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PROGRAM ADVISORY

TO: Designated Agency Ethics Officials

FROM: Shelley K. Finlayson
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SUBJECT: 2024 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 calendar year 2024. The survey highlights how the Department of Justice enforces the criminal conflict of interest laws, and is a useful resource ethics officials can use to educate employees about how these laws apply in real-world situations. With the assistance of the Executive Office for United States Attorneys, OGE received information on 11 new prosecutions by the U.S. Attorneys' offices and the Civil Division and Public Integrity Section of the Department of Justice. Summaries of the prosecutions reported to OGE for past years can be found on OGE's website, www.oge.gov, organized [by year](#) and [by statute](#).

18 U.S.C. § 203 (Compensation in Matters Affecting the Government) & 18 U.S.C. § 209 (Supplementation of Salary)

1. Civil Settlement

The relevant company, Company N, was a business that contracted with the Government to provide certain services and deliverables. The Government alleged that Company N made payments to a Government employee in exchange for preferential treatment related to various contracts performed by or awarded to Company N, and that the company's actions violated the False Claims Act, the Anti-Kickback Act, and federal conflict of interest statutes, including 18 U.S.C. § 203 and 18 U.S.C. § 209.

The Government and Company N entered into a civil settlement pursuant to which Company N agreed to pay the Government \$1.2 million to settle the allegations against it. This case was handled by the United States Attorney's Office for the Southern District of Ohio.



18 U.S.C. § 208 (Acts Affecting a Personal Financial Interest)

2. Deferred Prosecution Agreement

Beginning in 2014, the relevant individual worked as a supervisor for medical coding services at a U.S. military medical center; prior to this position, they worked for Company A. Beginning in 2017, two of the individual's former coworkers from Company A solicited the individual to work for them part time to fulfill a medical coding contract that the pair worked on in support of the medical center. The individual accepted the offer, and in doing so, failed to comply with their obligation to request permission to engage in part-time outside employment. On a frequent basis, the individual was required to verify that items billed by Company A on the medical coding contract matched performance recorded in various systems. Between 2017 and 2020, the individual received approximately \$46,000 for performing the part-time coding work for Company A. According to the Deferred Prosecution Agreement, the Government sustained no loss from the individual's activities.

These actions related to a larger scheme to defraud the medical center and the Government; the original indictment filed against this individual and seven others (including the two former coworkers) charged various offenses, including conspiracy to commit health care fraud, wire fraud, and identity theft.

The individual entered into a Deferred Prosecution Agreement with the Government in which they admitted that they committed a conflict of interest offense in violation of 18 U.S.C. § 208. Pursuant to the Agreement, the Government agreed to dismiss this charge as well as a charge of conspiracy to commit wire and health care fraud and defer prosecution of the same, subject to the individual's compliance with the Agreement.

This case was handled by the United States Attorney's Office for the District of Maryland.

3. United States v. Caz Craffy

From November 2017 to January 2023, Defendant Caz Craffy was a civilian employee for the U.S. Army who worked as a financial counselor in the U.S. Army's Survivor Outreach Services, a program overseen by the Casualty Assistance Office (CAO) that provided support to families of fallen service members. When a member of the Armed Services dies during active duty, their surviving beneficiary – now a member of a "Gold Star" family – is entitled to a \$100,000 death gratuity, in addition to the soldier's life insurance proceeds of up to \$400,000. In his role as a financial counselor with the CAO, Mr. Craffy was responsible for providing general financial education to Gold Star families.

At the same time Mr. Craffy worked in this role for the U.S. Army, he maintained outside employment with two different financial investment firms. Notwithstanding the fact that he was not permitted as a financial counselor to offer personal opinions regarding surviving beneficiaries' benefits decisions, he encouraged multiple Gold Star families to invest their survivor benefits in investment accounts that he managed in his outside, private employment.

The majority of the affected Gold Star families mistakenly believed that Mr. Craffy's management of their money was done on behalf of and with the Army's authorization, due to his false representations and omissions. Between May 2018 and November 2022, Mr. Craffy obtained more than \$9.9 million from Gold Star families to invest in accounts he managed in his private capacity. Once he was in control of the funds from the Gold Star families, Mr. Craffy repeatedly executed trades, often without the family's authorization, which earned him high commissions. During the relevant time period, the Gold Star families' accounts lost more than \$3.4 million, while Mr. Craffy personally earned more than \$1.4 million in commissions drawn from the family accounts. On his confidential financial disclosure form (OGE Form 450) filed in June 2022, Mr. Craffy failed to disclose his outside employment at the financial firms, his compensation from those firms, or his trading activities using the families' money.

