

Fighting Public Corruption

in the

United States

Compiled and Edited by

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About the Editor

Michael Erbschloe has worked for over 30 years performing analysis of the economics of information technology, public policy relating to technology, and utilizing technology in reengineering organization processes. He has authored several books on social and management issues of information technology that were published by McGraw Hill and other major publishers. He has also taught at several universities and developed technology-related curriculum. His career has focused on several interrelated areas:

- Technology strategy, analysis, and forecasting
- Teaching and curriculum development
- Writing books and articles
- Publishing and editing
- Public policy analysis and program evaluation

Books by Michael Erbschloe

Extremist Propaganda in Social Media: A Threat to Homeland Security (CRC Press)

Threat Level Red: Cybersecurity Research Programs of the U.S. Government (Auerbach Publications)

Social Media Warfare: Equal Weapons for All (Auerbach Publications)

Walling Out the Insiders: Controlling Access to Improve Organizational Security (Auerbach Publications)

Physical Security for IT (Elsevier Science)

Trojans, Worms, and Spyware (Butterworth-Heinemann)

Implementing Homeland Security in Enterprise IT (Digital Press)

Guide to Disaster Recovery (Course Technology)

Socially Responsible IT Management (Digital Press)

Information Warfare: How to Survive Cyber Attacks (McGraw Hill)

The Executive's Guide to Privacy Management (McGraw Hill)

Net Privacy: A Guide to Developing & Implementing an e-business Privacy Plan (McGraw Hill)

U.S. Department of Justice

The prosecution of public corruption is a top priority for the U.S. Attorney's offices. Public corruption is a breach of the public's trust by government officials who use their public office to obtain personal gain. It is a violation of federal law for any federal, state, or local government official to ask for or receive anything of value in exchange for, or because of, any official act. Under federal law, any person who offers or pays a bribe is also guilty. These crimes are the result of secret deals, sealed with whispered conversations, quick handshakes, and money paid "under the table." Because of the secretive nature of bribes and shady deals, such crimes are often difficult to detect and even more difficult to prove without the assistance of concerned citizens. As a result, the Federal Bureau of Investigation has established a task force to target public corruption.

The Public Integrity Section in the U.S. Department of Justice (DOJ) 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.

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.

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.

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.

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.

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. (United States Attorneys' 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. U.S.A.M. 9-85-5210. 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 2017, 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.

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.

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.

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.

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.

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 2017, the Section made presentations to officials from Afghanistan, Algeria, Argentina, Austria, Belize, Brazil, Burma, Colombia, the Czech Republic, Egypt, Guatemala, Italy, Kenya, Kosovo, Kuwait, Latvia, Lesotho, Malaysia, Namibia, Nigeria, Papua New Guinea, Peru, Serbia, Sri Lanka, Taiwan, Trinidad and Tobago, Tunisia, Uganda, Ukraine, and Uzbekistan.

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. In addition to handling its own cases, the Section routinely provides advice and guidance to prosecutors across the country regarding these sensitive investigations. During 2017, the Section handled a number of cases involving legislative branch corruption, including one described below.

United States v. Corrine Brown, et al., Middle District of Florida: Former U.S. Congresswoman Corrine Brown was convicted by a federal jury in Jacksonville, Florida, on May 11, 2017, for her role in a conspiracy and fraud scheme involving a fraudulent scholarship charity. Brown was convicted on 18 counts of an indictment charging her with participating in a conspiracy involving a fraudulent education charity, concealing material facts on required financial disclosure forms, obstructing the due administration of the internal revenue laws and filing false tax returns. Brown's co-conspirators, Elias "Ronnie" Simmons, Brown's long-time Chief of Staff, and Carla Wiley, the president of the fraudulent charity, previously pleaded guilty to their roles in the education charity scheme on February 8, 2017, and March 3, 2016, respectively.

