



United States  
**Office of Government Ethics**  
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LA-11-08

MEMORANDUM

TO: Designated Agency Ethics Officials and Inspectors General

FROM: Don Fox  
Acting Director

SUBJECT: 2010 Conflict of Interest Prosecution Survey

The 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) for the period January 1, 2010 through December 31, 2010. Information on new prosecutions by U.S. Attorneys' offices and the Public Integrity Section of the Department of Justice's Criminal Division was provided to OGE with the assistance of the Executive Office for United States Attorneys at the Department of Justice. Summaries of the prosecutions reported to OGE for past years can be found on its website at [www.oge.gov](http://www.oge.gov) under the topic of "Enforcement."

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**2010 CONFLICT OF INTEREST SURVEY**

**I. Updates on Previously Reported Cases**

1) United States v. David H. Safavian

In May 2011, the U.S. Court of Appeals for the District of Columbia Circuit upheld the conviction of David Safavian on one charge of obstructing an investigation and three charges of making false statements in violation of 18 U.S.C. § 1001. [United States v. David H. Safavian, U.S. App. D.C. \\_\\_\\_\\_, 649 F.3d 688 \(2011\)](#). Safavian will serve a sentence of one year in prison and two years of supervised release. The charges against Safavian arose from a golf trip that he had accepted while he was serving as Chief of Staff for the Administrator of the General Services Administration and false and misleading statements he made to government officials during various investigations of the trip.

## 2) United States v. Courtney A. Stadd

Courtney Stadd, a former special Government employee of the National Aeronautics and Space Administration (NASA), was the subject of two separate prosecutions arising out of his activities to obtain funding for a client of his consulting business.

In the first case, the U.S. Court of Appeals for the District of Columbia Circuit upheld his conviction in March 2011 of one count of committing an act affecting a personal financial interest in violation of 18 U.S.C. § 208(a) and two counts of making false statements in violation of 18 U.S.C. § 1001(a)(2). [United States v. Courtney A. Stadd, 394 U.S. App. D.C. 333, 636 F.3d 630 \(2011\)](#). The court found that there was sufficient evidence for the jury to find that Stadd had participated personally and substantially in a particular matter in which he knew he had a financial interest. Stadd had directed \$15 million in Federal funds to a Mississippi university that was a client of his consulting firm. The false statements were made in his ethics agreement and to a NASA ethics official.

In the second case, he pleaded guilty to one count of conspiracy for his participation in steering a \$600,000 sole-source government contract to Mississippi State University (MSU). He was sentenced in November 2010 to 41 months in prison and three years of probation. He was also ordered to pay a \$7,500 fine and to pay his portion of the \$287,000 owed jointly and severally with another NASA employee, Liam P. Sarsfield, who was prosecuted in a separate proceeding. The facts of surrounding this offense are summarized below under [United States v. Liam P. Sarsfield](#).

## **II. 2010 Prosecutions**

### **18 U.S.C. § 208**

## 3) United States v. Liam P. Sarsfield

The defendant, Liam P. Sarsfield, was employed by NASA as a Deputy Chief Engineer in the Office of Chief Engineer in Washington, D.C. from October 15, 2002 to January 22, 2005. He controlled a \$1.5 million fund for research studies initiated by the Office of Chief Engineer. Between June 1, 2004 and January 22, 2005, he used a majority of the money in the fund to initiate studies that benefitted him and Courtney Stadd, the former NASA Chief of Staff and White House Liaison. For each study, Sarsfield substantially developed the statement of work required to commence the study, participated in the creation of the sole source justifications for the studies, directed the use of different contracting methods leading to the award of the studies, and spearheaded the funding the studies.

