria employed an individual who he knew was an undocumented immigrant using false identification and operating under an alias to run a hair salon that he owned, and took steps to shield this individual (with whom he became romantically involved) from detection by immigration authorities. While doing so, he made false statements on an ICE form entitled “Request to Engage in Outside Employment or Activity,” falsely stating that there would be no conflicts of interest involving ICE matters relating to his hair salon. He also falsely answered “none” in response to questions on the form inquiring whether his outside employment involved dealing or transacting with immigrants; professional interaction with individuals with whom he had come into contact on customs or immigration matters; or any activities that might create an appearance of impropriety or conflict or infringe on his duties as an ICE employee.

On March 9, 2017, a federal jury found Mr. Echevarria guilty of six of seven counts of bribery in violation of 18 U.S.C. § 201; one count of harboring and shielding from detection an alien in violation of 8 U.S.C. § 1324; and one count of making false statements in violation of 18 U.S.C. § 1001. On October 25, 2017, he was sentenced to 84 months of imprisonment and three years of supervised release, and was ordered to forfeit \$75,000 and pay a \$100 special assessment. His sentence was subsequently affirmed by the United States Court of Appeals for the Third Circuit, which rejected his argument that the district court had erred in calculating his offense level under the Sentencing Guidelines in declining to grant him a reduction for acceptance of responsibility.

This case was handled by the United States Attorney’s Office for the District of New Jersey. For a copy of the Indictment, see [http://www.oge.gov/web/OGE.nsf/Resources/Echevarria+Indictment+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Echevarria+Indictment+(2017)). For a copy of the unpublished Third Circuit opinion upholding Mr. Echevarria’s sentence, see [http://www.oge.gov/web/OGE.nsf/Resources/Echevarria+Third+Circuit+Opinion+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Echevarria+Third+Circuit+Opinion+(2017)).

18 U.S.C. §§ 201 & 208

3. United States v. James T. Shank

Defendant James T. Shank was employed as a Program Manager at the United States Navy’s Space and Naval Warfare (SPAWAR) Systems Center from August 2006 until he retired in June 2011. In this role, he worked with various military services and agencies within the Department of Defense to procure telecommunications equipment, software, and related services.

In 2009, Mr. Shank was the SPAWAR program manager for a project to procure certain technology for two buildings at Joint Base Andrews in Maryland. He prepared statements of work for the project and helped prepare bid packages for the contracting officers assigned to the project. From 2009 through 2012, Mr. Shank conspired with John Wilkerson, an employee of Defense Contractor 1 and part owner of Defense Contractor 2, to steer government contracts to these defense contractor companies. He did so, for example, by drafting requests for proposals

in such a way that those defense contractor companies would have an unfair advantage over other companies bidding on the project and win the contract. After the award of the contracts, Mr. Wilkerson offered, and Mr. Shank accepted, employment with Defense Contractor 2 while Mr. Shank was still a government employee and was still taking official actions that benefitted Mr. Wilkerson and the companies with which he was affiliated. Specifically, Mr. Shank accepted employment with Defense Contractor 2 in May 2011, at which time he was still working at SPAWAR and approved more than \$1.1 million dollars of invoices that benefitted Defense Contractor 2 and Mr. Wilkerson. In addition to these actions, Mr. Shank falsely certified that the U.S. government received more than \$1 million dollars of goods under a certain contract, which the government did not in fact receive. Mr. Wilkerson paid Mr. Shank \$86,000 in the year after he retired from government service, funneling the payment through two other companies in order to conceal the source of the funds. Mr. Shank received his offer of employment and the \$86,000 for official acts associated with various contract decisions and delivery orders relating to his co-conspirator's companies.