Evidence at trial showed that between late 2012 and early 2016, Brown participated in a conspiracy and fraud scheme involving One Door for Education – Amy Anderson Scholarship Fund (One Door) in which Brown, Simmons, Wiley 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 charitable causes. Donors were misled to believe that One Door was a properly registered 501(c)(3) non-profit organization. Brown, Simmons, Wiley and others used the vast majority of One Door donations for their personal and professional benefit. According to evidence presented at trial,

despite raising over \$800,000 in donations, One Door granted only two scholarships totaling \$1,200. Additionally, the trial evidence demonstrated that Brown failed to disclose the reportable income she received from One Door and falsely claimed deductions on her tax returns for donations that she did not make.

Brown was sentenced to 60 months in prison; Elias “Ronnie” Simmons was sentenced to 48 months in prison; and Carla Wiley was sentenced to 21 months in prison. Brown and Wiley were ordered to forfeit \$654,292.39, and Simmons was ordered to forfeit \$727,964.90. All three defendants were ordered to pay total restitution of \$452,515.87 to victims of the fraud scheme. Brown was ordered to pay an additional \$62,650.99 in restitution to the Internal Revenue Service, and Simmons was ordered to pay an additional \$91,621.38 in restitution to the U.S. House of Representatives.

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 2017, the Section handled a number of cases involving executive branch corruption, several of which are described below.

United States v. Christopher Ciccione, et al., Southern District of Florida: Christopher Ciccione, a former U.S. Homeland Security Investigations (HSI) Special Agent, pleaded guilty on November 30, 2017, to accepting bribes in exchange for orchestrating, through multiple misrepresentations to numerous government agencies, the dismissal of a drug trafficking indictment filed against a fugitive Colombian narcotics kingpin.

According to admissions in his plea agreement, Ciccione accepted cash and other things of value and used his official position to cause a drug trafficking indictment against Colombian national Jose Bayron Piedrahita to be dismissed and to obtain official authorization for Piedrahita and his family to enter the United States. Piedrahita and Colombian national Juan Carlos Velasco Cano gave Ciccione approximately \$20,000 in cash, as well as dinner, drinks, and prostitution during an extended hotel stay in Bogota, Colombia, in exchange for official acts that resulted in the dismissal of the indictment against Piedrahita. Velasco pleaded guilty on November 3, 2017, to his role as the intermediary between Ciccione and Piedrahita.

Ciccione admitted that, in furtherance of this scheme to obstruct justice, he misled the U.S. Attorney’s Office and HSI management and altered law enforcement records to represent to decision makers that Piedrahita was a “former” suspect of a closed investigation rather than a “current” subject, was “never positively identified,” and that his case should be dismissed—all while maintaining contact with Piedrahita. Ciccione also falsified the concurrence of several other federal agents and attempted to parole Piedrahita into the United States. Piedrahita is currently incarcerated in the Republic of Colombia. Velasco was sentenced to 27 months in prison, and Ciccione was sentenced to 36 months in prison.

United States v. Carla Sena, District of New Mexico: On December 5, 2017, Carla Sena, a former procurement officer employed by Sandia Corporation, pleaded guilty to one count of wire fraud and one count of money laundering for orchestrating a scheme to fraudulently obtain a \$2.3 million federal contract. Sena’s employer, Sandia Corporation, managed and operated Sandia National Laboratories (SNL), a nuclear research and development facility owned by the federal government under sponsorship of the U.S. Department of Energy.

According to admissions in her plea agreement, in late 2010, Sena managed the bidding process for the award of a multi-million-dollar contract for moving services at SNL. Sena admitted that, in anticipation of the bidding process for this contract, she created the company, New Mexico Express Movers LLC (Movers LLC), to which she eventually awarded the multi-million-dollar contract. In order to conceal her involvement, Sena prepared a bid for Movers LLC containing fraudulent misrepresentations and submitted the bid under the name of an individual who had no knowledge of Movers LLC or Sena's scheme. Sena also admitted that she used her position as a procurement officer with SNL to access inside information and competing bidders' documents that she leveraged in the Movers LLC bid.

