

**REPORT TO CONGRESS
ON THE ACTIVITIES AND OPERATIONS
OF THE
PUBLIC INTEGRITY SECTION
FOR 2018**



**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 the Attorney General to report annually to Congress on the operations and activities of the Justice Department's Public Integrity Section. The Report describes the activities of the Public Integrity Section during 2018. It also provides statistics on the nationwide federal effort against public corruption during 2018 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 for 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 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 voter fraud and campaign-financing offenses. The Director of Election Crimes reviews all major election crime investigations throughout the country and all proposed criminal charges relating to election crime.

During the year, the Section maintained a staff of approximately thirty attorneys, including experts in extortion, bribery, election crimes, and criminal conflicts of interest. The Section management included: AnnaLou Tirol, Acting Chief; John D. Keller, Deputy Chief; Todd Gee, Deputy Chief; Robert Heberle, Deputy Chief; and Richard C. Pilger, Director, Election Crimes Branch.

Part I of the Report discusses the operations of the Public Integrity Section and highlights its major activities in 2018. Part II describes significant cases prosecuted by the Section in 2018. Part III presents nationwide data regarding the national federal effort to combat public corruption from 1995 through 2018.

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PART I

OPERATIONAL RESPONSIBILITIES OF THE PUBLIC INTEGRITY SECTION

A. RESPONSIBILITY FOR LITIGATION

The work of the Public Integrity Section focuses on public corruption, that is, crimes involving abuses of the public trust by government officials. Most of the Section's resources are devoted to 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, given 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 generally fall into one of the following categories: recusals by United States Attorneys' Offices, sensitive cases, multi-district cases, referrals from federal agencies, and shared cases. These categories are discussed below.

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, or someone associated with such an official, always has the potential of becoming a high-profile case simply because its focus is on the conduct of a public official. In addition, these cases are often politically sensitive because their ultimate targets tend to be politicians or government officials appointed by politicians.

A successful public corruption prosecution requires both the appearance and the reality of fairness and impartiality. This means that a successful corruption case involves not just a conviction but public perception that the conviction was

warranted, not the result of improper motivation by the prosecutor, and is free of conflicts of interest. In a case in which the local conflict of interest is substantial, the local office is removed from the case by a procedure called recusal. Recusal occurs when the local office either asks to step aside, or is asked to step aside by Department headquarters, 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 involving possible crimes by federal judges almost always require recusals of the local offices for significant policy, as well as practical reasons. Having the case handled outside the local offices eliminates the possible appearance of bias, as well as the practical difficulties and awkwardness that would arise if an office investigating a judge were to appear before the judge on other matters. Thus, as a matter of established Department practice, federal judicial corruption cases generally are handled by the Public Integrity Section.

Similar concerns regarding the appearance of bias also arise when the target of an investigation is a federal prosecutor, a federal investigator, or other employee assigned to work in or closely with a particular United States Attorney's Office. Thus, cases involving United States Attorneys, Assistant 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.

2. Sensitive and Multi-District Cases

In addition to recusals, the Public Integrity Section handles other special categories of cases. At the request of the Assistant Attorney General for the Criminal Division, the Section handles 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 a number of reasons. Because of its importance, a particular case may require close coordination with high-level Department officials. Alternatively, the case may require substantial coordination with other federal agencies in Washington. The latter includes cases involving classified information that require careful coordination with intelligence agencies. Sensitive cases may also include those that are so politically controversial on a local level that they are most appropriately handled in Washington.

In addition to sensitive cases, this category encompasses multi-district cases, that is, cases involving allegations that cross judicial district lines and, as a result, fall under the jurisdiction of two or more United States Attorneys' Offices. In these cases, the Section occasionally is asked to coordinate the investigation among the various United States Attorneys' Offices, to handle a case jointly with one or more United States Attorney's Office, or, when appropriate, to assume operational responsibility for the entire case.

3. Federal Agency Referrals

In another area of major responsibility, the Section handles matters referred 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 (OIGs) of the executive branch agencies, as well as with other agency investigative components, such as the Offices of Internal Affairs and the Criminal Investigative Divisions. In addition, the Section 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 from the various agencies require close consultation with the referring agency's investigative component and prompt prosecutive evaluation.

4. Requests for Assistance/Shared Cases

The final category of cases in which the Section becomes involved is cases that are handled jointly by the Section and a United States Attorney's Office or other component of the Department. 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 this situation the local office may request the assistance of an experienced Section prosecutor to share responsibility for prosecuting the case. On occasion, the Section may also 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 assist with a case initially assigned to another Department component.

B. SPECIAL SECTION PRIORITIES

In addition to the general responsibilities discussed above, in 2018 the Public Integrity Section continued its involvement in a number of priority areas of criminal law enforcement.

1. Election Crimes

One of the Section's law enforcement priorities is its supervision of the Justice Department's nationwide response to election crimes. The prosecution of all forms of election crime is a high Departmental priority, and headquarters' oversight in this area is designed to ensure that the Department's nationwide response to election crime matters is uniform, impartial, and effective. In 1980, the Election Crimes Branch was created within the Section to handle this supervisory responsibility.

