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LEGAL ADVISORY

TO: Designated Agency Ethics Officials

FROM: Emory A. Rounds, III  
Director

SUBJECT: 2021 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 2021. 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. Information on ten new prosecutions by the U.S. Attorneys' offices and the Civil Division 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 on OGE's website, [www.oge.gov](http://www.oge.gov), organized [by year](#) and [by statute](#).

**18 U.S.C. § 201 (Bribery)**

*1. United States v. David Laufer*

Defendant David Laufer served as the Chief of the Prosthetics and Orthotics Department ("Department") at Walter Reed Medical Center ("Walter Reed") from approximately 2009 to mid-2019. In this role, he had responsibility for ordering and purchasing prosthetics and orthotics materials and services for the Department.

From about 2010 until about May 2019, the Department used Blanket Purchase Agreements ("BPAs") to order and purchase relevant supplies; BPAs facilitate streamlined Government purchasing, in that they allow employees to order materials without charging a credit card each time or engaging in a formal contract for each purchase of materials. Walter Reed awarded multiple BPAs to Pinnacle Orthopedic Services ("Pinnacle"), a company owned and operated by Bruce Thomas, and from 2011 to mid-2019, the Department paid Pinnacle more than \$25 million for prosthetics and orthotics materials.

According to his Plea Agreement, Mr. Laufer undertook various official acts in connection with Pinnacle, including sending multiple purchase requests obligating millions of dollars to Pinnacle for prosthetics and orthotics materials, causing the repeated ordering of



supplies from Pinnacle, and seeking the renewal of BPAs with Pinnacle. He also restricted the availability of BPAs to certain manufacturers and distributors from which Pinnacle purchased products, which inhibited these companies from doing business directly with Walter Reed, and then encouraged the companies to sell products to Walter Reed through Pinnacle at a higher price to the Government. Mr. Laufer also increased the money available to Pinnacle under its BPAs by restricting the funds available for the BPAs issued to other manufacturers and distributors. Mr. Laufer admitted that in exchange for his official acts benefitting Pinnacle, he and his spouse received financial benefits from Pinnacle and Mr. Thomas, including direct cash payments, travel and lodging benefits, and sporting event tickets. Mr. Laufer failed to disclose the benefits and payments he received from Mr. Thomas and Pinnacle on multiple confidential financial disclosure reports (OGE Form 450), which he was required to file on an annual basis, and he later made multiple false statements to federal agents regarding his relationship with Pinnacle and unexplained cash deposits he received.

The Government initially charged Mr. Laufer with five counts of false statements in violation of 18 U.S.C. § 1001. He subsequently pleaded guilty to a Superseding Information charging him with acceptance of gratuities by a public official in violation of 18 U.S.C. § 201(c)(1)(B) and aiding and abetting in violation of 18 U.S.C. § 2. On September 30, 2021, the court sentenced Mr. Laufer to eight months of imprisonment and one year of supervised release (four months of which to be served under home confinement), and ordered him to pay restitution in the amount of \$7,890.62 and a special assessment of \$100. Mr. Thomas separately pleaded guilty to paying gratuities to a public official in violation of 18 U.S.C. § 201(c)(1)(A). On September 9, 2021, the court sentenced Mr. Thomas to eight months of imprisonment and one year of supervised release (four months of which to be served under home confinement), and ordered him to pay a fine of \$50,000, restitution in the amount of \$27,890.62, and a \$100 special assessment.

This case was handled by the United States Attorney's Office for the District of Maryland; for additional information, see the initial [Indictment](#), the [Superseding Information](#), and the [Plea Agreement](#).