As a direct result of Sena's fraudulent scheme, Movers LLC received approximately \$2.3 million in federal funds between May 2011 and April 2016. Sena also admitted that, between October 2011 and April 2015, she transferred via negotiated checks at least \$643,000 of the fraudulently obtained proceeds to businesses owned by her father with the intent to conceal the source and control of those funds and her subsequent personal gain from the proceeds. Sena was sentenced to 30 months in prison.

The Federal Bureau of Investigation (FBI)

Public corruption, the FBI's top criminal investigative priority, poses a fundamental threat to national security and the American way of life. It can affect everything from how well borders are secured and neighborhoods protected to how verdicts are handed down in courts to how public infrastructure such as roads and schools are built. It also takes a significant toll on the public's pocketbooks by siphoning off tax dollars—it is estimated that public corruption costs the U.S. government and the public billions of dollars each year. The FBI is uniquely situated to combat corruption, with the skills and capabilities to run complex undercover operations and surveillance. For example, on October 10, 2010, 89 law enforcement officers and 44 others were arrested and charged in Puerto Rico as part of Operation Guard Shack, the largest police corruption investigation in the history of the FBI. Close to 750 FBI agents were flown in to Puerto Rico from across the country to assist in the arrests. This two-year multi-jurisdictional, multi-agency operation sent a powerful message—that corruption among our public officials will not be tolerated. The Bureau's Public Corruption program focuses on:

- Investigating violations of federal law by public officials at the federal, state, and local levels of government;
- Overseeing the nationwide investigation of allegations of fraud related to federal government procurement, contracts, and federally funded programs;
- Combating the threat of public corruption along the nation's borders and points of entry in order to decrease the country's vulnerability to drug and weapons trafficking, alien smuggling, espionage, and terrorism.
- Addressing environmental crime, election fraud, and matters concerning the federal government procurement, contracts, and federally funded programs.

In 2008, the FBI created the International Corruption Unit (ICU) to oversee the increasing number of investigations involving global fraud against the U.S. government and the corruption of federal public officials outside of the continental U.S. involving U.S. funds, persons, businesses, etc. The ICU's tasks include:

- Overseeing the Bureau's Foreign Corrupt Practices Act (FCPA) and antitrust cases;
- Maintaining operational oversight of several International Contract Corruption Task Forces, which investigate and prosecute individuals and firms engaged in bribery, illegal gratuities, contract extortion, bid rigging, collusion, conflicts of interest, product substitution, items and/or services invoiced without delivery, theft, diversion of goods, and individual and corporate conspiracies on every level of U.S. government operations.

No other law enforcement agency has attained the kind of success the FBI has achieved in combating corruption. This success is due largely to the cooperation and coordination from a number of federal, state, local, and tribal law enforcement agencies to combat public corruption. These partnerships include, but are not limited to the Department of Justice, Agency Offices of Inspector General; law enforcement agencies' internal affairs divisions; federal, state and local law enforcement and regulatory investigative agencies; and state and county prosecutor's offices.

Does the FBI investigate graft and corruption in local government and in state and local police departments? Yes. The FBI uses applicable federal laws, including the Hobbs Act, to investigate violations by public officials in federal, state, and local governments. A public official is any person elected, appointed, employed, or otherwise having a duty to maintain honest and faithful public service. Most violations occur when the official solicits, accepts, receives, or agrees to receive something of value in return for influence in the performance of an official act. The categories of public corruption investigated by the FBI include legislative, judicial, regulatory, contractual, and law enforcement.