The Election Crimes Branch oversees the Department's handling of all election crime allegations other than those involving federal voting rights, which are handled by the Civil Rights Division. Specifically, the Branch provides advice and guidance on three types of election crime cases: (1) vote frauds, such as vote buying and absentee ballot fraud; (2) campaign-financing crimes, most notably under the Federal Election Campaign Act (FECA); and (3) patronage crimes, such as political shakedowns and misuse of federal programs for political purposes. Vote frauds and campaign-financing offenses are the most significant, and 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, including all proposed grand jury investigations and FBI full-field investigations, and all election crime charges proposed by the various United States Attorneys' Offices for legal and factual sufficiency. (Justice Manual 9-85.210.) The Branch is also often consulted before a United States Attorney's Office opens a preliminary investigation into a vote fraud allegation, although this is not required.

In the area of campaign-financing crimes, Department procedures require consultation with headquarters before any investigation, including a preliminary investigation, is commenced by a United States Attorney's Office. (Justice Manual 9-85.210.) The increased coordination with the Section at the initial stage of a

criminal investigation of a FECA matter enables the Department to coordinate, when necessary, with another federal agency, the Federal Election Commission, which has civil enforcement authority over FECA violations.

The Section's consultation responsibility for election matters includes providing advice to prosecutors and investigators regarding the application of federal criminal laws to vote fraud, patronage crimes, and campaign-financing crimes, and the most effective investigative techniques for particular types of election offenses. In addition, the Election Crimes Branch helps draft election crime charges and other pleadings when requested.

The majority of the Branch's consultations are in the following two categories: vote fraud, also known as election fraud or ballot fraud; and campaign financing crimes arising under the FECA. During 2018, the Branch assisted in evaluating allegations, helping to structure investigations, and drafting charges for United States Attorneys' Offices around the country in these areas of law enforcement.

b. Litigation. Section attorneys investigate and 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 or other Department component.

c. District Election Officer Program. The Branch also assists in implementing the Department's long-standing District Election Officer (DEO) Program. This Program is designed to ensure that each of the Department's 94 United States Attorneys' Offices has a trained prosecutor available to oversee the handling of election crime matters within the district and to coordinate district responses with Department headquarters regarding these matters.

The DEO Program involves appointing an Assistant United States Attorney in each federal district to serve a two-year term as a DEO and providing periodic training for the DEOs in the handling of election crime and voting rights matters.

The DEO Program is also a crucial feature of the Department's nationwide Election Day Program, which takes place during the federal general elections held in November of even-numbered years. The Election Day Program ensures that federal prosecutors and investigators are available both at Department headquarters in Washington, DC, and in each district to receive complaints of election irregularities while the polls are open. As part of the Program, press releases are

issued in Washington, DC, and in each district before the November federal elections that advise the public of the Department's enforcement interests in deterring and prosecuting election crimes and protecting voting rights. The press releases also provide contact information for the DEOs, local FBI officials, and Department officials in the Criminal and Civil Rights Divisions at headquarters, who may be contacted on Election Day by members of the public who have complaints of possible vote fraud or voting rights violations.

d. Inter-Agency Liaison with the Federal Election Commission. The Election Crimes Branch is the formal liaison between the Justice Department and the Federal Election Commission (FEC), an independent federal agency that shares enforcement jurisdiction with the Department over willful violations of the Federal Election Campaign Act (FECA). The FEC has exclusive civil jurisdiction over all FECA violations, while the Department has exclusive criminal jurisdiction over FECA crimes.

e. Inter-Agency Liaison with the Office of Special Counsel. 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. §§ 1501-1509, 7321-7326, which may also involve criminal patronage crimes that are within the Department's jurisdiction.

2. 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 misconduct proscribed by one of the federal conflicts of interest statutes, 18 U.S.C. §§ 203-209. These crimes 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. If a civil remedy may be appropriate in lieu of criminal prosecution, the Section or the Inspector General may refer the case to the Civil Division of the Department of Justice for its review.

b. Coordination. The Public Integrity Section works with the United States Office of Government Ethics (OGE) to coordinate conflicts of interest issues with OGE and other executive branch agencies and offices. The purpose of this coordination is to ensure that the overall legislative and enforcement efforts in this area 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 on federal personnel.

C. LEGAL AND TECHNICAL ASSISTANCE

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 federal prosecutors and investigators. They are also available to provide informal advice on investigative methods, charging decisions, and trial strategy in specific cases.

The Section also conducts a public corruption seminar, held annually, at the National Advocacy Center. 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 seminar provides training for federal prosecutors regarding 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.

2. Legal Advisor to the Integrity Committee of the Council of Inspectors General on Integrity and Efficiency

Pursuant to the Inspector General Reform Act of 2008, Pub. L. No. 110-409, 122 Stat. 4302 (Oct. 14, 2008), the designee of the Chief of the Public Integrity Section serves as Legal Advisor to the Integrity Committee of the Council of Inspectors General on Integrity and Efficiency (CIGIE). The CIGIE 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 CIGIE is charged with handling allegations against Inspectors General and senior members of their staff.

