

UNITED STATES OFFICE OF
GOVERNMENT ETHICS



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LEGAL ADVISORY

TO: Designated Agency Ethics Officials

FROM: Walter M. Shaub, Jr.
Director

SUBJECT: 2015 Conflict of Interest Prosecution Survey

The U.S. Office of Government Ethics (OGE) has completed its annual survey of prosecutions involving the conflict of interest criminal statutes (18 U.S.C. §§ 202-209) and other related statutes for the period January 1, 2015 through December 31, 2015. Information on 15 new prosecutions by the U.S. Attorneys' offices and the Civil Division and Public Integrity Section of the Department of Justice was provided to OGE with the assistance of the Executive Office for United States Attorneys. Summaries of the prosecutions reported to OGE for past years can be found at www.oge.gov under the topic of "[Enforcement](#)."

2014 Case Not Previously Reported

18 U.S.C. § 1001

1. United States v. Cary J. Hudson

Defendant Cary J. Hudson worked as a financial administrator for the Federal Bureau of Prisons (BOP) in Fort Worth and Seagoville, Texas. In or around 2006, Mr. Hudson entered into a business relationship as a paid consultant for Integrated Medical Solutions (IMS), a private, for-profit federal contractor that was competing for BOP-administered contracts for inmate health care services at BOP institutions nationwide. By virtue of his fiduciary and management responsibilities with BOP, Mr. Hudson was required to file a confidential financial disclosure report (OGE Form 450). In February 2013, he knowingly made materially false statements on his confidential financial disclosure report by failing to disclose his relationship with and money paid to him by IMS. Mr. Hudson subsequently admitted that he knew that his failure to disclose this information to BOP was unlawful.

On June 27, 2014, Mr. Hudson pleaded guilty to the single-count Information charging him with submitting a false document to an agency of the United States in violation of 18 U.S.C.

§ 1001(a)(3). He was sentenced on October 10, 2014, to three years of probation and was ordered to pay a \$5,000 fine and a \$100 special assessment.

This case was handled by the United States Attorney's Office for the Northern District of Texas. For a copy of the Information, see [https://www.oge.gov/Web/OGE.nsf/Resources/Hudson+Information+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Hudson+Information+(2015)). For a copy of the Factual Resume filed in the case, see [https://www.oge.gov/Web/OGE.nsf/Resources/Hudson+Factual+Statement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Hudson+Factual+Statement+(2015)).

2015 Cases

18 U.S.C. § 201

2. *United States v. Timothy Cashman*

Defendant Timothy Cashman was a General Services Administration (GSA) employee responsible for overseeing the operations and maintenance contracts for the San Ysidro and Otay Mesa Ports of Entry. While he was in this position, Mr. Cashman demanded bribes, including cash and construction services, from government contractors in exchange for favorable treatment in awarding GSA contracts. For example, in return for providing favorable treatment relating to the awarding of GSA contracts, Mr. Cashman corruptly demanded that a government contractor give him \$10,000 in cash and perform construction and renovation services on his personal residence worth thousands of dollars. To disguise the bribes, Mr. Cashman sometimes had contractors funnel their payments through third parties. He also was involved with stealing thousands of dollars of building materials, such as copper cables and metal pieces, from government construction sites and transporting those materials to use for his personal benefit or to sell for profit. Mr. Cashman did not report any of his ill-gotten gains on his personal income tax forms.

Mr. Cashman was charged with violating 18 U.S.C. § 371 (conspiracy) for conspiring to commit bribery (18 U.S.C. § 201) and theft of government property (18 U.S.C. § 641) and 26 U.S.C. § 7206(1) (filing a false tax return). On April 16, 2015, he entered into a plea agreement pursuant to which he pleaded guilty to both charges. On October 23, 2015, Mr. Cashman was sentenced to 16 months of imprisonment and three years of supervised release, and was ordered to pay \$50,057.32 in restitution and a \$200 assessment.