Mr. Shank was initially charged with wire fraud conspiracy in violation of 18 U.S.C. § 1349; receipt of illegal gratuities in violation of 18 U.S.C. § 201; and conflict of interest in violation of 18 U.S.C. § 208. In a plea agreement dated June 1, 2016, he pleaded guilty to conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349, and was sentenced on February 28, 2017 to three months of imprisonment, three years of supervised release (with the additional condition of 30 months of home detention), restitution in the amount of \$1,000,000, and an assessment of \$100. In a separate proceeding, Mr. Wilkerson was charged with illegal gratuities in violation of 18 U.S.C. § 201(c)(1)(A) and wire fraud conspiracy in violation of 18 U.S.C. § 1349. Mr. Wilkerson ultimately pleaded guilty to the wire fraud conspiracy charge and was sentenced on April 27, 2017 to five years of imprisonment, three years of supervised release, and a \$100 assessment. Mr. Wilkerson also was ordered to pay forfeiture and restitution in the amount of \$9,441,340.11.

This case was handled by the United States Attorney's Office for the District of Maryland. For a copy of the Indictment filed against Mr. Shank, see [http://www.oge.gov/web/OGE.nsf/Resources/Shank+Indictment+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Shank+Indictment+(2017)). For a copy of Mr. Shank's Plea Agreement, including a Statement of Facts, see [http://www.oge.gov/web/OGE.nsf/Resources/Shank+Plea+Agreement+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Shank+Plea+Agreement+(2017)).

18 U.S.C. § 208

4. United States v. Larry Dunkin

Defendant Larry Dunkin was an employee of the Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS), an agency of the USDA that seeks to improve, protect, and conserve natural resources on private lands through cooperative partnerships with state and local agencies.

Mr. Dunkin was a contracting officer for NRCS, and in this role, he awarded a \$22,500 contract to Young Enterprises, LLC, a company part-owned by his wife. Young Enterprises' filings with the state Secretary of State listed Mr. Dunkin's home address as the company's mailing address, and upon the company's completion of the NRCS contract, the USDA

transferred the contract monies into a bank account owned jointly by Mr. Dunkin and his wife. According to the indictment, when a special agent from the Office of Inspector General questioned Mr. Dunkin about the contract, he falsely stated that his wife was not an officer or employee of Young Enterprises.

Mr. Dunkin was charged with violating 18 U.S.C. § 208 for awarding the contract to his wife's company, and with violating 18 U.S.C. § 1001 for making false statements to the special agent regarding her relationship to the company. On January 31, 2017, he pleaded guilty to violating 18 U.S.C. § 208, and the court sentenced him on May 8, 2017 to three years of probation, a \$10,000 fine, and a \$100 special assessment.

This case was handled by the United States Attorney's Office for the Eastern District of Arkansas. For a copy of the Indictment, see [http://www.oge.gov/web/OGE.nsf/Resources/Dunkin+Indictment+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Dunkin+Indictment+(2017)). For a copy of the Plea Agreement, see [http://www.oge.gov/web/OGE.nsf/Resources/Dunkin+Plea+Agreement+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Dunkin+Plea+Agreement+(2017)).

5. *United States v. John Nasshan*

From 2009 to 2017, Defendant John Nasshan was a Combat Systems Port Engineer at the Navy's Southwest Regional Maintenance Center (SWRMC), one of the Navy's largest and most diverse intermediate maintenance centers that provides support to over 100 surface ships, submarines, shore activities, and other commands of the U.S. Pacific Fleet. In his role as a Combat Systems Port Engineer, Mr. Nasshan drafted technical direction letters, recommended which contractors were qualified for jobs, and verified and certified work performed on Navy ships by contractors.

According to the Information, from May 2011 through at least September 2015, Mr. Nasshan had a financial interest in the business affairs of NevWest, a defense contractor. Specifically, he loaned NevWest and its CEO, Alfonso Liburd, more than \$30,000. The Information states that at the time Mr. Nasshan was loaning money to NevWest and its CEO, NevWest was engaged in numerous subcontracts with SWRMC, and in his job, Mr. Nasshan was involved in administering those subcontracts. Mr. Nasshan and Mr. Liburd endeavored to conceal their financial relationship by dealing in cash when exchanging amounts over \$10,000, and structuring payments into amounts of \$10,000 or less. When questioned by a Naval Criminal Investigative Service agent, Mr. Nasshan stated that he did not have a financial interest in any private companies or contractors whose work he had verified, certified or recommended, and similarly told FBI agents that he did not have a financial interest in NevWest, and that he had never given any money to the company or its employees.