In addition, the Integrity Committee is charged with establishing policies and procedures to ensure consistency in conducting administrative investigations. The Committee's procedures, drafted with the assistance of the Public Integrity Section, provide a framework for the investigative function of the Committee. Allegations of wrongdoing by Inspectors General and their senior staff are initially reviewed by an Integrity Committee working group, with assistance from the Public Integrity Section, for potential criminal prosecution. In noncriminal matters, the procedures guide the Committee's process for reviewing or investigating alleged misconduct and for reporting on its findings. The Public Integrity Section also advises the Integrity Committee on matters of law and policy relating to its investigations.

3. Legislative Activities

An important responsibility of the Public Integrity Section is the review of proposed legislation that may affect, directly or indirectly, the investigation and prosecution of public officials and those who seek to corrupt these officials. The Section is often called upon to comment on legislation proposed by Congress, by the Administration, or by other departments of the executive branch; to draft or review testimony for congressional hearings; and to respond to congressional inquiries concerning legislative proposals. On occasion, the Section drafts legislative proposals relating to various corruption matters.

4. 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 a sensitive public corruption case, 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 prosecution.

The Section also has considerable expertise in the supervision of the use of undercover operations in serious corruption cases. The Section serves on the FBI's Criminal Undercover Operations Review Committee. 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 this sensitive investigative technique effectively and to advise law enforcement personnel on its use.

5. International Advisory Responsibilities

The Public Integrity Section actively participates in the area of international law enforcement. The Section regularly provides briefings and training on United States public corruption issues to visiting foreign delegations and continues the efforts of the United States to assist foreign countries in their quest to combat public corruption and election crime in their respective countries. This assistance includes participation in international proceedings and coordination with other components of the Justice Department and the State Department on the Administration's positions in this area.

Section experts continue to address visiting foreign officials in investigations and prosecutions of public corruption. These presentations are generally conducted under the auspices of the State Department's Foreign Visitor Program and the Justice Department's Office of Overseas Prosecutorial Development, Assistance, and Training. During 2018, the Section made presentations to officials from, the Czech Republic, Germany, Italy, Mongolia, Romania, Serbia, and Sri Lanka.

PART II

PUBLIC INTEGRITY SECTION INDICTMENTS AND PROSECUTIONS IN 2018

INTRODUCTION

As described in Part I, the Public Integrity Section's role in the prosecution of public corruption cases ranges from sole operational responsibility for the entire case to approving an indictment or to providing advice on the drafting of charges. Part II of the Report provides examples of noteworthy public corruption cases for which the Section had either sole or shared operational responsibility during 2018.

In 2018, the Section's case work resulted in numerous guilty pleas, as well as several trial convictions in Arkansas, the District of Columbia, Pennsylvania, Texas and the Virgin Islands. The Section tried six cases in 2018 resulting in the convictions of seven defendants.

The descriptions of the Section's significant cases for calendar year 2018 are separated into categories, based on the branch or level of government affected by the corruption. Election crime cases are grouped separately. Unrelated cases in each category are separated by triple lines. When a conviction but not a sentencing took place in 2018, the sentencing may be reported in this report or in a later year's report.

FEDERAL JUDICIAL BRANCH

The Public Integrity Section has sole responsibility for the investigation and prosecution of federal judges due to the potential appearance issues that might arise if a local United States Attorney's Office were to investigate an allegation of wrongdoing by a judge before whom that United States Attorney's Office appears on a regular basis. The investigation of allegations of criminal wrongdoing in the federal judicial branch is a very sensitive matter. These investigations may involve intrusions into pending federal cases, cooperation from parties or witnesses who are appearing before the court, or potential disruption of the normal judicial process. In addition, the Section must coordinate closely with supervisory judges and the Administrative Office of United States Courts to facilitate the assignment of magistrates and judges from outside of the judicial district to handle requests during the investigation, such as grand jury supervision, or applications for warrants or electronic surveillance. The Public Integrity Section has developed substantial experience and expertise in these matters over the years. During 2018, the Section brought no cases involving the federal judicial branch.

FEDERAL LEGISLATIVE BRANCH

The Public Integrity Section plays a central role in the effort to combat corruption in the federal legislative branch. These cases raise unique issues of inter-branch comity, and they are always sensitive given the high-profile stature of elected officials. The Section has developed substantial expertise regarding the unique protections provided to Members of Congress and their staff by the Speech or Debate Clause set forth in Article I of the Constitution and has worked closely and effectively with House and Senate counsel and the Ethics Committees in both houses. Department procedures require consultation with the Section in all investigations involving a Member of Congress or a congressional staff member. (Justice Manual 9-85.110.) In addition to handling its own cases, the Section routinely provides advice and guidance to prosecutors across the country regarding these sensitive investigations. During 2018, the Section handled a number of cases involving legislative branch corruption, including the cases described below.