This case was handled by the United States Attorney's Office for the Southern District of California. For a copy of the Superseding Information, see [https://www.oge.gov/Web/OGE.nsf/Resources/Cashman+Superseding+Information+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Cashman+Superseding+Information+(2015)).

3. *United States v. Gregory Cooper*

Defendant Gregory Cooper was employed by the United States Postal Service (USPS) as a Postal Service Contracting Officer Representative and Purchasing Supply Management Specialist. Between January 2011 and July 2012, Mr. Cooper received a stream of benefits from Barbara Murphy, the owner of companies that bid on and secured transportation contracts with

the USPS for mail delivery, in exchange for his favorable treatment of her companies for USPS contracting opportunities.

Specifically, Mr. Cooper personally awarded three contracts to Ms. Murphy's companies, and recommended to his superiors that her companies be awarded six other contracts. Based on Mr. Cooper's decisions and recommendations, Ms. Murphy was successful in all nine bids she placed with the USPS during the relevant time period, which the original Indictment valued at \$1.5 million. In addition to helping Ms. Murphy's company secure USPS contracts, Mr. Cooper assisted her in the performance of the contracts by advising on how to address specific issues that arose from contract performance, and allowing her to use a credit card that he opened for the sole purpose of providing a line of credit for the contracts. Benefits Ms. Murphy paid to Mr. Cooper for his assistance included \$15,900 in cash, payments on his automobile loan, payment of one semester of college tuition for his daughter, several payments towards his cell phone bill, an airline ticket, and fitness equipment for his home.

Mr. Cooper was initially charged with several offenses, including execution of a false financial disclosure document that failed to disclose the payments he received from Ms. Murphy. He ultimately entered into a plea agreement filed with the court on May 28, 2015, pursuant to which he pleaded guilty to receiving a bribe by a public official, in violation of 18 U.S.C. § 201(b)(2)(A) and (C). On November 5, 2015, Mr. Cooper was sentenced to 15 months of imprisonment and three years of supervised release, and was ordered to pay an assessment of \$100. The court also issued an Order of Forfeiture pursuant to which Mr. Cooper was ordered to forfeit \$25,931.76, the sum of money equal to the value of the property derived from, or otherwise involved in, the offense. Ms. Murphy was prosecuted in a separate proceeding and pleaded guilty to bribing a public official on February 10, 2016. On June 13, 2016, she was sentenced to 10 months of imprisonment and three years of supervised release, and was ordered to pay an assessment of \$100. The court also issued an Order of Forfeiture pursuant to which Ms. Murphy was ordered to forfeit \$17,920.31, the sum of money equal to the value of the property derived from, or otherwise involved in, the offense.

This case was handled by the Public Integrity Section of the Department of Justice and the United States Attorney's Office for the District of Maryland. For a copy of the plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Cooper+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Cooper+Plea+Agreement+(2015)). For a copy of the statement of facts filed in connection with the plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Cooper+Statement+of+Facts+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Cooper+Statement+of+Facts+(2015)).

18 U.S.C. §§ 201 and 209

4. United States v. Ankana Pecault Stovall

From 2007 to 2009, defendant Ankana Pecault Stovall was a Department of Defense (DOD) contractor. Through early 2008, she served as the operations manager for DLSS, a private company that contracted with the U.S. military to provide parts and repair service to U.S. Government vehicles at the Transportation Motor Pool located at the Victory Base Complex in Baghdad, Iraq. In late 2007, Ms. Stovall established her own company, Logistics Support and Services Company (LSS), to do similar business as a contractor with DOD in Iraq. During the

time that Ms. Stovall was employed by DLSS and later owned LSS, each of the companies had several contracts with DOD, and as part of the contracts transported items such as fuel, furniture, and gravel.