One study was a \$600,000 sole-sourced delivery order for a study pertaining to national security that was awarded to MSU through an existing NASA contract with the Mississippi Research Consortium, a collection of Mississippi colleges. Through a subcontract, MSU paid

\$450,000 to Capitol Solutions, a private consulting firm run by Stadd. Prior to the award of the contract, Stadd and Sarsfield had agreed that Sarsfield would work on the subcontract after he left NASA. From January 23, 2005 when he left NASA until October 6, 2005, Sarsfield received six payments totaling \$87,752 from Capitol Solutions for work he performed on the subcontract.

A second study on meeting joint transportation requirements was awarded to Universal Technology Corporation through a pre-existing U.S. Air Force contract. Sarsfield was involved in transferring NASA funds to the Air Force contract and in preparing the statement of work. For the work he performed on the contract, Sarsfield was paid over \$184,000.

On November 30, 2009 the defendant pleaded guilty to one count of violating 18 U.S.C. § 208. He was sentenced to three years of probation and ordered to pay restitution in the amount of \$87,752.55. He was also ordered pay a \$5,000 fine.

#### 4) United States v. Patricia M. Biondolillo

The defendant, Patricia M. Biondolillo, was employed by NASA as a Human Resources Specialist and Co-op Program Coordinator (CPC) with the Office of Human Capital Management at the Langley Research Center (Langley), in Hampton, Virginia. The defendant participated personally and substantially in her husband's application for a co-op student position at Langley. First, she used non-public information concerning a job vacancy to introduce his resume for the purpose of having it provided to the selecting official for that position and intentionally failed to disclose her relationship to the prospective employee to the selecting official. Second, she used her official position, as CPC, to pressure university officials for the purpose of accelerating her husband's admission and employment at Langley. She did so in spite of having been directed by her supervisor not to involve herself in such activity. Lastly, although the defendant had again been directed not to involve herself in the employment processing for her husband, she reinserted herself into the process, specifically regarding the issue of his pay grade determination. The defendant and her husband had a financial interest in her husband's application for a co-op student position at Langley. Her husband's potential salary and benefits as a NASA employee were a substantial financial interest to both the defendant and to her husband. They both also had a direct financial interest in increasing his starting pay grade at Langley once he had been selected for the position.

The defendant was charged with violating 18 U.S.C. § 208. She entered into a plea agreement on June 2, 2010 and pleaded guilty to violating 18 U.S.C. § 208. She was sentenced on September 23, 2010 to one year of probation, a \$5,000 fine, and a \$25.00 special assessment.

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

5) United States v. Patrick Seidel

Between September and December 2005, while he was on active duty with the U.S. Navy, Captain Patrick Seidel was the Major Program Manager for Maritime Surveillance Systems at Naval Sea Systems Command (NAVSEA) in San Diego. As the Major Program Manager, he was responsible for the programs that developed, acquired, and supported complex ocean surveillance systems (i.e., antisubmarine programs).

From September 19, 2005 through December 6, 2005, Seidel began seeking and negotiating employment with a major defense contractor that sought to perform elements of the antisubmarine warfare program. In December 2005, Seidel accepted employment with the contractor and received a \$25,000 signing bonus.

While negotiating his employment, Seidel invited the contractor to send employees to the program's headquarters, sent Navy personnel to the contractor's facility, and discussed with Navy personnel how the contractor could assist in the program. By engaging in these activities, Seidel participated personally and substantially as a Government officer and employee in a particular matter in which an organization with whom he was negotiating for prospective employment had a substantial financial interest.

Seidel was charged with violating 18 U.S.C. § 208. He entered into a plea agreement on October 5, 2010 and pleaded guilty to violating 18 U.S.C. § 208. He was sentenced on October 8, 2010 to one year of unsupervised probation, a \$15,000 fine, and a \$25.00 special assessment.

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

6) United States v. James Lee Bailey and Lee J. Temples

James Lee Bailey was an employee of the Bureau of Prisons (BOP) at the Federal Prison Camp (FPC) in Marianna, Florida, where the BOP runs a UNICOR recycling factory. UNICOR uses inmate labor to recycle and refurbish various electronic and computer equipment for resale. UNICOR then sells the recycled equipment to various companies on eBay through a third party company which has a contract with UNICOR to provide eBay services for UNICOR.