United States v. Kemal Oksuz, District of Columbia

Kemal Oksuz, the former president of a Texas-based non-profit organization pleaded guilty on December 1, 2018, to one count of devising a scheme to falsify, conceal and cover up material facts from the U.S. House of Representatives Committee on Ethics. According to admissions made in connection with his guilty plea, Oksuz lied on disclosure forms filed with the Committee prior to, and following, a privately sponsored Congressional trip to Azerbaijan. Oksuz falsely represented and certified on required disclosure forms that the Turquoise Council of Americans and Eurasians, the non-profit of which Oksuz was president, had not accepted funding for the Congressional trip from any outside sources. During his plea, Oksuz admitted to orchestrating a scheme to funnel money to fund the trip from the State Oil Company of Azerbaijan Republic, the wholly state-owned national oil and gas company of Azerbaijan. Oksuz admitted to then concealing the true source of funding, which violated House travel regulations. Oksuz was extradited from Armenia where he was detained by authorities, pursuant to a warrant that was issued for his arrest.

United States v. Stephen E. Stockman, Southern District of Texas

Former U.S. Representative Stephen E. Stockman was convicted by a federal jury in Houston on April 12, 2018, of 23 counts of mail fraud, wire fraud, conspiracy to make conduit contributions and false statements to the Federal Election Commission (“FEC”), making false statements to the FEC, making excessive coordinated campaign contributions, money laundering, and filing a false tax return. Two of Stockman’s former congressional staffers, Thomas Dodd, and Jason Posey previously pleaded guilty in the case on March 2, 2017, and October 11, 2017, respectively.

According to the evidence presented at trial, from May 2010 to February 2014, Stockman and his co-defendants solicited approximately \$1.25 million in donations from charitable organizations and the individuals who ran those organizations based on false pretenses, then used a series of sham nonprofit organizations and dozens of bank accounts to launder the money before it was used for a variety of personal and campaign expenses.

Specifically, the evidence established that in 2010, Stockman and Dodd solicited an elderly donor in Baltimore, Maryland for \$285,000 to be used for legitimate charitable and educational purposes. Stockman and Dodd used a sham charity named the Ross Center to funnel the money to be used for a variety of personal expenses. The evidence further established that, in 2011 and 2012, Stockman and Dodd received an additional \$165,000 in charitable donations from the Baltimore donor, much of which Stockman used illegally to finance his 2012 congressional campaign. The trial evidence also showed that shortly after Stockman took office as a Member of the U.S. House of Representatives in 2013, he and Dodd fraudulently used the name of another nonprofit entity, Life Without Limits, to solicit and receive a \$350,000 charitable donation, to be used to create an educational center called the Freedom House. Stockman, Dodd, and Posey instead used this donation for a variety of personal and campaign expenses, including illegal conduit campaign contributions, a covert surveillance project targeting a perceived political opponent, an inpatient alcoholism treatment for an associate, and payments for hundreds of thousands of robocalls and mailings promoting Stockman’s candidacy for U.S. Senate in early 2014.

In addition, the evidence established that, in connection with Stockman’s Senate campaign, Stockman and Posey used another sham nonprofit entity to secure an approximately \$450,000 donation in order to fund a purportedly legitimate independent expenditure promoting Stockman’s candidacy. The evidence showed

that the purportedly independent expenditure was in fact secretly controlled by Stockman, who directed his campaign and Posey to file false affidavits with the FEC covering up Stockman's involvement. Finally, the evidence at trial demonstrated that Stockman failed to pay taxes on any of the approximately \$1.25 million in fraudulently acquired donations. In addition, during the early stages of the investigation, Stockman directed Posey to flee to Cairo, Egypt, for two and a half years so that Posey could avoid questioning by law enforcement.

Stockman was sentenced to 120 months in prison on November 7, 2018, and was ordered to pay \$1,014,718.51 in restitution. Dodd was sentenced to 18 months in prison and ordered to pay \$800,000 in restitution. Posey was sentenced to 18 months in prison and ordered to pay and \$564,719.65 in restitution.

FEDERAL EXECUTIVE BRANCH

The Public Integrity Section frequently receives allegations of corruption in the executive branch from federal law enforcement agencies, including the FBI, the Inspectors General for the various departments and agencies, and United States military investigators. These matters involve a careful balancing of the requirements of a criminal investigation and the operational needs of the executive offices involved. During 2018, the Section handled a number of cases involving executive branch corruption, several of which are described below.

United States v. Lynn M. Morris, Southern District of California

Lynn M. Morris, a former paralegal specialist for the San Diego Division of the Federal Bureau of Investigation, pleaded guilty on March 7, 2018, to one count of embezzlement of government funds. According to documents submitted in connection with her plea, between July 2014 and November 2016, Morris embezzled approximately \$159,821.90 that belonged to the United States and converted the funds for her own personal use. The funds were held in an account owned by the FBI San Diego Division's Asset Forfeiture Unit (AFU), where Morris was a paralegal specialist and the AFU's designated coordinator. The court found that Morris also embezzled \$92,010.92 from an additional AFU account and stole \$26,351.10 from FBI evidence rooms. Morris admitted to converting government funds to her own use, she used her knowledge and position within the FBI to withdraw cash from the AFU's account undetected and deposited portions of the stolen proceeds into her personal checking account. Morris was sentenced to 24 months in prison on November 5, 2018, and ordered to pay \$278,000 in restitution.