During the relevant time period, Ms. Stovall maintained a personal, romantic, and financial relationship with coconspirator Timothy Lerone Benton, an active duty Master Gunnery Sergeant in the United States Marine Corps. From 2007 to 2008, Mr. Benton had direct influence and oversight over cash purchases by his unit for any items (such as furniture, office supplies, food, appliances, and electronics) up to \$15,000 purchased from LSS and other companies doing business with the DOD in Iraq. On numerous occasions throughout 2008, he used his official position in Iraq to benefit Ms. Stovall, LSS, and DLSS, by escorting trucks loaded with supplies through the Victory Base Complex to circumvent the required security procedures on the base (allowing for expedited delivery). For Mr. Benton's assistance, Ms. Stovall paid him between \$50 and \$100 cash per occasion, totaling between \$2,500 and \$3,000. Mr. Benton also assisted Ms. Stovall and LSS in receiving cash purchase orders for supplies through his unit at Victory Base Complex, including two 47-inch LCD televisions for \$6,400 and 100 digital cables for \$5,500, and signed invoices for the same. After Mr. Benton departed from Iraq in late 2008, Ms. Stovall used LSS funds to pay for her and Mr. Benton to take a vacation to the Bahamas. In October 2009, Ms. Stovall also gave Mr. Benton an interest-free \$5,000 loan. Subsequently, in 2010, Mr. Benton used his official position at the Pentagon to draft two official memoranda on U.S. Marine Corps letterhead that sponsored and endorsed LSS and Ms. Stovall to conduct business on the Victory Base Complex.

In addition to her activities with Mr. Benton, Ms. Stovall also made cash payments to Richard Allen Smith, a U.S. government employee in charge of assigning military vehicle work to contractors at the Victory Base Complex motor pool, as illegal gratuities for him providing extra work to DLSS. Specifically, Ms. Stovall paid Mr. Smith at least \$12,000 in cash payments to ensure continued favorable treatment to DLSS in consideration of future government contracts and actions.

Ms. Stovall entered into a plea agreement filed with the court on March 11, 2015, pursuant to which she pleaded guilty to violation of 18 U.S.C. § 371 (conspiracy to defraud the United States) for conspiring to pay gratuities and to supplement the salary of members of the U.S. military in order to gain favorable contracting treatment in Iraq in violation of 18 U.S.C. §§ 201(c)(1)(A) and 209. Ms. Stovall was sentenced on June 30, 2015, to 60 months of probation and was ordered to pay a fine of \$5,000 and a \$100 special assessment. In separate proceedings, Mr. Benton pleaded guilty to receipt and acceptance of a gratuity by a public official in violation of 18 U.S.C. § 201(c)(1)(B) and Mr. Smith pleaded guilty to conspiracy to supplement the salary of a government employee and to receive a gratuity by a public official in violation of 18 U.S.C. § 371. Mr. Benton and Mr. Smith were each sentenced to three years of probation and ordered to pay a \$100 special assessment; in addition, Mr. Smith was fined \$10,000 by the court.

This case was handled by the United States Attorney's Office for the Middle District of Florida, Tampa Office. For a copy of Ms. Stovall's plea agreement, see [https://www.oge.gov/Web/OGEnsf/Resources/Stovall+Plea+and+Statement+of+Facts+\(2015\)](https://www.oge.gov/Web/OGEnsf/Resources/Stovall+Plea+and+Statement+of+Facts+(2015)).

18 U.S.C. § 207

5. *United States v. Adam J. J. Pudenz*

In 2010, defendant Adam Pudenz was a United States Air Force Captain stationed at Camp Eggers, near Kabul, Afghanistan. He spent a year overseeing major U.S. government contracts for the provision of clothing and footwear to the Afghan National Security Forces, all of which were held by a single Afghan company.