Types of Corruption

Prison Corruption: The FBI's prison corruption initiative, which began in June 2014, addresses contraband smuggling by local, state, and federal prison officials in exchange for bribe payments. Through this initiative, the Bureau works to develop and strengthen collaborative relationships with state/local corrections departments and the U.S. Department of Justice Office of Inspector General to help identify prison facilities plagued with systemic corruption and employ appropriate criminal investigative techniques to combat the threat. Prison officials and staff being co-opted, even if unwittingly, betrays the public trust, threatens the integrity of the justice system in the U.S., and threaten national security interests overall. Schemes to corrupt prison officials come in a variety of forms, including:

- **Testing:** An offer of simple items, like prison commissary goods, is made to prison officials. If accepted, the inmate confirms the official's administrative misstep, then urges the official to smuggle contraband under threat of reporting the official's misconduct.
- **Active recruiting:** Civilian gang members with no prior criminal history are recruited by incarcerated gang members to apply to become correctional officers, with promises of additional income paid by the inmates' criminal enterprise.
- **Empathy:** Prison inmates study corrections personnel working in the facility and determine whether particular staff members are susceptible to exploitation. This ploy typically results in improper interpersonal relationships and the corrupted official's integrity being compromised to the benefit of the inmate.

Border Corruption: The federal government is responsible for protecting approximately 7,000 miles along the U.S. border and 95,000 miles of U.S. shoreline, and every day, over a million

people visit the U.S. and enter through one of the more than 300 official ports of entry into the U.S., as well as through seaports and international airports. The FBI recognizes the very real threat public corruption at nation's borders and all other ports of entry pose.

Common acts of border corruption involve drug trafficking and alien smuggling. Throughout the U.S., the FBI has investigated corrupt government and law enforcement officials who accept bribes and gratuities in return for allowing loads of drugs or aliens to pass through ports of entry or checkpoints; protecting and escorting loads of contraband; overlooking contraband; providing needed documents, such as immigration papers and driver's licenses; leaking sensitive law enforcement information; and conducting unauthorized records checks.

Border corruption potentially impacts national security as well—corrupt officers might believe they are accepting a bribe simply in return for allowing a carload of illegal aliens to enter the U.S., when they might actually be facilitating the entry of a group of terrorists. Or a corrupt official who expedites immigration paperwork or helps obtain an identification document in return for a bribe or gratuity might actually be facilitating an operation of a terrorist cell, foreign counterintelligence network, or criminal enterprise.

Oftentimes the FBI brings its expertise to bear on joint investigations with its partners in federal, state, and local law enforcement. Many of these investigations involve FBI border corruption task forces and working groups located in nearly two dozen cities along our borders. Members of these task forces and working groups stand shoulder to shoulder to combat corrupt officials, both operationally and through the sharing of intelligence and information, along with the use of trend analysis, lessons learned, and best practices.

Federally, the FBI coordinates investigative efforts along the borders with the Department of Homeland Security Office of Inspector General; Customs and Border Protection Internal Affairs; Transportation Security Administration; Drug Enforcement Administration; Bureau of Alcohol, Tobacco, Firearms, and Explosives; U.S. Immigration and Customs Enforcement-Office of Professional Responsibility.

Kevin L. Perkins, Assistant Director, Federal Bureau of Investigation, in a Statement before the Senate Homeland Security and Governmental Affairs Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration in Washington, DC on March 11, 2010 said that the FBI recognizes that fighting public corruption is vital to preserving our democracy, protecting our borders, and securing our communities. In fact, it is one of the top investigative priorities, along with counterterrorism, counterintelligence, and cyber crimes. Whether in the back of a squad car, at a border crossing, in a courtroom, or within the halls of Congress, public officials must carry out their duties in a just and legal manner. Perkins continued by offering the following testimony:

The FBI is directing resources to root out public corruption across the country, but we cannot and, fortunately, do not do it alone. We rely heavily on our partners at all levels of law enforcement. To address this particular threat, the FBI continues to focus on areas where our involvement will have a substantial and lasting impact and where the FBI has a specific skill or expertise that will contribute to the success of the operation or investigation. Often times we bring our expertise to bear on joint investigations with our partners in federal, state, and local law enforcement. We stand shoulder to shoulder to combat corrupt officials, both operationally and through the sharing of vital intelligence.

