

U. S. Department of Justice



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**FORMER BUREAU OF PRISONS EMPLOYEE SENTENCED
FOR FRAUD, CONFLICT OF INTEREST**

PENSACOLA, FLORIDA – Former federal Bureau of Prisons employee James Lee Bailey, 42, was sentenced yesterday to 27 months in federal prison on charges that he conspired to manipulate the sale of surplus equipment from the UNICOR factory at the Marianna federal prison facility, announced United States Attorney Pamela C. Marsh, Northern District of Florida.

Bailey, a resident of Marianna, had earlier entered guilty pleas to charges of conspiracy to violate the laws of the United States, conflict of interest, deprivation of honest services, money laundering, and making a false statement. Upon completion of his prison sentence, Bailey will be required to serve a term of 3 years supervised release. As part of his sentence, Bailey is required to pay a \$5,000 fine, to forfeit \$25,000, and to pay \$1,900 in special monetary assessments. Bailey was ordered to surrender on February 7, 2011 to begin serving his sentence.

The superseding indictment alleged that between 2004 and 2007, Bailey and Marianna business man Lee J. Temples maintained an undisclosed business relationship involving Fast-Lane Computers and E-Surplus Solutions. In James Lee Bailey's position as the factory manager and industrial specialist at the UNICOR computer recycling factory in Marianna, Florida, he was responsible for eBay sales of surplus computer equipment. Temples, his cousin, became the exclusive eBay contractor for UNICOR and was responsible for selling recycled UNICOR computers and equipment from the UNICOR factory in Marianna.

UNICOR is a wholly-owned, self-sustaining Government corporation operated by the Bureau of Prisons (BOP). BOP employees manage UNICOR and supervise BOP inmates who work at UNICOR. The UNICOR operation at Marianna, Florida, is involved in recycling computers and other electronic equipment obtained primarily from local, state, and other federal government agencies. Once the equipment is refurbished by BOP inmates, it is sold at a profit by UNICOR. The superseding indictment alleged that Bailey directed the highest quality equipment to Temples and took steps to eliminate potential competition from other UNICOR contractors. Profits from these arranged sales were split between Bailey and Temples, with Bailey receiving \$253,252 over the course of three years.

U.S. Attorney Marsh praised the work of the Internal Revenue Service Criminal Investigations, the Department of Justice Office of Inspector General, Atlanta Area Office, and the Department of Justice Office of Inspector General, Oversight and Review Division, whose joint investigation led to the conviction and sentence in this case. Ms. Marsh explained, “This investigation required long hours and intense focus to unravel the complexities of the scheme devised by these defendants. Without the dedication and intelligence of the agents and attorneys involved, this fraudulent conduct might have gone unnoticed for years, resulting in additional illegal and corrupt financial gains. The prosecution shows that the Department can and will prosecute anyone where the facts and the law warrant charges. Internal government corruption cannot be tolerated. No one is above the law.” This case was prosecuted by Assistant United States Attorney Stephen Preisser.