United States v. Raphael Sanchez, Western District of Washington

Raphael Sanchez, a former Chief Counsel of the U.S. Immigration and Customs Enforcement's (ICE) Office of Principal Legal Advisor pleaded guilty on Feb. 24, 2018, to one count of wire fraud and one count of aggravated identity theft. Sanchez, who was responsible for immigration removal proceedings in Alaska, Oregon and Washington, admitted in his plea agreement that he intentionally devised

a scheme to defraud aliens in various stages of immigration removal proceedings with ICE. Sanchez used the personally identifiable information of those aliens to open lines of credit and personal loans in their names, manipulate their credit bureau files, transfer funds to himself and to purchase personal goods for himself using credit cards issued in their names.

Sanchez admitted that he obtained the information of the victims by using ICE's official computer database systems and by accessing their official, hard-copy immigration files. He then used his work computer to forge identification documents, including Social Security cards and Washington State driver's licenses, in the victims' names. Sanchez used these forged documents to open credit card and bank accounts subject to his own control in the names of the victims. To further the scheme, Sanchez listed his residence as the victims' home addresses on account paperwork. In some cases, he created public utility account statements in their names to provide the necessary proof of residence to open lines of credit in their names or to conceal the scheme. He also opened e-mail and online financial accounts in the names of several victims and manufactured a false earnings-and-leave statement in the name of a victim and registered a car in her name.

Sanchez made charges or drew payments totaling more than \$190,000 in the names of victims to himself or entities that he controlled, often mobile point-of-sale devices to process the fraudulent transactions. Sanchez also employed credit-monitoring services and corresponded with credit bureaus in the names of victims to conceal his fraud scheme. Sanchez also claimed three victims as relative dependents on his tax returns for 2014, 2015, and 2016.

Sanchez was sentenced to 48 months in prison on June 28, 2018, and ordered to pay \$190,345.63 in restitution.

STATE AND LOCAL CORRUPTION

The Public Integrity Section plays a major role in combating corruption at all levels of government, including corruption relating to state or local public officials. During 2018, the Section handled a number of cases involving state and local corruption, several of which are described below.

United States v. Jonathan E. Woods and Randell G. Shelton, Jr., Eastern District of Arkansas

Jonathan E. Woods, a former Arkansas State Senator, was convicted on May 3, 2018, of one count of conspiracy to commit honest services mail and wire fraud, 12 counts of honest services wire fraud, one count of honest services mail fraud and one count of money laundering. Randell G. Shelton Jr., was convicted of one count of conspiracy to commit honest services mail and wire fraud, 10 counts of honest services wire fraud and one count of honest services mail fraud.

According to the evidence presented at trial, Woods served as an Arkansas State Senator from 2013 to 2017. Between approximately 2013 and 2015, Woods used his official position as a senator to appropriate and direct state government money, known as General Improvement Funds (GIF), to two non-profit entities by, among other things, directly authorizing GIF disbursements to the non-profits and advising other Arkansas legislators, including former State Representative Micah Neal, to do the same. Specifically, Woods and Neal authorized and directed the Northwest Arkansas Economic Development District, which was responsible for disbursing GIF money, to award a total of approximately \$600,000 in GIF money to the two non-profit entities. The evidence further showed that Woods and Neal received bribes from officials at both non-profits, including Oren Paris III, who was the president of a college. Woods initially facilitated \$200,000 of GIF money to the college and later, together with Neal, directed another \$200,000 to the college, all in exchange for kickbacks. To pay and conceal the kickbacks to Woods and Neal, Paris paid a portion of the GIF money to Shelton's consulting company. Shelton then kept a portion of the money and paid the other portion to Woods and Neal. Paris also bribed Woods by hiring Woods's friend to an administrative position at the college.

Neal previously pleaded guilty in 2017 to one count of conspiracy to commit honest services fraud and was sentenced to 36 months in prison and ordered to pay \$200,000 in restitution. Paris pleaded guilty on April 5, 2018, to one count of honest services wire fraud and was sentenced to 36 months in prison and ordered to pay \$621,500 in restitution.

Woods was sentenced to 220 months in prison on September 5, 2018, and ordered to pay \$1,621,500 in restitution and to forfeit \$1,097,005. Shelton was sentenced to 72 months in prison on September 13, 2018, and ordered to pay \$660,698 in restitution and to forfeit \$664,000.