Through our vigilance, we have achieved some notable successes. In the past two years alone, our efforts have helped convict 1,600 federal, state, and local officials. We have another 3,200 public corruption cases pending, approximately 2,500 of which involve corruption of public officials. But more remains to be done. Because the interests at stake are so important and the magnitude of the problem so great, we have deployed approximately 700 agents to fight corruption around the country.

The Southwest border is a particular focus of our corruption-fighting efforts. Of the 700 agents leading our charge against public corruption, approximately 120 are working along the Southwest border. We coordinate our investigative efforts along the borders with the Department of Homeland Security Office of Inspector General (DHS OIG), Customs and Border Protection Internal Affairs (CBP-IA), Transportation Security Administration (TSA), the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), and the U.S. Immigration and Customs Enforcement - Office of Professional Responsibility. The result is over 400 public corruption cases originating from that region. In fiscal year (FY) 2009, there were over 100 arrests and over 130 state and federal cases prosecuted.

Our 12 border corruption task forces along the Southwest border share information with the Southwest Intelligence Group (SWIG), the El Paso Intelligence Center (EPIC), and Mexican legal attachés to both identify and disrupt Mexican drug trafficking organizations (DTOs) from utilizing and soliciting United States public officials to commit criminal activities.

Stronger cooperation with the governments of Mexico and countries in Central America is an interagency goal of the United States government and one that we are working hard to realize. Most recently, the FBI's McAllen office hosted 30 Mexican police officers from all levels of law enforcement—local, state, and federal—for a week of training and information sharing. The Mexican American Liaison and Law Enforcement Training, or MALLET, is a week-long program, featuring modules in ethics, firearms, and various investigative techniques to build law enforcement contacts with the Mexican government and foster international cooperation generally.

One particular case highlights the potential national security implications of public corruption along our nation's borders. In that case, an individual gained employment as a border inspector for the specific purpose of trafficking in drugs. Through our collaborative efforts and a year-long investigation, this former public official pled guilty to one count of conspiracy to import more than 1000 kilograms of marijuana into the United States and received more than \$5 million in bribe payments. This individual has since been sentenced to 22 years in prison.

In another extensive undercover investigation, the FBI and its partners netted corrupt officials from 12 different federal, state, and local government agencies who allegedly used their positions to traffic in drugs. To date, 84 of those subjects have pled guilty to related charges.

While the threat posed in the region is real, the Southwest border is not and should not remain the only focus of our efforts. As with other criminal priorities, the FBI utilizes a threat-based, intelligence-driven proactive approach to combating all criminal enterprise.

Through information sharing, collaboration, and coordination, we are able to identify and address threats early on.

The FBI recognizes the very real threat public corruption at our nation's borders and all other ports of entry pose. We are working lock-step with our law enforcement partners to address that threat. At FBI Headquarters, for example, we have established the National Border Corruption Task Force. Consisting of representatives from the FBI, DHS OIG, U.S. Customs and Border Protection - Internal Affairs, and TSA, this task force ensures general guidance and oversight of border corruption programs across the country.

In July 2008, for example, the FBI and DEA supported Canadian law enforcement in the arrest of eight people, including a customs agent, suspected of smuggling cocaine and marijuana, contraband cigarettes, and illegal immigrants over the Quebec-New York border. This underground network reportedly ferried hundreds of kilograms of cocaine from Colombia into Canada via the Saint-Bernard-de-Lacolle border crossing. This is one of many investigations along our northern border.

In fact, in FY 2009 alone, FBI field offices along the nation's Canadian border conducted nearly 300 public corruption investigations. A corrupt border official might think that a bribe is sufficient payment for allowing a carload of drugs through the nation's borders. The ultimate cost, however, might be significantly higher if that carload includes members of a terrorist cell or ingredients for a weapon of mass destruction.

Through trend analysis, intelligence and information sharing, and the utilization of lessons learned and best practices, we are uniquely positioned to address the very real threat of border corruption and the risk it poses to our national security head-on. To that end, our National Border Corruption Task Force is coordinating with other impacted divisions at FBI Headquarters. These include the FBI's Directorate of Intelligence, Counterintelligence Division, Counterterrorism Division, and Weapons of Mass Destruction Directorate. By working together, sharing information, and becoming more nimble in our approach, we are making great strides.