On May 9, 2017 Mr. Nasshan pleaded guilty to one count of violating 18 U.S.C. § 208. He was sentenced on August 11, 2017 to three years of probation, a \$1,000 fine, and a \$100 assessment. In a separate proceeding, Mr. Liburd pleaded guilty to aiding and abetting Mr. Nasshan's violation of 18 U.S.C. § 208, and was sentenced on December 13, 2017 to three years of probation, a \$1,000 fine, and a \$100 assessment.

This case was handled by the United States Attorney's Office for the Southern District of California. For a copy of the Information filed in Mr. Nasshan's case, see <http://www.oge.gov/>

[web/OGE.nsf/Resources/Nasshan+Information+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Nasshan+Information+(2017)). For a copy of the Information filed in Mr. Liburd's case, see [http://www.oge.gov/web/OGE.nsf/Resources/Nasshan+Liburd+Information+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Nasshan+Liburd+Information+(2017)).

18 U.S.C. § 209

6. *Civil Settlements*

Company X was a federal contractor that secured contracts from the Bureau of Prisons (BOP) to serve as a third-party administrator responsible for providing certain services to the government. The government alleged that Company X and its owner engaged a BOP employee (Employee Y) to serve as a paid consultant to assist Company X in obtaining contracts with BOP, and paid Employee Y a percentage of the revenue that Company X earned from contracts with BOP. Specifically, the government alleged that Company X paid Employee Y in order to obtain favorable treatment during the contracting process, which included Employee Y providing certain confidential, non-public information that gave Company X an unfair competitive advantage in the bidding process. The government also alleged that after Company X obtained contracts with BOP, Employee Y thereafter improperly assisted Company X in its performance of the contracts while simultaneously working at BOP.

The government asserted that Company X's conduct violated various statutes, including 18 U.S.C. § 209; the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act, 41 U.S.C. § 8706; and the Procurement Integrity Act, 41 U.S.C. § 423(e)(2). In May 2017, the Department of Justice entered into a civil settlement agreement pursuant to which Company X and its owner agreed to pay the United States \$2,475,000 to resolve the government's claims against it. The Department of Justice also entered into a civil settlement with Employee Y in May 2018 in which Employee Y agreed to pay \$50,000 to resolve civil claims arising from the payments received from Company X during Employee Y's federal employment.

These cases were handled by the Civil Division of the Department of Justice.

18 U.S.C. § 1001

7. *United States v. Wehnona Stabler*

Defendant Wehnona Stabler was the Chief Executive Officer of Public Health Services/Indian Health Services (IHS) for the Department of Health and Human Services in Pine Ridge, South Dakota. While serving in that role, Ms. Stabler received a \$5,000 check from Dr. Stanley Patrick Weber, a pediatrician and acting clinical director at the IHS facility in Pine Ridge. Dr. Weber's career was fraught with allegations of sexual abuse of minors, and Ms. Stabler was allegedly aware of those allegations.

In her role at IHS, Ms. Stabler was required to file a Confidential Financial Disclosure Report, OGE 450, which required, among other things, disclosure of gifts greater than \$350 from any single source. She failed to disclose the \$5,000 gift from Dr. Weber on her OGE 450 filed in

January 2014, and instead indicated on her form that she had not received any gifts greater than \$350 from any source.

On February 8, 2018, Ms. Stabler pleaded guilty to one count of violating 18 U.S.C. § 1001. She was sentenced on June 29, 2018 to 12 months of unsupervised probation and a \$100 special assessment.

This case was handled by the United States Attorney's Office for the Western District of South Dakota. For a copy of the Plea Agreement and Factual Basis Statement, see [http://www.oge.gov/web/OGE.nsf/Resources/Stabler+Plea+Agreement+and+Factual+Basis+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Stabler+Plea+Agreement+and+Factual+Basis+(2017)).