The indictment filed against Mr. Craffy charged him with six counts of wire fraud in violation of 18 U.S.C. § 1343, securities fraud, false statements on a loan application in violation of 18 U.S.C. § 1014, acts affecting personal financial interests in violation of 18 U.S.C. § 208, and false statements in violation of 18 U.S.C. § 1001. On April 16, 2024, Mr. Craffy pleaded guilty to all counts, and the court sentenced him on August 22, 2024 to 151 months of imprisonment and three years of supervised release. On the same day, the court signed a Consent Judgment Forfeiture Order that entered a money judgment in the amount of \$1,482,741.41 against Mr. Craffy. Separate from this criminal action but based on the same and additional conduct, the Securities Exchange Commission (SEC) filed a civil complaint against Mr. Craffy charging him with violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and rule 10b-5 thereunder, and Rule 15c-1(a)(1) of the Exchange Act. On September 4, 2024, the court entered a judgment in the civil action, consented to by the parties, that permanently restrains Mr. Craffy from violating Section 10(b) of the Securities Exchange Act of 1934 and rule 10b-5 thereunder, Section 17(a) of the Securities Act of 1933, and Rule 15c-1(a)(1) of the Exchange Act.

This case was handled by the United States Attorney's Office for the District of New Jersey. For additional information, see the [Indictment](#) and [SEC Complaint](#).

4. United States v. Pauline Abraham

Defendant Pauline Abraham worked as a supervisory contracting officer at the Mission Installation Contracting Command of Fort Sill military base in Oklahoma. In this role, she was responsible for supervising the approval and disapproval of Government contracts on the base.

Among the contracts Ms. Abraham supervised at Fort Sill were those with general contractor Company G, and in her supervisory contracting role, she had the power to influence awards and steer business to Company G under those contracts. In 2019, a fire damaged Ms. Abraham's personal residence, during a time period in which Company G was performing extensive work at Fort Sill and Ms. Abraham had a close working relationship with Company G's vice president. Ms. Abraham engaged with Company G to perform certain repairs on her personal residence, but never paid Company G, despite having received money for her insurance company for the repairs. When interviewed by law enforcement about the fire and Company G's

work on her home, Ms. Abraham denied that the company performed any work on her residence or that she had contact with them about that work.

On November 27, 2023, Ms. Abraham pleaded guilty to a single-count Information charging acts involving a personal financial interest by an executive branch employee in violation of 18 U.S.C. § 208. On July 18, 2024, the court sentenced her to one year of probation, and ordered her to pay a \$7,500 fine and \$25 special assessment.

This case was handled by the United States Attorney's Office for the Western District of Oklahoma and the Public Integrity Section of the Department of Justice.

5. United States v. Jacques Polzin

From November 2010 through at least December 2022, Defendant Jacques Polzin worked for the Department of Homeland Security, Immigrations and Customs Enforcement (ICE). Between February 2018 and September 2020, he worked as a Vehicle Control Officer (VCO) within ICE, helping to facilitate service and repairs for ICE vehicles. From November 2017 to April 2021, Mr. Polzin funneled and facilitated service and parts orders for ICE vehicles to JNJ Auto Repair LLC (JNJ Auto), an automotive repair company registered in his wife's name in which he had a financial interest. Mr. Polzin also was involved in setting up the company, and registering another company in his name called JNJ Transports LLC that subcontracted with JNJ Auto. To help JNJ Auto beat the prices offered by its competitors, Mr. Polzin shared estimates from competitors with the company. In total, Mr. Polzin facilitated more than 100 transactions between ICE and JNJ Auto for ICE vehicles.

On August 9, 2024, a jury convicted Mr. Polzin of eight counts of conflict of interest in violation of 18 U.S.C. § 208(a). The court sentenced him on March 10, 2025 to one year of probation, and ordered him to pay a \$500 fine and \$800 special assessment.

This case was handled by the United States Attorney's Office for the Central District of California. For additional information, see the [Indictment](#).

6. United States v. Daniel Joseph Bischof

Defendant Daniel Joseph Bischof worked as a civilian U.S. Navy (USN) employee. Beginning in June 2016, he began working as a Construction Manager at the Naval Facilities Engineering Command (NAVFAC), Norfolk Naval Shipyard (NNSY). In this role, Mr. Bischof evaluated proposals, made recommendations about how construction tasks should be performed, and recommended to contracting officers which vendors should be awarded contracts. Company T was a Government contractor that had various USN contracts awarded and supervised by NAVFAC, NNSY.

In late January 2016, H.R., the president and sole owner of Company T, emailed Mr. Bischof about him working for her company on a contractual basis. A couple of days later, Mr. Bischof emailed an ethics counselor about whether he could do work for H.R, but misrepresented the nature of his proposed activities in his inquiry. The ethics counselor advised Mr. Bischof that

there was no prohibition on the proposed work based on the facts that he provided, provided that Mr. Bischof would not be financially compensated for his assistance, all assistance would occur while he was off duty, and he would not have or intend to establish in the future any business or financial interest in Company T (such as compensated employment, consulting or independent contracting). In rendering this advice, the ethics counselor specifically cautioned that if the facts Mr. Bischof provided were inaccurate, the opinion could not be relied upon.