Before he departed from Afghanistan in December 2010, Mr. Pudenz began negotiating for future employment with the Afghan company that held the clothing contracts he was responsible for administering, a fact he later denied when interviewed by U.S. law enforcement agents. He was discharged in January 2011, and prior to his departure from government service, he received a legal opinion from his agency explaining the relevant post-government employment restrictions. Mr. Pudenz returned to Afghanistan in March 2011 to work for the clothing company, and between approximately April 2011 and November 2011, he contacted U.S. officials in person and by email (in many cases officials in the same office where he previously worked) on behalf of his new employer on matters relating to the same contracts he previously administered as a government employee. In the course of these contacts, Mr. Pudenz repeatedly told U.S. government contracting officials that he had been given “safe harbor” to represent his Afghan employer, and on several occasions he gained entry to U.S. military compounds by falsely telling guards that he was still in the U.S. military and working as a U.S. contracting official. As compensation for his services, Mr. Pudenz was scheduled to receive \$500,000 per year from his Afghan employer, of which \$250,000 was paid to him up front in March 2011.

Mr. Pudenz pleaded guilty on March 10, 2015, to a two count Information charging him with violating 18 U.S.C. § 1001(a)(2) for making false statements to federal officials and 18 U.S.C. § 207(a)(1) for violating post-government employment restrictions. He was sentenced on August 20, 2015, to two concurrent three-year terms of probation and was ordered to pay a \$200 assessment. As part of his plea agreement with the United States, Mr. Pudenz agreed in a separate civil action to forfeit both his home, which he purchased with money he received from his post-government employment activities, and three Afghan rugs.

This case was prosecuted by the Criminal Division of the Department of Justice and the United States Attorney’s Office for the Northern District of Iowa. For a copy of the Amended Information filed in this case, see [https://www.oge.gov/Web/OGE.nsf/Resources/Pudenz+Amended+Information+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Pudenz+Amended+Information+(2015)).

18 U.S.C. § 208

6. *United States v. Anthony Tobiasz*

From 2008 to 2012, Anthony Tobiasz served as postmaster for the Thiensville, Wisconsin Post Office. As part of his duties, he represented the United States Postal Service (USPS) as the Contract Officer Representative. During this same time, Mr. Tobiasz was a part owner of a

cleaning business, and awarded this business the contract for cleaning the Thiensville Post Office without disclosing his ownership interest in the company to the USPS. Additionally, he referred Post Office job leads to his business partner, and helped guide his partner through the application process. Mr. Tobiasz's company won cleaning contracts with multiple other Post Offices in the region, despite the company's higher prices and complaints about poor service. The USPS paid the company approximately \$418,000 for cleaning services, and the agency estimates that it lost between \$77,774.80 and \$96,491.82 under these contracts (as compared to less expensive successor cleaning vendors). Mr. Tobiasz received approximately \$10,000 annually from the cleaning company from the funds received from these USPS contracts.

Mr. Tobiasz entered into a plea agreement filed with the court on May 4, 2015, pursuant to which he pleaded guilty to a one count Information charging him with violating 18 U.S.C. §§ 208(a) & 216(a). On October 2, 2015, he was sentenced to one year of probation and was ordered to pay a special assessment of \$100. Mr. Tobiasz also agreed to pay \$50,000 in a separate civil settlement with the United States in lieu of restitution.

This case was handled by the United States Attorney's Office for the Eastern District of Wisconsin. For a copy of the plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Tobiasz+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Tobiasz+Plea+Agreement+(2015)).

7. *United States v. Mark Nixon, et al.*

Defendant Mark Nixon was a civilian employee at the United States Army Research Laboratories (ARL) in Hampton, Virginia and Aberdeen, Maryland. Together with his wife, Sandra Nixon, and long-time friend, Kenneth Dawson, Mr. Nixon formed Motile Robotics, Inc. (MRI), a research and development firm. While Mr. Nixon was still a government employee, MRI competed for work on government contracts. Although Mr. Dawson was the titular head of MRI, the Nixons were substantially involved in the operation of the business and retained a significant financial interest in the company. To conceal their involvement in MRI, the Nixons used aliases and created other companies through which payments were funneled.