United States v. Wayne James, District of the Virgin Islands

Wayne James, a former senator for the U.S. Virgin Islands, was convicted on August 16, 2018, of two counts of wire fraud and one count of theft of federal program funds. From January 2009 through January 2011, James served as a senator for the U.S. Virgin Islands. According to the evidence admitted at trial, in or about April 2009, James began submitting requests for funds to the Legislature of the U.S. Virgin Islands, ostensibly to pay for research, copying, and translation of historical documents housed at the Danish National Archives related to the Fireburn, a revolt against slave labor that took place in the Virgin Islands in 1878. Although James initially used some of the requested funds to pay for the research project, he soon began to take money for himself for his own personal use. By 2010, James was fabricating entire invoices and simply stealing the money. In all, James caused the Legislature to pay him over \$90,000, approximately \$70,000 of which he took to pay his re-election campaign expenses and other personal expenses after his legislative salary was garnished from a tax levy of more than \$197,000.

United States v. James King, District of Columbia

James King, a former U.S. Department of Veterans Affairs (“VA”) official, pleaded guilty on October 26, 2018, to one count of honest services and money/property wire fraud, one count of bribery, and one count of falsifying records to obstruct an administrative investigation. According to admissions made in connection with his plea, King admitted to demanding and receiving bribes from three for-profit schools in exchange for enrolling disabled military veterans in those

schools and facilitating over \$2 million in payments from the VA using the veterans' federal benefits.

From 2015 through 2017, King was a counselor for the VA's Vocational Rehabilitation and Employment ("VR&E") program, which provides disabled U.S. military veterans with education and employment-related services. VR&E program counselors advise veterans under their supervision which schools to attend and facilitate payments to those schools for tuition and supplies. According to admissions made during his plea, King used that position to demand and receive cash bribes in exchange for directing students and facilitating VA payments to the schools. King admitted that all three school owners sent King false information about the education being provided to veterans, and King facilitated the VA payments knowing that this information was false. King also admitted to repeatedly lying to veterans under his supervision in order to convince them to attend the schools.

In addition to King, three others have pleaded guilty in connection with this scheme. On April 16, 2018, Albert S. Poawui, the owner of Atius Technology Institute, pleaded guilty to one count of bribing a public official. Sombo Kanneh, the Atius financial manager, pleaded guilty on April 19, 2018, to one count of conspiracy to bribe a public official. On July 17, 2018, Michelle Stevens, the owner of Eelon Training Academy, pleaded guilty to one count of bribing a public official.

FEDERAL ELECTION CRIMES

As described in Part I, during 2018, the Public Integrity Section continued its nationwide oversight of the handling of election crime investigations and prosecutions. Set forth below are examples of the Section's 2018 casework in this area.

United States v. Gerald Lundergan and Dale Emmons, Eastern District of Kentucky

Gerald Lundergan, former president of a Kentucky-based corporation, and Dale Emmons, a consultant, were indicted on August 31, 2018, for using corporate funds to make contributions to the campaign of a candidate for U.S. Senate and for causing the concealment of those contributions from the Federal Election Commission ("FEC").

The indictment alleges that Lundergan used the corporate funds of S.R. Holding Company Inc. ("S.R. Holding") to pay for services provided by consultants and vendors to a campaign for U.S. Senate in the 2014 election cycle. The indictment also alleges that Lundergan and another S.R. Holding employee issued a number of payments from S.R. Holding funds for services that included audio-video production, lighting, recorded telephone calls, and campaign consulting between July 2013 and December 2015. The payments as alleged in the indictment totaled \$194,270.39.

According to the allegations in the indictment, these payments included \$119,145.45 in S.R. Holding corporate funds paid to Emmons and his consulting company during this period for services rendered to the campaign. Emmons also used his corporation, Emmons & Company Inc., to pay other vendors and a campaign worker for services rendered to the campaign. Over time, according to the indictment, Emmons paid \$38,603.80 to these vendors for recorded telephone calls, technological support services, and other campaign-related expenses. The indictment alleges that Lundergan and Emmons concealed these activities from other officials associated with the campaign, thus causing the campaign to unwittingly file false reports with the FEC that failed to disclose the source and amount of the corporate contributions.

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 the United States Attorneys' Offices and from 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 Tables I through III include all public corruption prosecutions within each district including cases handled by the United States Attorneys' Offices and the Public Integrity Section.*

LIST OF TABLES

- TABLE I:** Nationwide Federal Prosecutions of Public Corruption in 2018
- TABLE II:** Progress Over the Past Two Decades: Nationwide Federal Prosecutions of Public Corruption
- TABLE III:** Federal Public Corruption Convictions by District Over the Past Decade