8. *United States v. David Humphrey*
Securities and Exchange Commission v. David Humphrey

Defendant David R. Humphrey worked for the Securities and Exchange Commission (SEC) from 1998 to 2014 in the SEC's Division of Corporate Finance; from September 2004 to August 2014, he served as branch chief of that division. As an SEC employee, Mr. Humphrey was subject to a panoply of ethics rules governing securities holdings and transactions; for example, he was prohibited from buying or selling options (i.e., the right to purchase or sell equities at some future point), and was required to disclose his securities holdings and transactions on annual financial disclosure forms.

Beginning in or about 2001, Mr. Humphrey devised an options trading strategy, and traded options pursuant to this strategy on multiple occasions between 2001 and 2014. Mr. Humphrey engaged in options trading from his SEC computer, while performing official duties, on more than 100 occasions during that time period.

The SEC requires employees to pre-clear any securities transactions and to report and certify that all securities holdings are in compliance with agency holding requirements. In his position, Mr. Humphrey also had to submit an annual OGE Confidential Financial Disclosure Report (OGE 450), which required disclosure of all assets meeting a certain value or income threshold. On multiple occasions from 2002 to 2014, Mr. Humphrey signed and submitted OGE 450s that failed to disclose reportable assets and income. For example, during 2012, Mr. Humphrey made multiple sales of options through his brokerage account, realizing total gains of over \$5,000, but failed to disclose that income on his OGE 450 for calendar year 2012. Again in 2013, Mr. Humphrey sold additional options from which he realized gains, and also purchased shares of a stock, and he failed to disclose these items on his calendar year 2013 OGE 450. Mr. Humphrey also submitted annual SEC certifications for those years in which he falsely certified that he was in compliance with all applicable SEC rules relating to prohibited holdings, when in fact he had traded options in violations of those regulations.

The Department of Justice filed criminal charges against Mr. Humphrey in connection with his actions, and the SEC also filed a civil action against Mr. Humphrey asserting violations of the federal securities laws and seeking civil penalties and the disgorgement of profits. On May 9, 2017, Mr. Humphrey pleaded guilty in the criminal case to making false statements in violation of 18 U.S.C. § 1001; he also consented to a final judgment in connection with the SEC

civil action. On May 22, 2017, the court entered into a final judgment in the SEC proceeding enjoining Mr. Humphrey from future violations of the anti-fraud provisions of the federal securities laws, and ordering him to pay disgorgement in the amount of \$51,917, a civil penalty of \$51,917, and prejudgment interest in the amount of \$4,674. In connection with the criminal proceeding, the court sentenced him on August 8, 2017 to one year of probation with six months of home confinement, a fine of \$1,000, and a special assessment of \$100.

The criminal case was handled by the Fraud Section of the Department of Justice Criminal Division and the civil case was handled by the Securities and Exchange Commission. For a copy of the criminal Information, see [http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Criminal+Information+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Criminal+Information+(2017)), and for a copy of the Plea Agreement and Statement of the Offense, see [http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Criminal+Case+Plea+and+Statement+of+Offense+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Criminal+Case+Plea+and+Statement+of+Offense+(2017)). For a copy of the civil Complaint, see [http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Civil+Complaint+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Civil+Complaint+(2017)), and for a copy of the Consent, including a Statement of the Offense, see [http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Consent+and+Statement+of+Offense+for+Civil+Case+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Humphrey+Consent+and+Statement+of+Offense+for+Civil+Case+(2017)).

9. *United States v. David T. Johnson*

In 2008, one of Defendant David T. Johnson's close friends obtained two mortgage loans for approximately \$470,000 from SunTrust Mortgage to purchase residential real estate in Washington, D.C. By 2009, she failed to maintain timely mortgage payments, and a Notice of Foreclosure was filed with the D.C. Recorder of Deeds in 2010. In April 2013, SunTrust Mortgage began the process of foreclosing on the mortgage and taking possession of the property.