Beginning in March 2004, Bailey was the Industrial Specialist responsible for locating products for UNICOR to recycle, conducting sales of recycled electronic equipment on behalf of UNICOR, setting prices for the sale of recycled electronics, obtaining bids for the sale of recycled electronics, and overseeing the daily activities of the UNICOR operations at FPC Marianna. Knowing BOP employees were prohibited from acting as eBay vendors on behalf of UNICOR, Bailey incorporated a business with his cousin, Lee Temples. Bailey and Temples sold on eBay, or in their retail store, computer and electronic equipment purchased from or assigned by UNICOR. When applying for permission from the BOP to conduct business with his cousin outside the course of his government job, Bailey falsely certified that the business –

the corporation formed by his cousin – had no contractual relationship with the federal government. Between April 2004 and November 2007, Bailey received over \$200,000 in proceeds and profits from Temples through their company.

On September 30, 2010, Bailey pleaded guilty to charges of violating 18 U.S.C. § 208 and 18 U.S.C. § 1001 (making a false statement), in addition to charges of wire fraud (18 U.S.C. § 1343), deprivation of honest services (18 U.S.C. § 1346), money laundering (18 U.S.C. § 1957), and conspiracy. He was sentenced on December 15, 2010 to 27 months in prison, three years' supervised release, a \$5,000 fine, and a \$1,900 Special Monetary Assessment. He was also ordered to pay forfeitures totaling \$25,000.

On September 1, 2010, Temples pleaded guilty to numerous charges, including witness tampering (18 U.S.C. § 1512), wire fraud, deprivation of honest services, money laundering, and conspiracy. He was sentenced on November 15, 2010 to five years' probation, a \$25,000 fine, and a \$600 Special Monetary Assessment.

Neither defendant has appealed, but Bailey has filed a motion pursuant to 28 U.S.C. § 2255 to vacate the sentence on jurisdictional, constitutional, or statutory grounds.

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

#### 7) United States v. Bruce Gillette

The defendant, Bruce Gillette, was a Lieutenant Colonel in the U.S. Army Reserves. From August 2004 through August 2005, the defendant was assigned to the Multi-National Forces-Iraq (MNF-1) as a member of the 353<sup>rd</sup> Civil Affairs Command and served as Chief of the Election Cell for the MNF-1's Civil Military Operations Directorate. He served as the MNF-1's liaison to the Independent Electoral Commission of Iraq (IECI), the United Nations, the Department of State, and various Iraqi government entities.

The IECI was established in May 2004 and was tasked with administering the January 30, 2005 elections in Iraq. The UN assisted the IECI with the elections by establishing a logistics support operation to plan and supervise the delivery of electoral materials. In December 2004, the United Nations Office for Project Services (UNOPS) invited bids for a contract to collect election equipment and ballots from various locations around the world and deliver these materials to several locations throughout Iraq before the January 30, 2005 elections. The contract was awarded to a U.S. air freight forwarder located in New York (Contractor A).

As a U.S. Army officer, the defendant participated in UNOPS' decision to award the contract to Contractor A. In addition, he helped develop and implement the plan to move election materials from their locations in other countries to Iraq.

From December 2004 through January 2005, while he was participating in these matters in his capacity as a government officer, he was also engaging in discussions and negotiations

concerning prospective employment with Contractor A. In his civilian life, the defendant was an executive for an air freight forwarder located in New York that engaged in significant business transactions with Contractor A.

The defendant was charged with violating 18 U.S.C. § 208(a) and pleaded guilty on October 6, 2010. The defendant was sentenced on January 11, 2011 to one year of probation, 160 hours of community service, a \$2,000 fine, and a \$25 special assessment. The defendant did not file an appeal.