## **18 U.S.C. §§ 201 (Bribery) and 209 (Supplementation of Salary)**

### *2. United States v. Nizar Farhat*

From late 2009 through early 2018, defendant Nizar Farhat worked for the Department of Defense ("DOD") as a Construction Manager based at a Marine Corps Air Ground Combat Center in California. In May 2013, the U.S. Navy awarded a \$15 million contract to a Massachusetts-based construction company ("Company M") to construct an aircraft hangar and telecommunications facility at the Navy Base at Camp Lemonnier in Djibouti. Between June 2014 and December 2015, Mr. Farhat was temporarily assigned to Camp Lemonnier and was responsible for, among other duties, overseeing Company M's construction of the aircraft hangar and telecommunications facility.

In April 2016, DOD certified that Company M had completed the construction project at Camp Lemonnier and, in April 2017, Company M submitted Requests for Equitable Adjustment

(“REAs”) asking for an additional \$6.43 million from DOD for additional costs it incurred during the construction project. Mr. Farhat accepted approximately \$15,000 in cash payments in exchange for providing Company M with advice and for drafting the REAs, and also accepted \$22,000 in cash payments from Company M in exchange for recommending that DOD certify the completion of the Camp Lemonnier project and approve the additional payments requested by the company. Mr. Farhat never disclosed to DOD that he had participated in drafting the REAs or that he accepted cash payments from Company M.

In a Plea Agreement filed with the court on May 24, 2021, Mr. Farhat pleaded guilty to receiving an illegal gratuity in violation of 18 U.S.C. § 201(c)(1)(B) and receiving compensation from a private party for Government services in violation of 18 U.S.C. § 209. On January 31, 2022, the court sentenced Mr. Farhat to three years of probation and ordered him to pay a \$75,000 fine and a \$200 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](#) and the [Plea Agreement](#).

### **18 U.S.C. § 201 (Bribery) and 18 U.S.C. § 1001 (False Statements)**

#### *3. United States v. William S. Wilson et al. (defendant Matthew Kekoa LumHo)*

Defendant Matthew Kekoa LumHo served the Chief of the Unified Communications Division of the Information Systems Directorate (subsequently renamed the Office of the Chief Information Officer), a branch of the Office of the Inspector General of the Department of Defense (“DOD OIG”). In this position, he served as a Designated Agency Representative for the DOD OIG with respect to a prime federal contract related to telecommunications services and equipment. He was responsible for approving and submitting orders for goods and services under the contract and also for inspecting and accepting goods and services delivered to DOD OIG under the contract.

Beginning no later than 2012, Mr. LumHo demanded and accepted bribes from co-conspirator William S. Wilson, in exchange for taking official actions to benefit Mr. Wilson’s company. In an attempt to disguise the bribes, Mr. Wilson paid tens of thousands of dollars through his company’s payroll system to a relative of Mr. LumHo (who never worked for Mr. Wilson or his company); other bribes Mr. Wilson paid to Mr. LumHo included thousands of dollars of electronics and camera equipment. In exchange for the things of value he received from Mr. Wilson and his company, Mr. LumHo agreed to perform, and did perform, multiple official acts to benefit Mr. Wilson’s company, which involved steering the telecommunications and IT services of the prime Government contract through an intermediary telecommunications company to Mr. Wilson’s company. As part of the scheme, Mr. LumHo authorized numerous false and fraudulent services orders through the prime contract for specialized IT products and services, which were not provided; Mr. LumHo and Mr. Wilson also used fraudulent service orders to pay for some of the equipment that Mr. LumHo received as bribes from Mr. Wilson. Mr. LumHo did not report any gifts or non-investment income on his confidential financial disclosure report (OGE Form 450) covering calendar year 2012.