Mr. Nixon was the designated team lead at ARL for a project relating to microsystem controls research and used his position with ARL to steer government contractors to use MRI as a subcontractor. In January 2008, the United States awarded a \$3.689 million contract to a large defense contractor for construction of an open flow wind tunnel, in part as a result of Mr. Nixon's recommendations, and Mr. Nixon encouraged this company to use MRI as a subcontractor on the project. Mr. Nixon also played an important role in the government awarding the same defense contractor another task order to construct a closed circuit wind tunnel from January 2009-2011, which was worth approximately \$3.5 million, for which MRI served as a subcontractor. In addition to these activities, as part of his duties with ARL, Mr. Nixon was responsible for overseeing and managing the contracting work, and among other things completed a technical evaluation of MRI's capabilities as a subcontractor despite his financial interest in the company. He also used his official position to approve fraudulent labor invoices from MRI for work on these contracts. MRI ultimately received more than \$5 million in federal funds under these two task orders, and payments were funneled to the Nixons through the

companies they created to mask their involvement with MRI. The Nixons and Mr. Dawson personally received over \$750,000 from this scheme.

Mr. Nixon was charged with violating 18 U.S.C. § 371 (conspiracy to defraud the United States) and 18 U.S.C. § 208(a), and pleaded guilty to both counts in a plea agreement filed with the court on June 15, 2015. On September 18, 2015, Mr. Nixon was sentenced to 42 months of imprisonment and three years of supervised release, and was ordered to pay \$750,000 in restitution and a \$200 assessment. His wife pleaded guilty to violating 18 U.S.C. § 371 and was sentenced on November 23, 2015, to six months of imprisonment and three years of supervised release, and was ordered to pay \$750,000 in restitution and a \$100 assessment. Kenneth Dawson also pleaded guilty to one count of violating 18 U.S.C. § 371, and was sentenced on January 28, 2016, to three years of probation and was ordered to pay \$375,000 in restitution and a \$100 assessment. (The three defendants' restitution obligations were joint and several.)

This case was handled by the United States Attorney's Office for the District of Maryland. For a copy of Mr. Nixon's plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Nixon+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Nixon+Plea+Agreement+(2015)).

8. *United States v. Richard VanNoy*

Defendant Richard VanNoy served as the president of a medical equipment company that contracted with the Atlanta Veterans Affairs Medical Center (VAMC) to provide a bioelectric wound dressing. From 2009 to 2010, Mr. VanNoy paid monthly checks of \$500 (for a total of \$4,000) to Linda Worth, a physician assistant at VAMC who was responsible for ordering the wound dressing that his company distributed, which according to the U.S. Attorney's Office gave her a financial interest in the product. At his sentencing, Mr. VanNoy explained that he paid Ms. Worth as a consultant to give him information regarding the efficacy of the wound dressing; the court observed that there was "no evidence that Mr. VanNoy sought to corrupt a federal employee or to corrupt the process of purchasing, and that his interest... was simply to – in fact to expand the knowledge and usage of what he considered to be a very effective medical intervention."

Mr. VanNoy was charged with a misdemeanor violation of 18 U.S.C. §§ 208, 216(a)(1), and 18 U.S.C. § 2 (aiding and abetting criminal activity) for knowingly aiding and abetting Ms. Worth, a federal employee, in her personal and substantial participation in contracts and other matters in which she had a financial interest. On April 22, 2015, Mr. VanNoy entered into a plea agreement pursuant to which he pleaded guilty to the Information. He was sentenced on August 20, 2015, to two months of probation and ordered to pay a \$25 special assessment. Ms. Worth was charged in a separate proceeding with violating 18 U.S.C. §§ 201, 208, and 371 (conspiracy to defraud the United States), and a bench trial was held in her case in early 2016; as of the date of this publication, the court has not issued a ruling in Ms. Worth's case.

This case was handled by the United States Attorney's Office for the Northern District of Georgia. For a copy of the Information, see [https://www.oge.gov/Web/OGE.nsf/Resources/VaNoy+Information+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/VaNoy+Information+(2015)). For a copy of Mr. VanNoy's plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/VaNoy+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/VaNoy+Plea+Agreement+(2015)).