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

#### 8) United States v. Donna J. Scott

The defendant, Donna J. Scott, was an employee of the United States Department of Energy (DOE). In 2006, she was tasked with overseeing the renovation of a lobby and conference room in a DOE building in Germantown, MD. In July 2006, she recommended to a co-worker that the co-worker obtain price quotes for furniture from her husband, Timothy Scott. The co-worker did so and then attempted to purchase the furniture from Timothy Scott. She was told, however, that she needed two additional price quotes in order to satisfy competitive bidding requirements. The co-worker communicated this to Donna Scott, who provided two additional quotes from her husband. Donna Scott did not disclose that the two additional quotes, both higher than the original quote, were also from her husband. The DOE ultimately purchased the furniture using the price quote originally provided by Timothy Scott.

Additionally, Donna Scott was assigned in 2008 to oversee renovation of the cafeteria in the DOE's headquarters in Washington. In April and May 2008, Donna Scott selected furniture worth about \$300,000 from manufacturers she knew used her husband as their dealer of record. As a result of these transactions, Timothy Scott earned approximately \$24,174 in commissions from the manufacturers.

On September 25, 2008, Donna Scott signed and submitted a confidential financial disclosure report, omitting any reference to commissions received by her husband or to any other reportable sources of income for him.

Donna Scott was charged with violating 18 U.S.C. §§ 208(a) and 216(a)(2). Timothy Scott was charged with making false statements to federal agents. Both pleaded guilty on March 26, 2010 and were sentenced on June 3, 2010.

Donna Scott and Timothy Scott were each sentenced to three years of probation and 50 hours of community service. They were each ordered to pay a \$5,000 fine, and each received certain restrictions on future employment with the federal government. Donna Scott agreed to resign her position with the DOE and agreed not to accept employment with the U.S. Government or conduct or attempt to conduct business with the U.S. Government for a period of three years from the date of sentencing.

This case was handled by the United States Department of Justice, Criminal Division, Public Integrity Section and by the United States Attorney's Office for the District of Maryland.

9) United States v. Judie Lynn Hoffman

The defendant, Judie Lynn Hoffman, was an employee of the United States Department of Agriculture, Farm Service Agency. In violation of 18 U.S.C. § 208(a), Hoffman participated personally and substantially in a claim for an agricultural subsidy for a family farm in which she or her spouse had a financial interest. The defendant also fraudulently destroyed Farm Service Agency documents to manipulate the submission of an agricultural subsidy claim. The defendant timed the submission of the claim to "lock in," or maximize, the amount for which the producer is eligible and thus obtained for her family over \$14,000 in subsidy payments for which her family would not have been otherwise eligible. The defendant's actions were also in violation of 18 U.S.C. § 641.

The defendant entered into a plea agreement on July 30, 2010 and pleaded guilty to violations of 18 U.S.C. §§ 208(a) and 641. Hoffman was sentenced on November 4, 2010 to two years of probation, a \$200 special assessment, and a fine of \$1,000. No appeal has been filed.

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

**18 U.S.C. § 209**

10) U.S. v. William R. Collins

The defendant, William R. Collins, was a Housing Specialist employed by the U.S. Army at the U.S. Army Area Support Group-Kuwait (ASG-KU). This group operated an off-post housing office that procured housing for military members and other government employees who worked at Camp Arijan in Southwest Asia. The defendant also served as a contract officer representative and budget coordinator. In this capacity, he supervised housing contractors, vendors, and landlords, and provided recommendations pertaining to off-post housing contracts.

In January 2009 a company owned by an Egyptian businessman was awarded a contract to provide maintenance service for the ASG-KU office and for the off-post housing that the defendant managed. The defendant submitted an inflated off-post apartment lease to the United States and split with the businessman the additional money (\$23,100) that resulted from the inflated lease payments. The defendant also solicited approximately \$8,400 from the businessman between July 2009 and December 2009 in exchange for preferential treatment in connection with a fixed-price government contract awarded to the businessman's company.