Mr. LumHo was charged with multiple offenses, including conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349, wire fraud in violation of 18 U.S.C. § 1343, five counts of false claims in violation of 18 U.S.C. § 287, acceptance of bribes by a public official in violation of 18 U.S.C. § 201(b)(1)(A), and false statements in violation of 18 U.S.C. § 1001. On June 24, 2021, a jury returned its verdict finding him guilty on all counts. The court sentenced him on January 14, 2022 to 90 months of imprisonment and three years of supervised release, and ordered him to pay a \$900 special assessment. As part of the same trial, the jury also found Mr. Wilson guilty of conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349, three counts of wire fraud in violation of 18 U.S.C. § 1343, five counts of false claims in violation of 18 U.S.C. § 287, bribery of a public official in violation of 18 U.S.C. § 201(b)(1)(A), and two counts of false statements in violation of 18 U.S.C. § 1001. The court sentenced Mr. Wilson on February 4, 2022 to 180 months of imprisonment and three years of supervised release, and ordered him to pay a \$1,200 special assessment. The court also entered an order of forfeiture against Mr. Wilson pursuant to which he was required to forfeit \$8,992,544.07, multiple real properties, vehicles, and other items.

This case was handled by the United States Attorney's Office for the Eastern District of Virginia; for additional information, see the [Superseding Indictment](#).

#### **18 U.S.C. § 205 (Unauthorized Representation of Claims against the Government)**

##### *4. United States v. Megan Mariah Patrick*

Defendant Megan Mariah Patrick worked for the Department of Agriculture in Jackson, Mississippi as a Rural Development Loan Specialist. Over a period of approximately a year and a half, Ms. Patrick, outside of her official duties, served as an attorney representing individuals seeking increased federal benefits before the Social Security Administration. In connection with each case in which she entered such an appearance, Ms. Patrick filed an official form with the Social Security Administration stating that she was not disqualified or otherwise prohibited, as a federal employee, from representing the claimant, when she knew that she was in fact prohibited from doing so.

On October 27, 2021, Ms. Patrick pleaded guilty an indictment charging her with three counts of unauthorized representation of claims against the United States in violation of 18 U.S.C. § 205(a)(2) and three counts of false statements to a federal agency in violation of 18 U.S.C. § 1001. On March 2, 2022, the court sentenced her to two years of probation and ordered her to pay a \$3,000 fine and a \$600 special assessment.

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

## 18 U.S.C. § 208 (Conflict of Interest)

### 5. *United States v. Timothy Hamilton*

Defendant Timothy Hamilton worked as a civilian employee at Walter Reed Medical Center (“Walter Reed”) from 1991 to 2017. From 2014 to 2017, he held a supervisory position at Walter Reed’s Prosthetics and Orthotics Department (“Department”), which provided a full range of orthotic services, including prosthetic limbs and support for wounded members of the military. Mr. Hamilton’s duties in this role included ordering supplies for patients, managing inventory levels, and assigning work to peers and subordinates.

Mr. Hamilton admitted in his Plea Agreement that, beginning in 2009, he allowed his orthotist certification to be used by Person A for their business, Company A. Specifically, Company A used Mr. Hamilton’s certification to obtain accreditation and bill insurers for medical treatment that required the involvement of a certified orthotist, which Mr. Hamilton did not provide in the majority of cases. From 2011 to 2015, Company A used Mr. Hamilton’s credentials to submit more than 225 fraudulent insurance claims that involved more than 200 patients and totaled more than \$150,000. Starting around 2009 and through much of 2015, Company A/Person A paid Mr. Hamilton more than \$45,000 for the use of his orthotist certification.

In addition to these activities regarding Company A, Mr. Hamilton also admitted that he received more than \$15,000 in gift cards, checks, tickets, lodging, and other benefits from the Department’s supplier Pinnacle Orthopedic Services (“Pinnacle”) and its owner, Bruce Thomas. During the time that he received payments from Company A and Pinnacle, Mr. Hamilton ordered products from both companies on behalf of the Department.

The Government charged Mr. Hamilton with conspiracy to commit health care fraud in violation of 18 U.S.C. § 1349 and conflict of interest in violation of 18 U.S.C. § 208, and he pleaded guilty to both charges in a Plea Agreement filed with the court on July 10, 2019. The court sentenced him on November 16, 2021 to one month of imprisonment and one year of supervised release, and ordered him to forfeit \$45,000 and pay a \$100 special assessment. (Mr. Thomas’ sentence is discussed above in connection with the *United States v. David Laufer* case above.)