9. *United States v. Tony Lee Chandler* and *United States v. Gene Goodsell*

Defendant Tony Lee Chandler was a Contracting Officer's Representative within the Bureau of Overseas Buildings Operations at the U.S. Department of State. In this position, he was responsible for the review and approval of claims and invoices submitted by government contractors doing business with that Bureau. Marvin Hulsey was employed as a program manager for a government contractor performing under Mr. Chandler's supervision.

Outside of his government duties, Mr. Chandler was an independent distributor for a multi-level marketing company that sells nutritional supplements (Supplement Company). From 2008 to 2010, Mr. Chandler sold nutritional supplements to employees at Mr. Hulsey's firm who purchased the items with their personal credit cards and were reimbursed by Mr. Hulsey through his employer. Mr. Chandler and Mr. Hulsey agreed that the employees' purchases would be submitted to the State Department for reimbursement concealed in false invoices, because such purchases were not allowable costs. According to court documents, Mr. Hulsey submitted to the State Department nine vouchers accompanied and supported by 107 false invoices totaling \$173,466.20. Mr. Chandler used his government position to approve the majority of the false invoices, despite knowing that he had a personal financial interest in each voucher because the costs concealed in the invoices were directly related to sales of nutritional supplements for which he was paid a commission by the Supplement Company. Mr. Chandler was paid at least \$25,061.88 in commissions from the Supplement Company as a result of the scheme.

Mr. Chandler was charged with violating 18 U.S.C. § 1349 (conspiracy to commit wire fraud), 18 U.S.C. § 1343 (wire fraud), and 18 U.S.C. § 208 for knowingly and willfully participating personally and substantially in contracts and other matters in which he had a financial interest. He entered into a plea agreement filed with the court on June 12, 2015, pursuant to which he pleaded guilty to violating 18 U.S.C. §§ 1349 and 208. Mr. Chandler was sentenced on September 18, 2015, to six months of imprisonment and one year of supervised release on each count, to run concurrently. The court also ordered Mr. Chandler to forfeit \$25,061.00 and pay a \$200 assessment. Mr. Hulsey pleaded guilty to conspiracy to commit wire fraud in violation of 18 U.S.C. §§ 1343 and 1349, and was sentenced to 12 months and one day of imprisonment and two years of supervised release, and was ordered to pay an assessment of \$100.

In a related case, defendant Gene Goodsell, the former State Department supervisor of Mr. Chandler, was charged with violating 18 U.S.C. § 208 for his involvement in the scheme. Mr. Goodsell sponsored Mr. Chandler as an independent distributor for the Supplement Company and earned commissions on each sale made by Mr. Chandler. Mr. Goodsell became aware that Mr. Chandler sold nutritional supplements that were ultimately improperly billed to the State Department under a government contract, but continued to make official decisions concerning the contract despite his personal financial interest. On April 23, 2015, Mr. Goodsell entered into a plea agreement pursuant to which he pleaded guilty to a single-count Information charging him with a misdemeanor violation of 18 U.S.C. §§ 208 and 216(a). Mr. Goodsell was sentenced on June 26, 2015, to one year of probation and was ordered to pay \$12,900 in restitution and a \$25 assessment.

Both cases were handled by the United States Attorney's Office for the Eastern District of Virginia, Alexandria Office. For a copy of Mr. Chandler's plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Chandler+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Chandler+Plea+Agreement+(2015)), and for a copy of the statement of facts filed in connection with his plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Chandler+Statement+of+Facts+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Chandler+Statement+of+Facts+(2015)). For a copy of Mr. Goodsell's plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Goodsell+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Goodsell+Plea+Agreement+(2015)), and for a copy of the statement of facts filed in connection with his plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Goodsell+Statement+of+Facts+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Goodsell+Statement+of+Facts+(2015)).

