



U.S Department of Defense

Standards of Conduct Office

2020 ENCYCLOPEDIA OF ETHICAL FAILURE UPDATE¹

(Bribery)

What's a little extra change?

Washington Post, February 16, 2020

A former State Department employee was renewing his top-secret security clearance in late 2015. Investigators found suspicious cash deposits. The former employee could not explain the source of the money. Nor did he pay income tax on it. It turns out that he took \$521,863 in bribes from a Turkish construction magnate, who in return won multimillion-dollar contracts in Iraq, Turkey and Yemen. The former employee was sentenced to seven years in prison for taking bribes.

***DISCLAIMER:** DoD SOCO is unable to confirm the accuracy of all information reported in the cited articles. The purpose of the document is to provide ethics counselors with examples they may use when training personnel. This document should not be cited as authoritative guidance, DoD policy, or law.

(Misuse)

Fallen Star

Washington Post, March 18, 2020

A former Congressman was sentenced to eleven months in federal prison for using campaign funds to pay for family vacations, theater tickets, and even to facilitate extramarital affairs.

(False Statements)

Playing with Fire

Wall Street Journal, March 10, 2020

A former software engineer for the Central Intelligence Agency (CIA) was convicted of making false statements and of contempt of court for comments he made after the publication of classified documents by WikiLeaks. There were eight other counts against the former CIA employee including leaking of classified information, but the jury deadlocked on all eight of them.

(False Claims)

Not above the Law

US Attorney Press Release, June 2019

Memphis Goodwill Industries, Inc. was ordered by a Federal judge to pay \$150,000 to resolve allegations that it submitted claims that falsely certified compliance with regulations involving contracts it had entered with the Internal Revenue Service, Department of Veterans Affairs, and the General Services Administration. Goodwill was required to employ disabled

individuals for 75% of its direct labor hours. The hours worked by disabled individuals were much lower.

(Hatch Act)

Send partisan emails and only vote one party

Office of Special Counsel Press Release dated 10/18/19 and posted on the OSC web site at <https://osc.gov/News/Pages/20-03-Discipline-Hatch-Act-Violations.aspx>.

The Office of Special Counsel (OSC) announced significant discipline on two Federal employees who engaged in prohibited political activity in violation of the Hatch Act.

The Hatch Act applies to employees working in the Executive Branch of the Federal Government. The purpose of the Act is to maintain a Federal workforce that is free from partisan political influence or coercion. In general, Federal employees may not engage in political activity — i.e., activity directed at the success or failure of a political party, candidate for partisan political office, or partisan political group — while the employee is on duty, in any Federal building, while wearing a Federal uniform or official insignia, or using any vehicle owned or leased by the Federal Government.

The first employee of the two employees in these cases sent partisan political emails from his Government office and posted political statements on his Facebook page while at work that advocated for the success or failure of a candidate for partisan political office. The employee also used Facebook to solicit political contributions nearly two dozen times. OSC determined that the employee had violated the Hatch Act by engaging in partisan political activity in the Federal workplace. The employee admitted he was aware of the Hatch Act and had been

counseled by his supervisor prior to engaging in the activity. As part of a settlement agreement, the employee agreed to a 90-day suspension from work without pay.

In the second case, the employee displayed the words “Vote Republican” on a slide presentation that he gave in the Federal workplace as part of his official duties. The employee had received Hatch Act training and told prior to giving the presentation that he should not use the slide. In his settlement agreement, he received a 30-day suspension from work without pay.

(Bribery)

How much is enough?

Washington Post

A Dallas Healthcare Executive was sentenced to 66 months in Federal prison for defrauding the Federal Government through two sham companies. He was also ordered to pay \$3M in restitution. Among other things, this Executive and his partner referred patients to certain doctors and used one of his sham companies to launder money received from fraudulent billing and used that laundered money for kickbacks to these certain doctors to generate prescriptions that the Healthcare Executive could sell.

(Misrepresentation)

I am above the law

Washington Post

A former member of the Virginia General Assembly was sentenced to two and a half years in prison and restitution of \$524,533 for actions that resulted in the fraudulent award of over \$80M in government contracts. The former assemblyman created two companies to secure

Small Business Agency (SBA) contracts for minority owned businesses. Not only did he misrepresent his eligibility to the SBA, the former assemblyman used his assembly letterhead in a letter to the SBA about the awarding of the initial contract.