The defendant pleaded guilty to one count of bribery (18 U.S.C. § 201(b)(2)) and one count of illegal supplementation of salary (18 U.S.C. § 209). He was sentenced on July 16, 2010

to 42 months in prison followed by three years of probation. He was ordered to forfeit \$5,775 and to pay a fine of \$1,725.

The case was prosecuted by the United States Attorney's Office for the Eastern District of Virginia.

11) United States v. Kim Oahn Thathitran, a.k.a., Jennifer Kim Tran.

The defendant, Kim Oahn Thathitran, was the subject of an IRS audit. The IRS auditor determined the defendant owed approximately \$13,000 in taxes. On November 30, 2009, while the audit was ongoing, the defendant mailed the auditor a \$100 Starbucks gift card. At a meeting on December 8, 2009, the defendant gave the auditor a greeting card containing \$500 cash. The next day, the defendant gave the auditor \$1,500 cash and, in exchange, wanted a document showing that her tax liability had been eliminated. The auditor recorded his last conversation with the defendant and reported the gifts to IRS supervisors.

The defendant was initially charged with violating 18 U.S.C. § 201(b). She pled guilty by information on September 2, 2010 to violating 18 U.S.C. § 209. The defendant was sentenced on September 2, 2010 to six months of probation, a \$2,100 fine, and a \$25 special assessment

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

### **Other Offenses**

#### **18 U.S.C. § 1001 – Making a False Material Statement (on a Financial Disclosure Form)**

12) United States v. Martin Lieb

From August 2004 through November 2005, the defendant, Martin Lieb, was an employee of the Department of Defense and was assigned to the Subsistence Supplier Operations Directorate as an Integrated Supply Team Supervisor. He was responsible for, among other things, providing service equipment to troops in the theatre of war by contracting and coordinating with vendors that provided bag-in-the-box soda to customers both inside and outside the continental United States and on Navy ships.

In February 2005, the defendant was offered and accepted several gifts from Company A. Company A, a multibillion dollar soft-drink company that manufactures and sells carbonated soft drinks, had secured contracts and subcontracts with the Department of Defense worth hundreds of millions of dollars. The gifts that the defendant accepted included a ticket to attend the 2005 Super Bowl in Florida, as well as lodging on the Regatta cruise ship, meals and drinks, and access to exclusive, Super Bowl-related events, such as the Taste of the NFL party.

Each year since 2001, the defendant was required to complete and certify an annual Executive Branch Confidential Financial Disclosure Report, the OGE Form 450. On the form, he was required to list gifts that exceeded a certain value from outside sources, including Government contractors. He did not report the Super Bowl-related gifts on his 2005 report. He falsely certified that he had not received gifts from any one source that totaled more than the permitted threshold amount. In fact, the gifts that he accepted from Company A in February 2005 totaled more than the permitted threshold amount.

Lieb was charged with violating 18 U.S.C. § 1001(a)(2), making a false statement. He pleaded guilty on May 26, 2010 and was sentenced on October 7, 2010 to two years of probation, 200 hours of community service, and a \$5,000 fine.

This case was handled by the United States Department of Justice, Criminal Division, Public Integrity Section.

### **18 U.S.C. § 1018 – Making a False Certificate or Writing (on a Financial Disclosure Form)**

#### 13) United States v. Frank Davis

The defendant, Frank Davis, was an employee of HUD. In 2005 he served as the General Deputy Assistant Secretary for Housing and Deputy Federal Housing Commissioner for HUD. In October 2005 he was offered and accepted gifts from Person A, who was the President of Company A. Company A represents clients trying to secure government contracts with HUD. At the time that the defendant accepted the gifts, Person A was negotiating with HUD the bulk sale of HUD-owned property at a rate below market value. The gifts that the defendant accepted included two luxury box tickets to attend an October 2005 Washington Redskins professional football game at FedEx Field in Maryland.