10. United States v. Mark L. Moss

From late 2007 to mid-2010 former U.S. Army Lieutenant Colonel Mark L. Moss served as the Director of Information Management for the Area Support Group in Camp Arifjan, Kuwait. Mr. Moss' group was responsible for all communications assets in Kuwait supporting Army Operation Iraqi Freedom and the Kuwait Defense Cooperation Agreement, including planning, estimating budgets, coordinating purchases, and issuing equipment to ensure efficient use of funds. During the relevant time period, Mr. Moss accepted at least \$253,000 from two government contractors in exchange for favoring the companies during the Army contract award selection process. He also recommended one of the companies as a subcontractor to other companies that were awarded government contracts, and expedited both companies' requests for security badges, moving them ahead of all other requests and allowing more efficient access to Camp Arifjan.

Mr. Moss was charged with violating 18 U.S.C. §§ 208(a) and 216(a)(2) for knowingly and willfully participating personally and substantially in contracts and other matters in which he had a financial interest. He pleaded guilty to the single-count Information on September 25, 2014. Mr. Moss was sentenced on August 6, 2015, as amended September 9, 2015, to three years of imprisonment and three years of supervised release, and was ordered to pay \$253,000 in restitution and a \$100 assessment. The court also ordered Mr. Moss to forfeit property including a luxury watch, multiple vehicles, and a motorcycle and motorcycle trailer.

This case was handled by the United States Attorney's Office for the Western District of Texas, San Antonio Office. For a copy of the Information, see [https://www.oge.gov/Web/OGE.nsf/Resources/Moss+Information+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Moss+Information+(2015)).

18 U.S.C. § 1001

11. United States v. Annette Therese Campe

In December 2009, Annette Therese Campe, a Special Agent with the United States Environmental Protection Agency (EPA), joined an organization known as the Gifting Tables, which operated as a pyramid scheme. New members, who were said to be at the "Appetizer" level, paid thousands of dollars to members at the "Dessert" level. As new recruits were added to the organization, members would advance through the "Soup and Salad" and "Entrée" levels, eventually reaching the "Dessert" level, where members could receive up to \$40,000 in cash

from other lower members. In October 2011, Ms. Campe, having risen to the “Dessert” level, received \$2,500 from another woman seeking to join the Gifting Tables scheme. Also during the course of Ms. Campe’s involvement with Gifting Tables, two other women invited by Ms. Campe to join the scheme paid and lost a total of \$7,500.

In January 2012, Ms. Campe filed a confidential financial disclosure report (OGE Form 450) for the previous calendar year and certified that her responses on the form were true, complete, and correct to the best of her knowledge. Although the form required disclosure of all sources of earned income greater than \$200 and any gifts totaling more than \$350 from any one source during the previous calendar year, Ms. Campe did not disclose the \$2,500 she received in October 2011 pursuant to the Gifting Tables scheme. In May 2012, the United States Attorney’s Office for the District of Connecticut indicted leaders of the Gifting Tables on numerous charges related to wire fraud and tax evasion. Even following the publicity surrounding these arrests and trials, Ms. Campe did not disclose her involvement in the Gifting Tables scheme to the EPA or the U.S. Attorney’s Office. Ms. Campe admitted her participation in the Gifting Tables scheme only after disclosure of her name at the trial of the organization’s leaders.

Ms. Campe was charged with making a false statement in violation of 18 U.S.C. §§ 1001 & 2, and on March 11, 2015, she entered into a plea agreement pursuant to which she pleaded guilty to the charges. Ms. Campe was sentenced on July 29, 2015, to one year of probation and was ordered to pay \$7,500 in restitution, a \$500 fine, and a \$100 special assessment.

The United States Attorney’s Office for the District of Massachusetts handled this case following a recusal by the United States Attorney’s Office for the District of Connecticut. For a copy of the plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Campe+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Campe+Plea+Agreement+(2015)).