Election Crimes: In democratic societies like the United States, the voting process is a means by which citizens hold their government accountable; conflicts are channeled into resolutions and power transfers peacefully. Our system of representative government works only when honest ballots are not diluted by fraudulent ballots. The FBI, through its Public Corruption Unit, has an important but limited role in ensuring fair and free elections. Election crimes become federal cases when:

- The ballot includes one or more federal candidates;
- The crime involves an election official abusing his duties;
- The crime pertains to fraudulent voter registration;
- Voters are not U.S. citizens.

Federal election crimes fall into three broad categories—campaign finance crimes, voter/ballot fraud, and civil rights violations.

Campaign finance

- A person gives more than \$4,600 to a federal candidate (various limits apply for donations to and from committees and groups);
- A donor asks a friend to give money to a federal candidate, promising to reimburse the friend; the friend makes the donation and the real donor reimburses him;
- A corporation gives corporate money to a federal candidate;
- A person who is neither a citizen nor a green card holder gives money to a federal, state, or local candidate.

Civil rights violations

- Someone threatens a voter with physical or economic harm unless the voter casts his ballot in a particular way;
- Someone tries to prevent qualified voters from getting to the polls in a federal election;
- A scheme exists to prevent minorities from voting.

Voter/ballot fraud

- A voter intentionally gives false information when registering to vote;
- A voter receives money or something of value in exchange for voting in a federal election or registering to vote;
- Someone votes more than once in a federal election;
- An election official corrupts his or her office to benefit a candidate or party (e.g., lets unqualified voters cast ballots).

What is NOT a federal election crime:

- Giving voters a ride to the polls;
- Offering voters a stamp to mail an absentee ballot;
- Giving voters time off to vote;
- Violating state campaign finance laws;
- Distributing inaccurate campaign literature;
- Campaigning too close to the polls;
- Trying to convince an opponent to withdraw from a race.

International Corruption: The FBI's International Corruption Unit (ICU) is the leading investigative entity in combating foreign corruption. ICU manages five programs:

- Foreign Bribery/Foreign Corrupt Practices Act (FCPA)
- Foreign Corruption/Kleptocracy Program
- Antitrust
- International Fraud Against the Government
- International Corruption of Federal Public Officials

Foreign Corrupt Practices Act: ICU has management responsibility and program oversight for FBI investigations under the FCPA. The 1977 legislation has two main provisions. The first deals with bribery of foreign officials, and the second deals with accounting transparency requirements under the Securities Exchange Act. The dual elements were designed to facilitate parallel criminal and civil enforcement to stem corruption and promote fair business practices worldwide. The anti-bribery provision makes it illegal for U.S. companies and certain foreign companies to bribe foreign officials to obtain or retain business. The bribes can be in the form of money or any other items of value. The accounting provision of the FCPA focuses on the Securities Exchange Act requirements applying to all foreign companies whose securities are listed on the U.S. stock exchanges and U.S. companies.

The United States cannot charge the foreign official under the FCPA; rather, the United States works together with international law enforcement partners to investigate U.S. subjects who are complicit in paying bribes to foreign officials. The supply and demand equation of bribe paying and receiving illustrates the FCPA and kleptocracy violations as two sides of the same coin. For more information, see this detailed FCPA Resource Guide.

Kleptocracy: literally meaning "the rule by thieves," is a form of political corruption in which the ruling government seeks personal gain and status at the expense of the governed. Through graft and embezzlement of state funds, corrupt leaders amass tremendous wealth at the expense of the broader populace. Some of the most egregious examples have occurred in countries with very high rates of poverty. The inherent challenge for corrupt leaders is covertly expatriating and holding money in secure locations where it can be accessed in the future. Generally, that requires international movement of funds. When transfers occur in U.S. dollars or transit the U.S. banking system, federal money laundering jurisdiction is established. The FBI initiates money laundering investigations to trace the international movement of assets and, in conjunction with foreign partners, forfeit and repatriate assets back to legitimate authorities in victim countries.