Beginning in 2002, the defendant was required to complete and certify an annual Executive Branch Public Financial Disclosure Report, the SF 278. On the form, he was required to list gifts that exceeded a certain value from outside sources, including entities with business before the government and Government contractors. He did not report the gifts from Person A on his 2005 report. He falsely certified that he had not received gifts from any one source that exceeded the reporting threshold. In fact, the gifts that he accepted from Person A in October 2005 exceeded the reporting threshold.

Davis was charged with violating 18 U.S.C. § 1018, making a false certificate or writing. He signed a plea agreement on March 29, 2010 that was entered on April 12, 2010. Davis was sentenced on July 19, 2010 to twelve months of probation, 60 hours of community service, a \$500 fine, and a \$25 special assessment.

This case was handled by the United States Department of Justice, Criminal Division, Public Integrity Section.

14) United States v. Joseph McCloskey

The defendant, Joseph McCloskey, worked for the U.S. Department of Housing and Urban Development (HUD). During his last two years at HUD, McCloskey worked as the Director of Single Family Asset Management (SFAM) and then as Acting Deputy Assistant Secretary for SFAM. The role of SFAM was to set policy and procedure for HUD-owned property disposition and the Federal Housing Administration (FHA) loan program.

Beginning in 2004, the defendant was required to submit an annual Executive Branch Confidential Financial Disclosure Report, the OGE Form 450. On the form, he was required to list gifts that exceeded a certain value from outside sources. In January 2005, McCloskey accepted gifts from the CEO of a company that managed foreclosed properties and whose business was affected by HUD. The gifts included a weekend of inauguration event festivities for the 2005 presidential inauguration, including one ticket to the inauguration, two tickets to an inaugural ball, a room for two nights at the Mayflower Hotel in Washington, D.C., access to the hospitality suite at the Mayflower Hotel, and a spa treatment for McCloskey's wife. The CEO also hired a driver for the inauguration weekend for McCloskey to use. The value of the gifts received from the CEO exceeded the reporting threshold.

In October 2005, McCloskey accepted gifts from the president of another company that represented clients trying to secure government contracts with HUD. The gifts included four luxury box tickets to attend an October 2005 Washington Redskins professional football game. The value of the gifts McCloskey received from this company president exceeded the reporting threshold. On about May 1, 2006, the defendant filed a Confidential Financial Disclosure Report in which he falsely certified that in 2005 he did not receive any gifts from a single source that exceeded the reporting threshold.

McCloskey was charged with violating 18 U.S.C. § 1018. He signed a plea agreement on February 5, 2010, and the plea was entered on March 12, 2010. He was sentenced on June 25, 2010 to twelve months of probation, a fine of \$1,000, and a special assessment of \$25.

This case was handled by the United States Department of Justice, Criminal Division, Public Integrity Section.

15) U.S. v. Horace M. Cooper

In 2003, while he served as the former Chief of Staff of the Employment Standards Administration of the Department of Labor, the defendant, Horace M. Cooper, accepted gifts from lobbyists Jack Abramoff and Neil Volz, who represented a client before the Department of Labor. The gifts included tickets to professional sporting events in the Washington, D.C. area. The value of the gifts exceeded \$285.

The defendant was required to complete and certify an annual financial disclosure report that covered 2003. On the form, he was required to list gifts that exceeded a certain value from

outside sources, including entities with business before the Government and Government contractors. He did not report the gifts from Abramoff and Volz on his 2003 report. He falsely certified that he had not received gifts from any one source that totaled more than \$285, the threshold amount for that year. In fact, the gifts that he accepted from each of them in 2003 totaled more than \$285.

On April 7, 2010, the defendant pleaded guilty to one count of violating 18 U.S.C. § 1018, making a false certificate or writing. He was sentenced on June 10, 2010 to 36 months of probation and ordered to pay a \$500 fine.

The case was prosecuted by the United States Attorney's Office for the District of Columbia.