Mr. Bischof began working for Company T as a paid contractor in March 2016 and continued performing work for the company until March 2018; Company T paid him \$32,475 for his services. During the same time that Mr. Bischof was working as a paid 1099 contractor for Company T, the company was awarded 11 delivery orders under a multiple award construction contract (MACC) relating to work at NNSY. Mr. Bischof managed two of those delivery orders in his capacity as Construction Manager for NAVFAC.

On March 18, 2024, Mr. Bischof pleaded guilty to a single-count Information charging him with participating in a matter affecting his financial interest, in violation of 18 U.S.C. § 208. On August 12, 2024, the court sentenced him to 12 months of probation, and ordered him to pay a fine of \$9,500 and a \$25 special assessment.

This case was handled by the United States Attorney's Office for the Eastern District of Virginia. For additional information, see the [Statement of Facts](#) associated with Mr. Bischof's plea agreement.

18 U.S.C. § 371 (Conspiracy to Commit Offense Against the United States)

7. United States v. Ifediora Oli

Defendant Ifediora Oli worked for the United States Department of Agriculture (USDA) as an engineer, and at the same time was the principal of a company called Highbury Global Group, Inc. (Highbury). Beginning in 2018, Mr. Oli and Obinna Ogbu, a friend who worked at the Washington Metropolitan Area Transit Authority (WMATA), agreed to use Mr. Ogbu's official position at WMATA and his access to Bridgette Crowell, a contracting specialist at the District of Columbia Office of Contracting and Procurement (OCP) with whom Mr. Ogbu had a romantic relationship, to steer Government contracting business to Highbury. In exchange, Mr. Oli provided things of value to Mr. Ogbu.

For example, in January 2018, Mr. Ogbu used his position as the Contracting Officer Technical Representative for a WMATA contract seeking IT Helpdesk support services to influence the private company that was awarded the contract to use Highbury – which was already being used by WMATA at that time because of his previous efforts – until the private company was able to get its own provider for delivery services. During 2018 and 2019, Highbury earned nearly \$90,000 for its work on this contract, and during this time, Mr. Oli gave Mr. Ogbu things of value, usually in the form of cash payments from Highbury's profits. From 2018 through 2023, three different prime contracting companies for WMATA paid Highbury a combined total of over \$400,000 for Highbury's performance on WMATA contracts, which were facilitated by Mr. Oli and Mr. Ogbu's arrangement.

Separate from these WMATA arrangements, Ms. Crowell used her official position at OCP to ensure that Highbury was awarded a COVID-19 testing supplies contract with the District. Highbury received over \$630,000 from the contract, and Mr. Oli paid Mr. Ogbu \$100,000 for his help in obtaining the contract, and instructed Mr. Ogbu to share \$15,000 of that money with Ms. Crowell for her assistance in getting the contract.

Throughout the conspiracy and in furtherance of it, Mr. Oli falsified WMATA and District contracting documents to conceal the connections he and Highbury had with Mr. Ogbu and Ms. Crowell. In addition, Mr. Ogbu repeatedly falsified annual confidential financial disclosure reports (OGE Form 450) he was required to file in connection with his USDA employment in 2019 through 2024 by failing to disclose reportable income that he received from Highbury.

In a plea agreement filed with the court on July 8, 2024, Mr. Oli pleaded guilty to a two count Information charging him with conspiracy in violation of 18 U.S.C. § 1349 and falsification of records in violation of 18 U.S.C. § 1519. On October 25, 2024, the court sentenced him to 18 months of imprisonment and three years of supervised release, and ordered him to pay \$150,000 in restitution (\$100,000 to the District and \$50,000 to WMATA) and a \$200 special assessment. The court also ordered Mr. Oli to forfeit a Mercedes automobile that had been registered to Highbury. Ms. Crowell and Mr. Ogbu both pleaded guilty to conspiracy to commit wire fraud and honest services fraud for their actions. The court sentenced Ms. Crowell to seven months of imprisonment and two years of supervised release, and ordered her to forfeit a car she obtained with the proceeds of the conspiracy. The court sentenced Mr. Ogbu to four months of imprisonment and four months of supervised release. Mr. Ogbu and Ms. Crowell also were jointly and severally responsible, with Mr. Oli, for the restitution amounts.

This case was handled by the United States Attorney's Office for the District of Columbia. For additional information, see the [Statement of Offense](#) associated with the plea agreement.