This case was handled by the United States Attorney’s Office for the District of Maryland; for additional information, see the [Information](#) and [Statement of Facts](#) associated with Mr. Hamilton’s Plea Agreement.

### 6. *United States v. John Raymond Meier*

Defendant John Raymond Meier enlisted in the Army in 2008, and was commissioned as an officer in June 2014. Between June 2017 and August 2019, he served as a Supply Officer at the Fort Bragg reservation in Fayetteville, North Carolina; his duties in this role included

reviewing and approving purchase requests for supplies and equipment with a Government purchase card (“GPC”).

In February 2018, Mr. Meier’s wife formed a company called White Board Solutions, LLC (“WBS”) under her unmarried name. Between March 2018 and October 2018, Ms. Meier, as Chief Executive Officer of WBS, negotiated six purchase agreements with the Department of the Army to provide commercial truck driver training to soldiers. Mr. Meier and one of his subordinates signed the required GPC Request Form for payments made to WBS under these agreements, which totaled approximately \$149,970. Although WBS rented trucks that were to be used in the training (at a cost of \$67,124), it never provided the advanced training as promised under the contract.

In a Plea Agreement filed with the court on September 9, 2021, Mr. Meier pleaded guilty to participating in a matter affecting his financial interest in violation of 18 U.S.C. § 208. On that same day, Ms. Meier, on behalf of WBS, pleaded guilty to theft of Government funds in violation of 18 U.S.C. § 641. On March 9, 2022, the court sentenced Mr. Meier to three years of probation and ordered him to pay a special assessment of \$100. That same day, the court sentenced WBS to three years of probation and ordered it to pay a \$400 special assessment; the court also ordered Ms. Meier, as the representative of WBS to permanently cease operations and permanently relinquish all registrations as a durable service provider for the U.S. military. In addition, the court ordered Mr. Meier and WBS to pay restitution in the amount of \$82,845.

This case was handled by the United States Attorney’s Office for the Eastern District of North Carolina; for additional information, see the [Information](#).

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

#### *7. United States v. Franklin Raby*

Following his retirement from the Army as a Sergeant Major, Defendant Franklin Raby began working in 2006 for the Department of Defense (“DOD”) as a civilian Range Operations Manager at Mission Support Element, Range Division, U.S. Army Pacific, Schofield Barracks, Hawaii (“the Range”). He also served as a Contract Officer Representative and an Agreement Officer Representative at the Range, providing technical direction, clarification, and guidance to contractors performing certain contracts with the Government. As a federal procurement official, Mr. Raby was required to file a confidential financial disclosure report (OGE Form 450) on an annual basis.

From around March 2015 through May 2018, Mr. Raby accepted various things of value from REK Associates, LLC (“REK”), a federal contractor that had been awarded multiple DOD contracts to help maintain military properties, including the Range. Over the course of their relationship, REK provided Mr. Raby with items including a 1969 Ford Galaxie, a custom rifle, and diamond earrings meant for Mr. Raby’s wife. In exchange, Mr. Raby provided REK with sensitive internal DOD procurement information, and also used his position and influence to benefit the company, including through the selection of contractors and contract vehicles to do work on the Range. For example, REK employees wrote a very specific Performance Work



Statement and Request for Proposal for a particular DOD contract, and provided them to Mr. Raby; Mr. Raby then passed off these documents as his own work, knowing that the specific language that REK provided would almost certainly result in it being awarded the contract. Around November 2017, Mr. Raby unofficially accepted a job with REK, and began working as a Program Manager for the company in June 2018 after retiring from DOD the prior month. Mr. Raby did not disclose any gifts or travel reimbursements he received from REK on confidential financial disclosure reports filed during this time period, nor did he disclose to the appropriate contracting authorities that he had a pending job offer from REK at the same time he was working at DOD on contracts that were likely to be awarded to (and in fact were awarded to) REK. He admitted in his Plea Agreement that he willfully and knowingly failed to disclose these financial interests on his Government ethics forms to try to avoid any consequences associated with discovery by ethics officials.