### **18 U.S.C. §§ 1343, 1346 – Honest Services Wire Fraud**

#### 16) United States v. Gary Alexander, et al.

Gary Alexander and his wife Kelly Alexander worked at Space and Naval Warfare Systems Command (SPAWAR), one of the major acquisition commands for the Department of the Navy in San Diego, California. Gary Alexander served as a SPAWAR branch head and was responsible for the development of technology for several military operations nationwide. Kelly Alexander worked as a secretary at SPAWAR. For almost eight years, the Alexanders accepted cash bribes and other items of value in exchange for causing individuals and entities to be employed as government subcontractors. Gary Alexander used his influence as a branch head at SPAWAR to ensure that Elizabeth Ramos and her husband Louis Williams, owners of a defense subcontractor, received approximately \$4.8 million in military subcontracts. In return, Gary Alexander demanded and received a percentage of Ramos' salary in the form of cash bribes. Similarly, Gary Alexander demanded and received cash bribes from Pamela Banks, owner of another defense subcontractor charged in a separate case. In exchange for the cash, he directed \$400,000 in SPAWAR subcontracts to her company.

From 1999 to 2008, the Alexanders were paid over \$400,000 in cash bribes and valuable items including a \$5,000 Rolex watch, expensive dinners, and vacations. Kelly Alexander participated in the scheme by collecting bribes from Ramos and Banks. Jack Godwin, a vice president of Kratos Defense and Security Solutions (a prime contractor), hired Ramos' and Banks' companies at the direction of Gary Alexander. Gary Alexander directed Ramos and Godwin to provide government-funded jobs to a friend, Sinthia Nares. Also, Gary Alexander directed Godwin and Ramos to buy and charge to the government over \$14,000 in electronics, including televisions, home theater systems, and Blu-Ray players, and to give those items to co-schemers. These items were ultimately seized from the residences of Alexander, Godwin, and Nares.

Gary and Kelly Alexander were fired from their jobs at SPAWAR and were charged with several offenses. They entered plea agreements on November 3, 2009 and October 19, 2009,

respectively, and each pleaded guilty to violating 18 U.S.C. §§ 1343 and 1346 (honest services wire fraud) and 26 U.S.C. § 7206(1) (filing a false tax return). Gary Alexander was sentenced on April 12, 2010 to 75 months in custody and three years of supervised release. He was ordered to pay a \$200 special assessment, to pay forfeitures of \$332,072, and to make restitution in the amount of \$171,288.41. Kelly Alexander was sentenced on February 22, 2010 to 18 months in custody and three years of supervised release. She was ordered to pay a \$200 special assessment and to make restitution in the amount of \$36,676.

Godwin and Nares were fired from Kratos. On November 19, 2009, Godwin pleaded guilty to violating 18 U.S.C. §§ 1343 and 1346. He was sentenced on April 5, 2010 to 12 months in custody and 3 years of supervised release. He was ordered to pay a \$100 special assessment and to make restitution in the amount of \$137,763.75. On November 10, 2009, Nares pleaded guilty to violating 18 U.S.C. § 1001 (false statement). She was sentenced on March 15, 2010 to 5 years of probation and was ordered to pay a \$100 special assessment.

On August 19, 2009, Ramos and Williams pleaded guilty to violating 18 U.S.C. §§ 1343 and 1346. They were both sentenced on April 12, 2010. Ramos was sentenced to 18 months in custody and 3 years of supervised release. She was ordered to pay a \$100 special assessment and to make restitution in the amount of \$171,288.41. Williams was sentenced to 12 months and one day in custody and three years of supervised release. He was ordered to pay a \$100 special assessment.

Banks had previously been sentenced on April 6, 2009 to serve 24 months in federal prison, followed by three years of supervised release, based on her guilty plea to bribing Gary Alexander in return for government contracts.

This case was investigated by agents of the Federal Bureau of Investigation, the Defense Criminal Investigative Service, the Naval Criminal Investigative Service, and the Internal Revenue Service, Criminal Investigation. The case was prosecuted by the United States Attorney's Office for the Southern District of California.