(Misuse)

Don't think it was worth it

A member of the Senior Executive Service (SES) in a Department of Defense Agency misused official funds to purchase “challenge coins” totaling \$1,275. These coins are sometimes presented to personnel to recognize exemplary service, but also as tokens of appreciation or mementos. Personal funds must be used to pay for the latter. By contrast, appropriated funds may be used to purchase coins that are intended to be used as an award to a Federal employee under title 5 of the Code of Federal Regulations, part 451, or, for purchasing coins used for official events through Official Representation Funds.

Here, the employee correctly used her own funds to purchase the coins through a personal credit card. However, she then sought reimbursement through the Defense Travel System from the government for the cost of these coins she had purchased with her personal credit card – in essence using appropriated funds for her coins by seeking reimbursement from the Government. When confronted about this misuse, she chose to retire.

(Misuse)

How much is enough?

Baltimore Sun

Two Baltimore public works employees were fired after an investigation found they took trips to Las Vegas and Ocean City when they were supposed to be at work or were on sick leave. The two unnamed Baltimore city employees — an “Office Support Specialist” and a “Utilities Installation Repair Technician” — were found to be posting photos of vacations on Facebook on days they either clocked in a full day’s work or took time off for sick leave.

According to the report, one of the employees posted photos to Facebook seven times from February 2018 to September 2019 showing various vacations, trips or doctor’s appointments that took place on days she logged a full day of work on her timesheets.

The Baltimore city Inspector General wrote in the report that the unnamed employee was seen in photos taking trips to Ocean City and Las Vegas, and visiting restaurants and stores in North Carolina, Georgia and Virginia on days when she was supposed to be working or on sick leave.

(False Claims)

You wouldn’t believe it

Washington Post

The former chief spokesperson of the Drug Enforcement Administration admitted that he ran a \$4.4 million scam by manipulating officials from the DEA, the Army, the Office of the Director for National Intelligence and the National Institute of Health as he falsely claimed he

was part of a covert task force doing secret operations in Africa. He admitted in his plea hearing that his ploy to convince individuals at companies that he was with the Central Intelligence Agency (CIA) cost those companies \$4.5 million.

In this complicated scheme that involved at least three other unnamed individuals, seven public officials, and 13 companies, the former Federal employee had convinced these people, officials, and companies that he was an undercover agent for the Central Intelligence Agency CIA. He persuaded private companies to pay him as a secret officer. He then obtained a job in a Federal agency, where he steered contracts to those companies as repayment, telling both sides it was part of a classified project. He inflated the contract price and took some of the money for himself. When he was questioned, he responded that his accusers were mishandling classified information and threatened them with prosecution. Prosecutors would not say how his scheme was uncovered. He agreed to make restitution in the amount of \$4.5 million and to forfeit almost \$2 million in cash and assets.

(Seeking Employment)

This Will Go on Your Permanent Record

DoD IG report on the JEDI Cloud Procurement

Deap Ubhi was the former product manager for the Defense Digital Services (DDS), having joined DDS after leaving Amazon. The DoD inspector General (IG) investigated his failure to recuse himself from a multi-year, multi-billion dollar cloud computing procurement while he was negotiating employment with one of the bidders, Amazon. Although the IG found that the DoD decision to award the JEDI Cloud contract to a single contractor was consistent with applicable law and acquisition standards, the IG substantiated allegations against Mr. Ubhi.

While working at DDS during early stages of the JEDI procurement, Mr. Ubhi failed to disclose to DoD officials that he had been in contact with Amazon about purchasing a software application (“app”) he had created, and later started employment negotiations with Amazon. He continued to work on some initial JEDI tasks as he negotiated, and eventually accepted, a job with Amazon on October 27, 2017. He also lied to DoD officials about his negotiations with Amazon for employment.

The OIG concluded that Mr. Ubhi’s brief early involvement in the JEDI Cloud Initiative was not substantial and did not provide any advantage to his prospective employer, Amazon, in the later JEDI Cloud contract competition, which was decided two years after Mr. Ubhi’s resignation from DDS. However, Mr. Ubhi’s lies and his failure to disclose his employment negotiations and job acceptance with Amazon violated the FAR and ethical rules. It also created the appearance of a conflict of interest when the truth was later disclosed that he had worked on initial market research for the JEDI procurement while negotiating for, and then accepting, re-employment with Amazon. Mr. Ubhi left DDS in November, 2017, but the IG nonetheless recommended that the DoD Chief Information Officer incorporate a record of Mr. Ubhi’s misconduct into his official personnel file and notify appropriate authorities with regard to any security clearance he may hold or seek in the future.