12. United States v. Brian P. Hearing

From 2011 to 2015, defendant Brian Hearing was employed by the National Geospatial-Intelligence Agency (NGA) within the Innovision Directorate, an applied science and technology research group. During his employment, Mr. Hearing co-founded a company (Company A) for the purpose of developing and commercializing a type of automated detection system, and inappropriately used his government position to promote Company A. For example, Mr. Hearing falsely represented that NGA was sponsoring Company A’s detection system at an event that required government sponsorship, and used his position to introduce Company A to the Department of Homeland Security. When Mr. Hearing was questioned by law enforcement agents about his involvement with Company A, he made materially false statements to conceal his conflict of interest. Among other things, Mr. Hearing falsely told agents that another individual founded Company A and that he did not have any financial or legal connections to the company, when in fact, he co-founded the company and shared equal ownership of it.

Mr. Hearing was charged with making false statements to federal officers in violation of 18 U.S.C. § 1001. Mr. Hearing entered into a plea agreement filed with the court on August 7, 2015, pursuant to which he pleaded guilty to the single-count Information. He was sentenced on

November 13, 2015, to two years of supervised probation and was ordered to pay a \$5,000 fine and a \$100 special assessment.

This case was handled by the United States Attorney's Office for the Eastern District of Virginia, Alexandria Office and the Public Integrity Section of the Department of Justice. For a copy of Mr. Hearing's plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Hearing+Plea+Agreement+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Hearing+Plea+Agreement+(2015)), and for a copy of the statement of facts filed in connection with his plea agreement, see [https://www.oge.gov/Web/OGE.nsf/Resources/Hearing+Statement+of+Facts+\(2015\)](https://www.oge.gov/Web/OGE.nsf/Resources/Hearing+Statement+of+Facts+(2015)).

13. Deferred Prosecution Agreement

The defendant was a Securities and Exchange Commission (SEC) employee who was required to file annual financial disclosure reports. The government asserted that the employee made false statements on a financial disclosure form filed with the SEC by claiming that securities prohibited under SEC rules had been divested, when in fact the employee's spouse continued to hold the prohibited securities. The government further contended that the employee initially made false statements to SEC staff regarding those investments, including disavowing knowledge that the holdings were prohibited under SEC rules.

The employee was charged with violating 18 U.S.C. § 1001. In late 2015, the employee and the government entered into a deferred prosecution agreement pursuant to which the government agreed to dismiss the charge if the employee committed no further offenses, resigned from the SEC, and complied with certain other conditions. This case was handled by the United States Attorney's Office for the Southern District of New York.

5 U.S.C. app. 4, § 104 (Ethics in Government Act)

14. Civil Settlement

The defendant was a Schedule C political appointee at the Department of Defense (DOD) subject to the public financial disclosure reporting requirements of the Ethics in Government Act. After terminating her employment with the DOD in July 2013, she did not file a termination public financial disclosure report as required by Act. The government asserted that the DOD repeatedly advised the defendant of the termination filing requirements, and that her failure to comply with those requirements was knowing and willful because, among other reasons, she told an agency ethics official that she "underst[oo]d the requirement[s]" of the Act and acknowledged her failure to comply with them.

In the first half of 2015, the defendant and the government stipulated to a voluntary dismissal of the case, with prejudice. Pursuant to the parties' settlement, the defendant agreed to pay \$1,000 and to file the required financial disclosure report to the satisfaction of the DOD.

This case was handled by the Civil Division of the Department of Justice.

15. Civil Settlement

The defendant was employed by the Department of Homeland Security (DHS) in a confidential or policymaking position that was excepted from competitive service, and therefore was subject to the public financial disclosure reporting requirements of the Ethics in Government Act. After terminating her employment with DHS in March 2012, the defendant failed to file a termination financial disclosure report as required under the Act, and the government asserted that this violation was knowing and willful because, among other reasons, agency ethics officials repeatedly advised the defendant about the Act's filing requirements, and she confirmed her understanding of them via email.

The defendant and the government settled the case pursuant to a consent decree in the first half of 2015. Pursuant to the parties' agreement, the defendant agreed to pay \$4,000 and to file the required financial disclosure report to the satisfaction of DHS.

This case was handled by the Civil Division of the Department of Justice.