8. United States v. Young Beom Kim

Defendant Young Beom Kim worked as a civilian employee of the U.S. Army, serving in various capacities within the Design Branch for the Director of Public Works (DPW) at Army Garrison Yongsan/Casey (USAG-Y/C) in the Republic of Korea. In his Government work, Mr. Kim worked on and approved numerous contracts at USAG-Y/C, which frequently recommended or required the use of certain parts, part suppliers, or parts manufacturers.

From around mid-2017 to mid-2021, Mr. Young steered aspects of certain DPW contracts towards specific parts manufacturers and suppliers, who in turn paid him a percentage of the amounts that they were paid under the contracts. In an effort to obscure the payments, many were deposited into bank accounts controlled by Mr. Kim's relatives, including one held in the name of a sham company. Mr. Kim did not disclose to the Government his financial interest in steering these contracts.

The Government initially charged Mr. Kim with conspiracy to commit honest services wire fraud and bribery, in violation of 18 U.S.C. § 371, two counts of honest services wire fraud in violation of 18 U.S.C. §§ 1343 and 1346, two counts of bribery in violation of 18 U.S.C. § 201(b)(2), and money laundering conspiracy, in violation of 18 U.S.C. § 1956. He ultimately pleaded guilty on November 9, 2023 to a Superseding Information charging him with conspiracy to receive unlawful gratuities and engage in acts affecting personal financial interests, in violation of 18 U.S.C. § 371. On March 13, 2024, the court sentenced Mr. Kim to two years of imprisonment and three years of supervised release, and ordered him to pay a \$351,900.40 fine, forfeit \$65,137.36, and pay a \$100 special assessment.

This case was handled by the United States Attorney's Office for the Southern District of New York. For additional information, see the original [Indictment](#) and the [Superseding Information](#).

5 U.S.C. § 13106 (Ethics in Government Act, Failure to File)

9. United States v. Gail E. Neelon

From June 2010 until her retirement in August 2021, defendant Gail Neelon served as the Dean of Leadership and Management School at the State Department's Foreign Service Institute. Based on her salary, Ms. Neelon was required from 2013 until her separation from Government to file public financial disclosure reports (OGE Form 278) under the Ethics in Government Act. From 2013 to 2020, Ms. Neelon complied with her obligation to file annual financial disclosure reports – though she did file after the deadline in the latter two years. Based on her retirement date of August 31, 2021, Ms. Neelon was required to file a final termination public financial disclosure report by September 30, 2021.

Beginning in July 2021 and continuing through May 2023, the *Integrity* computer system through which Ms. Neelon filed her financial disclosure reports sent her filing reminders every seven days. In addition to these automated reminders, the Department of State contacted Ms. Neelon multiple times at a personal email address she used while employed at the Department and at her home mailing address identified on her official personnel paperwork. Although at one point in December 2021 Ms. Neelon requested the link to file her financial disclosure report, she never filed the report. She also failed to respond to multiple communications sent by the State Department to her email address and personal address regarding the filing.

On October 23, 2023, the Government filed a civil suit against Ms. Neelon based on her failure to file her termination financial disclosure report. She failed to appear or file an answer, and the court entered a default judgment against her on December 21, 2023. After the Government moved for default and final judgment on January 24, 2024, the court issued an order giving Ms. Neelon one final opportunity to appear and engage in the case. Ms. Neelon never appeared or contacted the Government about the possibility of settlement, and on May 14, 2024, the court issued a Memorandum Opinion and Order granting the Government's motion for default and final judgment. In the Opinion and Order, the court ordered Ms. Neelon to pay a civil penalty of \$12,300, file her 2021 termination public financial disclosure report, and pay the

associated late filing fee of \$200 pursuant to 5 U.S.C. § 13106. The Clerk of the Court entered the Default Judgment on June 26, 2024.

This case was handled by the Civil Division of the Department of Justice. For additional information, see the [Complaint](#) and the court's [Memorandum Opinion and Order](#) granting the Government's Motion for Default and Final Judgment.

10. Civil Settlement

The relevant individual worked at the Department of State. In January 2024, she entered into a civil settlement with the Government to resolve potential claims under the Ethics in Government Act, specifically, that she failed to file a termination financial disclosure report following her separation from the Department of State, in violation of the Act.

Pursuant to the settlement between the parties, the individual agreed to pay a civil penalty of \$3,000, submit her overdue financial disclosure report, and pay a late filing fee. This case was handled by the Civil Division of the Department of Justice.

11. Civil Settlement

The relevant individual worked at the Department of Veterans Affairs. In February 2024, he entered into a settlement with the Government to resolve potential claims under the Ethics in Government Act, specifically, that he violated the Act by failing to file a termination financial disclosure report following his separation from the Department of Veterans Affairs.

Pursuant to the settlement between the parties, the individual agreed to pay a civil penalty of \$2,500, submit his overdue financial disclosure report, and pay a late filing fee. This case was handled by the Civil Division of the Department of Justice.