TABLE I
NATIONWIDE FEDERAL PROSECUTIONS
OF CORRUPT PUBLIC OFFICIALS
IN 2018

Federal Officials	
Charged	275
Convicted	250
Awaiting Trial	165

State Officials	
Charged	85
Convicted	72
Awaiting Trial	59

Local Officials	
Charged	171
Convicted	175
Awaiting Trial	110

Others Involved	
Charged	234
Convicted	198
Awaiting Trial	145

Totals	
Charged	765
Convicted	695
Awaiting Trial	479

TABLE II

**PROGRESS OVER THE LAST TWO DECADES:
FEDERAL PROSECUTIONS BY UNITED STATES ATTORNEYS' OFFICES
OF CORRUPT PUBLIC OFFICIALS**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
FEDERAL OFFICIALS										
Charged	480	441	502	478	479	424	445	463	426	518
Convicted	460	422	414	429	421	381	390	407	405	458
Awaiting Trial as of 12/31	101	92	131	119	129	98	118	112	116	117
LOCAL OFFICIALS										
Charged	115	92	95	110	94	111	96	101	128	144
Convicted	80	91	61	132	87	81	94	116	85	123
Awaiting Trial as of 12/31	44	37	75	50	38	48	51	38	65	61
PRIVATE CITIZENS INVOLVED IN PUBLIC CORRUPTION OFFENSES										
Charged	302	256	266	249	318	410	313	295	303	355
Convicted	306	242	261	188	241	306	311	266	249	302
Awaiting Trial as of 12/31	89	109	121	126	139	168	136	148	179	184
TOTALS										
Charged	1134	1,000	1,087	1,136	1,150	1,213	1,163	1,150	1,141	1,304
Convicted	1065	938	920	1,011	868	1,020	1,027	1,030	1,014	1,129
Awaiting Trial as of 12/31	329	327	437	413	412	419	453	439	487	489

TABLE II (continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
FEDERAL OFFICIALS											
Charged	425	422	412	381	337	364	458	354	383	275	8,467
Convicted	426	397	392	369	315	364	402	326	334	250	7,762
Awaiting Trial as of 12/31	107	103	110	108	113	111	153	170	169	165	X
STATE OFFICIALS											
Charged	93	168	93	100	133	80	123	139	63	85	2,163
Convicted	102	108	143	78	119	109	97	125	68	72	1,971
Awaiting Trial as of 12/31	57	105	41	68	68	33	66	74	53	59	X
LOCAL OFFICIALS											
Charged	270	296	282	319	334	231	259	234	223	171	5,288
Convicted	257	280	276	295	303	252	200	213	208	175	4,672
Awaiting Trial as of 12/31	148	146	127	135	149	100	135	148	150	110	X
PRIVATE CITIZENS INVOLVED IN PUBLIC CORRUPTION OFFENSES											
Charged	294	298	295	278	330	241	262	255	194	234	5,748
Convicted	276	251	296	318	300	264	205	222	227	198	5,229
Awaiting Trial as of 12/31	161	200	191	144	169	106	150	177	149	145	X
TOTALS											
Charged	1082	1184	1082	1078	1134	916	1102	982	863	765	21,666
Convicted	1061	1036	1107	1060	1037	989	904	886	837	695	19,634
Awaiting Trial as of 12/31	473	554	469	455	499	350	504	569	521	479	X

TABLE III

**UNITED STATES ATTORNEYS' OFFICES
FEDERAL PUBLIC CORRUPTION CONVICTIONS
BY DISTRICT OVER THE PAST DECADE**

U.S. Attorney's Office	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
Alabama, Middle	5	1	9	8	9	8	6	2	4	3	55
Alabama, Northern	18	11	14	13	12	11	13	8	7	11	118
Alabama, Southern	5	3	0	1	2	0	1	0	0	0	12
Alaska	1	9	4	4	2	1	4	4	1	0	30
Arizona	19	16	18	34	40	29	18	8	18	29	229
Arkansas, Eastern	2	11	7	12	4	3	10	14	15	2	80
Arkansas, Western	1	6	1	3	0	2	3	0	1	4	21
California, Central	43	29	27	39	19	66	53	32	23	13	344
California, Eastern	15	12	20	4	4	10	12	14	12	8	111
California, Northern	2	3	3	7	3	9	12	8	12	4	63
California, Southern	9	0	2	39	37	10	7	10	13	7	134
Colorado	14	6	6	9	3	2	0	3	1	6	50
Connecticut	2	4	0	8	13	9	6	0	0	1	43
Delaware	1	1	2	3	5	0	1	0	2	0	15
District of Columbia	28	41	39	47	18	15	8	7	10	19	232
Florida, Middle	30	18	24	25	20	28	27	10	24	14	220
Florida, Northern	27	13	3	9	8	9	14	8	9	5	105
Florida, Southern	12	21	13	28	21	27	42	38	26	39	267
Georgia, Middle	3	0	11	11	9	10	11	2	6	1	64
Georgia, Northern	21	32	32	27	11	33	22	67	24	19	288
Georgia, Southern	1	5	2	4	7	4	1	4	5	2	35
Guam & NMI	6	3	5	1	2	3	10	1	0	2	33
Hawaii	1	0	3	2	0	4	5	0	2	2	19

TABLE III (continued)