Sometime before October 2013, Mr. Johnson caused the creation of two fake Certificates of Satisfaction, which falsely represented that the two SunTrust Mortgage loans had been paid off, and that his friend owned her property outright. He filed these two fake Certificates of Satisfaction with the D.C. Recorder of Deeds on October 2, 2013. The filing of these documents allowed Mr. Johnson's friend to sell the property without paying the outstanding mortgages, and in December 2013, the title and escrow company wired sale proceeds of \$337,105.06, of which approximately \$170,688 was obtained by Mr. Johnson and deposited into his bank account. In 2015, Mr. Johnson made a materially false statement on the financial disclosure form he was required to submit to his government employer, in that he failed to disclose the \$170,688 he obtained from the sales proceeds of the property (which the plea agreement characterized as a loan from his friend).

Mr. Johnson was initially charged with conspiracy, in violation of 18 U.S.C. § 371; bank fraud in violation of 18 U.S.C. § 1344; wire fraud in violation of 18 U.S.C. § 1343; monetary transactions in criminally derived property in violation of 18 U.S.C. § 1957; false statements in violation of 18 U.S.C. § 1001; aiding and abetting in violation of 18 U.S.C. § 2; and uttering a forged instrument in violation of provisions of the D.C. Code. He ultimately pleaded guilty on April 12, 2017 to violating 18 U.S.C. §§ 1344, 2 and 1001. The court sentenced Mr. Humphrey on July 17, 2017 to 12 months and one day of imprisonment on each count (to run concurrently), followed by two years of supervised release on each count (to run concurrently). The court also

ordered him to pay restitution in the amount of \$337,105 and a special assessment of \$100 on each count.

This case was handled by the United States Attorney's Office for the District of Columbia. For a copy of the Indictment, see [http://www.oge.gov/web/OGE.nsf/Resources/Johnson+Indictment+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Johnson+Indictment+(2017)). For a copy of the Statement of the Offense filed in connection with Mr. Johnson's guilty plea, see [http://www.oge.gov/web/OGE.nsf/Resources/Johnson+Statement+of+the+Offense+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Johnson+Statement+of+the+Offense+(2017)).

10. United States v. Corrine Brown

Defendant Corrine Brown was a member of the United States House of Representatives representing a Florida district from 1993 to 2017. Evidence offered by the government at trial showed that between late 2012 and early 2016, she participated in a conspiracy and fraud scheme involving One Door for Education – Amy Anderson Scholarship Fund (One Door) in which she, her conspirators, and others acting on their behalf solicited more than \$800,000 in charitable donations based on false representations that the donations would be used for college scholarships and school computer drives, among other causes. Many of the One Door donors were led to believe that the organization was a properly-registered 501(c)(3) non-profit organization, when it was not.

Evidence at trial showed that Ms. Brown, her conspirators, and others used the majority of One Door donations for their personal and professional benefit. Specifically, trial evidence showed that more than \$300,000 in One Door funds were used to pay for events hosted by Brown or held in her honor, and that One Door granted students only two scholarships totaling \$1,200 to cover expenses relating to attending a college or university. Trial evidence also showed that Ms. Brown failed to disclose income she received from One Door on her tax returns, among other things, and that she falsely claimed deductions on her tax returns for certain donations to One Door and local churches and non-profits in the Jacksonville area. Evidence at trial also established that Ms. Brown filed financial disclosure statements for 2012 through 2015 with the House of Representatives that failed to disclose reportable income that she received from One Door and other entities.

Ms. Brown was charged with multiple counts of violating several statutes, including mail fraud in violation of 18 U.S.C. § 1341; conspiracy to commit mail and wire fraud in violation of 18 U.S.C. § 1349; wire fraud in violation of 18 U.S.C. § 1343; scheme to conceal material facts in violation of 18 U.S.C. § 1001; obstructing the due administration of internal revenue laws in violation of 26 U.S.C. § 7212; and filing false tax returns in violation of 26 U.S.C. § 7206. On May 11, 2017, a federal jury convicted her on 18 counts of the indictment, including violation of 18 U.S.C. § 1001 for her acts of concealing certain income on her annual financial disclosure forms. The court sentenced Ms. Brown on December 4, 2017 to five years of imprisonment, three years of supervised release, \$515,166.86 in restitution (\$452,515.87 of which was to be paid jointly and severally with two of her codefendants), and a special assessment of \$1,800. The court also issued an Order of Forfeiture relating to the \$664,292.39 of proceeds which Ms. Brown and her codefendants obtained, directly or indirectly, as a result of their scheme. Ms. Brown has appealed her conviction on the grounds that the court improperly dismissed a juror.