In a Plea Agreement filed with the court on April 18, 2019, Mr. Raby pleaded guilty to a one count Information charging him with conspiracy to commit bribery and disclose procurement information in violation of 18 U.S.C. § 371. On July 12, 2021, the court sentenced him to four years of probation and ordered him to pay a \$20,000 fine and \$100 special assessment. The court also ordered him to forfeit his interest in the Ford Galaxie, diamond earrings, and custom rifle. John Winslett, the REK employee who gave things of value to Mr. Raby and another co-conspirator, pleaded guilty to conspiracy to commit honest services wire fraud in violation of 18 U.S.C. § 1349 and conspiracy to accept kickbacks in violation of 18 U.S.C. § 371.<sup>1</sup> The court sentenced Mr. Winslett on January 15, 2021 to 70 months of imprisonment and three years of supervised release, and ordered him to pay a \$150,000 fine and \$200 special assessment.

This case was handled by the United States Attorney's Office for the District of Hawaii; for additional information, see the Mr. Raby's [Information](#) and [Plea Agreement](#)<sup>2</sup> and Mr. Winslett's [Plea Agreement](#).

### **18 U.S.C. § 1001 (False Statements)**

#### *8. United States v. James Christopher Jenkins*

From mid-2011 to early 2017, defendant James Christopher Jenkins worked as a Senior Project Manager in the Nuclear Power Group and the Major Projects group at the Tennessee Valley Authority ("TVA"). In this role, he had fiduciary and management responsibilities that required him to file an annual confidential financial disclosure report (OGE Form 450).

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<sup>1</sup> According to court documents and information presented in court, Mr. Winslett admitted that he gave things of value to Mr. Raby and another Government contracting official in order to steer federal contracts worth at least \$19 million to REK, and further admitted that he accepted \$723,333.33 in kickbacks from a local subcontractor, in exchange for assigning those contracts to the local subcontractor. The other Government official who received payments from REK and participated in the scheme pleaded guilty to conspiracy to commit bribery and a firearms charge, but he passed away before a sentence was imposed and the Government thereafter dismissed the case against him.

<sup>2</sup> Mr. Raby requested that his plea be taken in his home district of the Eastern District of Tennessee.

Mr. Jenkins admitted in his Plea Agreement to making false statements and representations in the OGE Form 450 reports he submitted to TVA's ethics department from 2012 through 2016. He failed to disclose multiple things on these reports, including complete information regarding debts he and his spouse owed, as well as income from and arrangements he had with outside businesses, including ones for whom he later approved TVA contracts.

In a Plea Agreement filed with the court on October 12, 2021, Mr. Jenkins pleaded guilty to one count of false statements in violation of 18 U.S.C. § 1001. On March 11, 2022, the court sentenced him to two years of probation and ordered him to pay a \$25,000 fine and \$100 special assessment.

This case was handled by the United States Attorney's Office for the Eastern District of Tennessee; for additional information, see the [Plea Agreement](#).

### **18 U.S.C. § 1344 (Bank Fraud)**

#### *9. United States v. Andrew Tezna*

From 2015 to 2021, Defendant Andrew Tezna worked for the National Aeronautics and Space Administration ("NASA"), most recently in a Senior Executive Service position that required him to file a public financial disclosure report (OGE Form 278e) with NASA.