Antitrust: ICU has program management responsibility for the FBI's antitrust investigations, both domestic and international, which target conspiracies among competitors to fix prices, rig bids, or allocate markets or customers. These conspiracies deprive U.S. consumers of true competition, an economic bedrock of a free and democratic society. Perpetrators often operate in multinational companies that bask in illegal profits at the expense of U.S. consumers. Stolen by cartels, the ill-gotten gains and competitive advantages reduce supply, eliminate incentives to compete by offering better and more innovative products and services, and destabilize economic markets.

International Contract Corruption: ICU has program management responsibility over cases involving international fraud against the government and international corruption of federal public officials. The FBI was a co-founder of the International Contract Corruption Task Force, which was created in 2006 with the goal of addressing contract fraud concerns. These concerns stemmed from overseas U.S. government spending during the wars in Afghanistan and Iraq. These cases typically involve bribery, gratuities, contract extortion, bid rigging, collusion, conflicts of interest, product substitution, items/services invoiced without delivery, diversion of goods, and corporate and individual conspiracies at various levels of U.S. government operations.

ICU's program extends beyond the war effort to include worldwide contingency operations involving U.S. military actions, foreign aid and development, and humanitarian aid in any international region. Spending on these programs is highly susceptible to corruption and fraud by those wishing to take advantage of the chaotic circumstances surrounding these benevolent endeavors. Misuse of U.S. funds overseas poses a threat to the United States and other countries by promoting corruption within the host nation, damaging diplomatic relations, inadvertently supporting insurgent activity, and potentially strengthening criminal and terrorist organizations.

ICU Initiatives: ICU oversees two large initiatives: the program management of four international corruption squads dedicated to investigating FCPA, kleptocracy, and antitrust cases and the development of a robust private sector outreach program.

International Corruption Squads: The international corruption squads (ICS), based in Los Angeles, Miami, New York City, and Washington, D.C., were created to address the national impact of foreign bribery, kleptocracy, and antitrust schemes. These schemes negatively affect U.S. financial markets and economic growth when inadequately addressed. They are unique in nature in that they are international matters with the overt criminal acts typically occurring outside U.S. borders. Without these dedicated resources, it was difficult for FBI divisions to investigate international matters that did not directly affect their area of responsibility as clearly as other violations; therefore, the FBI created four international corruption squads to enable a focus on international corruption matters without draining resources from the field.

The ICS are a vital resource to combat international cartels and corruption. The violations addressed by the ICS are equally recognized by both DOJ and the FBI as risks to U.S. national interests. These squads not only lend additional resources to a global threat, but they also allow the FBI to attack the matters and use sophisticated investigative techniques that have long been successfully utilized by the FBI to address complex criminal matters.

Private Sector Outreach: In an effort to combat international corruption and cartels, the FBI's ICU created a proactive strategy that places an emphasis on strengthening existing relationships and forging new partnerships in the private sector. This is not new to the FBI. We have leveraged relationships throughout our 100+ years of investigations--from fighting organized crime to combatting terrorism. Nonetheless, we believe by fostering these vital relationships, the FBI will be able to effectively fight international corruption to ensure a fair and competitive global market environment for companies resulting in a strong U.S. economy.

Public corruption investigations by the IRS encompass a wide variety of criminal offenses including bribery, extortion, embezzlement, illegal kickbacks, tax evasion, and money laundering. Criminal Investigation concentrates its resources on the tax and money laundering aspects of these investigations in cooperation with other federal, state, and local law enforcement agencies. Since actions on a specific investigation may cross fiscal years, the data shown in cases initiated may not always represent the same universe of cases shown in other actions within the same fiscal year.

	FY 2016	FY 2015	FY 2014
Investigations Initiated	84	68	106

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