This case was handled by the United States Attorney's Office for the Middle District of Florida and the Department of Justice Public Integrity Section. For a copy of the Indictment, see [http://www.oge.gov/web/OGE.nsf/Resources/Brown+Indictment+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Brown+Indictment+(2017)). For a copy of the Sentencing Order, see [http://www.oge.gov/web/OGE.nsf/Resources/Brown+Sentencing+Order+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Brown+Sentencing+Order+(2017)).

11. United States v. Nathaniel Wright

From at least 1986 through 2016, Defendant Nathaniel Wright was an employee of the National Aeronautics and Space Administration (NASA) stationed at the Goddard Space Flight Center in Greenbelt, Maryland. Mr. Wright was personally acquainted with the President and CEO of Company A, a small business that performed work for several government agencies. In late 2009 and early 2010, while still employed full time at NASA, Mr. Wright also worked as a contract employee of Company A, assisting the company in the preparation and submission of bids to other government agencies.

From approximately 2009 through 2012, Mr. Wright's official duties included significant responsibilities relating to three different NASA contracts awarded to Company B and Company C. With respect to these three contracts, Mr. Wright served as either the contracting officer's technical representative (COTR), responsible for monitoring and evaluating the contractor's performance, or Task Monitor, responsible for determining the requirements of each task order, evaluating contractor's proposals, and evaluating the contractor's performance under the task.

In March 2011, while Mr. Wright was the COTR over the transition of certain contract work to Company C, he held a meeting with two employees of Company C to discuss, among other things, proposals for nearly 50 task orders that needed to be approved by early April 2011 in order for the company to receive payment. During the meeting, Mr. Wright handed a copy of his resume to one of the employees from Company C and told the employee he was looking for a position with the company; he told the Company C employee that he did not believe there would be a conflict of interest if he waited for Company C to consider a potential position prior to taking action on any task order.

In August 2012, Mr. Wright recommended that Company C use Company A to perform work on a certain task order, even though he knew Company A had no experience in that particular area. After Company C declined to include Company A on its proposal, Mr. Wright persisted in recommending Company A to do a portion of work on the task order. A supervisor of Company C who recalled that the CEO and President of Company A had twice accompanied Mr. Wright to NASA galas questioned Mr. Wright about the appearance of conflict of interest. Mr. Wright denied that there was a conflict, or that he was directing Company C to use Company A, although he also informed the Company C supervisor that there could be adverse consequences for Company C if the work on the task order was delayed. In addition, in September and October 2012, Mr. Wright told Company B that he wanted to issue a modification under that company's contract with NASA and have Company A perform some of the work, even though Company A had no experience in that type of work.

In October 2012, the NASA Office of Inspector General (OIG) opened an investigation into Mr. Wright's actions, and questioned him about his provision of his resume to Company C,

as well as his efforts to get Company A subcontract work on NASA contracts. In response to questions from OIG special agents, Mr. Wright made multiple false statements denying his actions, knowing that they were false when he made them and that they were material to the OIG investigation.

On October 5, 2016, Mr. Wright pleaded guilty to the sole count of the Information charging him with false statements in violation of 18 U.S.C. § 1001. He was sentenced on January 26, 2017 to 24 months of probation, a \$1,000 fine, and a \$100 assessment.

This case was handled by the United States Attorney's Office for the District of Maryland and the Department of Justice Public Integrity Section. For a copy of the Plea Agreement, see [http://www.oge.gov/web/OGE.nsf/Resources/Wright+Plea+\(2017\)](http://www.oge.gov/web/OGE.nsf/Resources/Wright+Plea+(2017)).