In March 2020, the federal Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted; the law was designed to provide emergency financial assistance to those suffering economic effects from the COVID-19 pandemic. Among other things, the CARES Act authorized billions of dollars in forgivable loans to small businesses for job retention and certain other expenses under the Paycheck Protection Program ("PPP"). PPP loans were to be used only for permissible business expenses, such as payroll costs, rent, utilities, and the like. According to Mr. Tezna's Plea Agreement, he fraudulently submitted three loan applications totaling \$272,284 to financial institutions under the PPP program, using fabricated IRS tax returns and fraudulently-claimed business expenses. Mr. Tezna also applied for COVID-related unemployment benefits from the Commonwealth of Virginia totaling \$15,950 for his mother-in-law, who was retired and did not qualify for benefits. He obtained over \$285,000 from the PPP loans and unemployment benefits, which he used on unauthorized expenses, including paying off auto loans and credit cards, making payments on a loan for a residential swimming pool, paying a dog breeder, making a down payment on a car, and paying for home improvements and Disney Vacation Club dues and loan payments. Mr. Tezna also submitted fraudulent applications totaling \$69,500 to the Small Business Administration ("SBA") under the Economic Injury Disaster Loan Program, which was authorized under the CARES Act to provide loans to eligible small businesses that experienced substantial financial disruptions due to the COVID-19 pandemic. The SBA rejected each of these applications.

In June 2020, Mr. Tezna filed his OGE Form 278e with NASA, on which he failed to disclose approximately \$36,000 in credit card liabilities that should have been reported. This financial disclosure report also failed to report money that Mr. Tezna was receiving from a NASA employee he indirectly supervised as either compensation, other assets and income, or a



gift; between August 30, 2019 and September 4, 2020, he received at least \$46,200 from this individual.

In a Plea Agreement filed with the court on Mr. Tezna pleaded guilty to a one count Information charging him with bank fraud in violation of 18 U.S.C. § 1344. The court sentenced him on July 15, 2021 to 18 months of imprisonment and three years of supervised release, and ordered him to pay restitution in the amount of \$285,449.11 and a \$100 special assessment.

This case was handled by the United States Attorney's Office for the Eastern District of Virginia; for additional information, see the [Information](#) and [Statement of Facts](#) associated with the Plea Agreement.

### **5 U.S.C. app. 4 § 101 (Ethics in Government Act)**

#### *10. United States v. Omarosa Manigault Newman*

From January 20, 2017 to December 19, 2017, Defendant Omarosa Manigault Newman was the Director of Communications in the Office of Public Liaison in the White House. In this role, Ms. Manigault Newman was required to file public financial disclosure reports (OGE Form 278e) pursuant to the Ethics in Government Act ("EIGA"), including a financial disclosure report within 30 days after the termination of her employment ("termination report").

Ms. Manigault Newman failed to file her termination report by the January 18, 2018 deadline, notwithstanding multiple reminders and notifications she received regarding her filing obligations. After Ms. Manigault Newman missed the filing deadline, multiple Government officials reminded her of her obligations under EIGA to file a termination report, and in early March 2018, she engaged with White House officials regarding her concerns about the termination date indicated on the termination report. By the end of March 2018, the termination date dispute was resolved.

On June 25, 2019, the Government filed a one count complaint alleging that Ms. Manigault Newman violated EIGA by knowingly and willfully failing to file her termination financial disclosure report within the time required by the law. She ultimately filed her termination report on September 11, 2019.

On May 21, 2020, the court denied a motion to dismiss filed by Ms. Manigault Newman, and the parties subsequently cross-moved for summary judgment. On March 15, 2022, the court issued an opinion denying Ms. Manigault Newman's motion for summary judgment and granting the Government's motion for summary judgment. The court also ordered Ms. Manigault Newman to pay a \$61,585 civil penalty, the inflation-adjusted statutory maximum at the time of the Government's motion, "find[ing] that imposition of the maximum penalty is necessary to effectuate the deterrent aims of the EIGA."

This case was handled by the Civil Division of the Department of Justice; for additional information, see the [Complaint](#) and [Memorandum Opinion](#) of the court ruling on the parties' summary judgment motions.