U.S. Attorney's Office	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
Idaho	1	0	3	6	4	1	3	4	1	7	30
Illinois, Central	6	0	2	1	6	10	0	1	4	0	30
Illinois, Northern	47	46	30	36	45	18	16	30	25	13	306
Illinois, Southern	5	6	9	7	18	4	3	4	5	5	66
Indiana, Northern	10	4	4	25	15	7	7	10	5	5	92
Indiana, Southern	8	8	2	7	8	10	5	10	4	4	66
Iowa, Northern	0	0	2	1	1	2	4	3	2	0	15
Iowa, Southern	4	11	1	3	2	2	2	6	2	2	35
Kansas	4	5	9	8	4	2	2	0	2	12	48
Kentucky, Eastern	22	28	25	19	12	15	10	17	15	7	170
Kentucky, Western	19	6	13	13	3	4	3	3	6	2	72
Louisiana, Eastern	20	26	29	29	20	10	12	16	14	11	187
Louisiana, Middle	10	4	13	4	5	7	9	3	9	0	64
Louisiana, Western	14	25	9	19	25	4	6	22	9	10	143
Maine	5	1	4	2	2	3	4	5	0	1	27
Maryland	32	21	58	26	47	38	31	23	80	17	373
Massachusetts	28	27	19	13	22	18	16	17	19	11	190
Michigan, Eastern	7	14	18	17	19	13	4	25	20	24	161
Michigan, Western	11	16	6	0	0	6	2	9	7	3	60
Minnesota	13	6	8	0	6	5	4	5	3	3	53
Mississippi, Northern	13	9	4	9	11	8	3	4	3	3	67
Mississippi, Southern	2	15	13	0	7	10	8	3	6	4	68
Missouri, Eastern	16	11	10	11	10	10	5	6	3	6	88
Missouri, Western	8	14	4	10	0	9	6	12	11	15	89
Montana	7	10	5	2	5	27	8	26	19	10	119

TABLE III (continued)

U.S. Attorney's Office	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
Nebraska	2	4	2	3	3	4	3	6	8	14	49
Nevada	7	4	6	6	2	6	0	0	1	5	37
New Hampshire	1	1	0	0	0	0	0	1	1	0	4
New Jersey	44	47	28	27	30	33	23	28	21	31	312
New Mexico	9	7	4	4	2	10	12	4	6	1	59
New York, Eastern	12	12	10	13	5	9	28	8	12	16	125
New York, Northern	2	3	3	5	1	0	4	2	1	2	23
New York, Southern	9	12	24	21	13	13	19	20	15	33	179
New York, Western	15	10	15	18	7	19	17	18	18	2	139
North Carolina, Eastern	4	9	10	4	10	6	13	15	5	16	92
North Carolina, Middle	3	7	1	0	2	0	0	0	0	1	14
North Carolina, Western	2	2	2	0	7	2	4	2	4	3	28
North Dakota	0	6	2	2	0	0	1	0	2	3	16
Ohio, Northern	49	65	28	16	8	11	18	13	12	8	228
Ohio, Southern	7	0	3	9	11	9	12	1	0	2	54
Oklahoma, Eastern	0	3	11	9	14	11	10	4	12	4	78
Oklahoma, Northern	12	2	2	5	3	4	4	5	0	5	42
Oklahoma, Western	10	9	11	12	5	7	6	4	9	4	77
Oregon	5	1	7	2	3	4	3	0	1	5	31
Pennsylvania, Eastern	20	23	23	30	29	36	27	26	26	29	269
Pennsylvania, Middle	16	25	7	7	0	1	14	3	14	7	94
Pennsylvania, Western	5	6	7	10	10	6	8	3	8	4	67
Puerto Rico	28	17	130	30	19	47	13	41	13	28	366
Rhode Island	1	3	8	2	8	4	3	0	1	0	30

TABLE III (continued)

U.S. Attorney's Office	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
South Carolina	7	2	11	2	5	7	3	6	0	7	50
South Dakota	8	9	8	9	3	1	6	1	15	6	66
Tennessee, Eastern	7	4	8	10	8	11	8	4	2	5	67
Tennessee, Middle	4	3	1	9	4	0	5	7	5	5	43
Tennessee, Western	10	14	8	12	18	8	21	9	10	13	123
Texas, Eastern	5	4	2	0	3	6	3	4	4	0	31
Texas, Northern	41	17	19	28	27	39	48	49	18	8	294
Texas, Southern	26	23	43	26	83	29	11	3	12	6	262
Texas, Western	27	27	24	47	53	28	29	30	33	8	306
Utah	3	1	2	1	3	2	0	2	1	0	15
Vermont	0	2	5	3	1	1	1	0	0	0	13
Virgin Islands	0	7	3	0	5	2	1	0	0	4	22
Virginia, Eastern	57	60	57	41	53	34	40	32	32	16	422
Virginia, Western	5	2	0	0	3	5	8	4	3	0	30
Washington, Eastern	0	0	2	0	0	0	0	7	1	0	10
Washington, Western	3	8	5	7	5	7	5	9	7	7	63
West Virginia, Northern	2	6	4	4	7	18	3	3	3	2	52
West Virginia, Southern	2	3	1	3	4	4	2	1	4	11	35
Wisconsin, Eastern	4	5	5	8	6	4	5	3	2	8	50
Wisconsin, Western	5	2	5	6	7	5	2	4	6	0	42
Wyoming	2	1	5	3	3	0	0	0	0	0	14