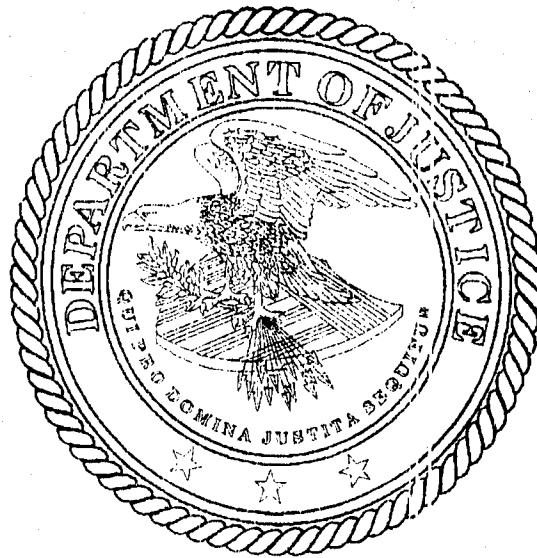


**REPORT TO CONGRESS
ON THE ACTIVITIES AND OPERATIONS
OF THE
PUBLIC INTEGRITY SECTION
FOR 1998**



**Public Integrity Section
Criminal Division
United States Department of Justice**

**Submitted Pursuant to
Section 603 of the Ethics in Government Act of 1978**

Ex 'B-1'

PART I
**OPERATIONAL RESPONSIBILITIES OF
THE PUBLIC INTEGRITY SECTION**

A. RESPONSIBILITY FOR LITIGATION

The Public Integrity Section's work focuses on crimes that involve corruption by public officials. Most of the Section's resources are devoted to the supervision of investigations involving alleged abuses of the public trust by government officials, and to prosecutions resulting from these investigations. Decisions to undertake particular matters are made on a case-by-case basis, based on the type and seriousness of the allegation, the sufficiency of factual predication suggesting criminal conduct, and the availability of federal prosecutive theories to reach the conduct. Cases handled by the Section fall primarily into the following four categories:

1. Recusals by United States Attorneys' Offices

The vast majority of federal corruption prosecutions are handled by the local United States Attorney's Office for the geographic district where the crime occurred, a fact that is reflected in the statistical charts in Part III. At times, however, prosecution by the local United States Attorney's Office of a particular corruption case may be inappropriate.

Public corruption cases tend to raise unique problems of public perception that are generally absent in more routine criminal cases. An investigation of the alleged corruption of a government official, whether at the federal, state, or local level, always has the potential to be high-profile, simply because its focus is on the conduct of a public official. These cases may also be politically sensitive because their ultimate targets tend to be politicians, or agents or employees of politicians.

To be successful, public corruption cases require that both the appearance and the reality of fairness and impartiality be maintained. Therefore, if the United States Attorney or a prosecutor in his or her office has had a significant business, social, political, or personal relationship with a subject or principal witness in a corruption investigation, it may be difficult, and often inappropriate, for that office to handle the investigation. Cases involving corruption allegations in which the conflict is substantial are usually referred to the Public Integrity Section either for prosecution or direct operational supervision.

Allegations of criminal misconduct by federal judges and other judicial officers almost always require local recusal, a procedure through which the local United States Attorney steps aside as primary prosecutor. There are important policy and practical reasons for recusal by the local office in these cases.

In addition to possible professional or social ties with a judge who is the subject or target of the investigation, local prosecutors are likely to have official responsibilities before the judge on their other cases, both during and after the investigation. Having the case handled outside the local office eliminates the possible appearance of bias, as well as the practical difficulties and the awkwardness that would arise if a prosecutor investigating a judge were to appear before the judge on other matters. Thus, as a matter of established Department practice, judicial corruption cases generally are handled by the Public Integrity Section.

Similar concerns regarding bias also arise when the target of an investigation is a federal prosecutor, or a federal investigator or other employee assigned to work in or closely with a particular United States Attorney's Office. If an Assistant United States Attorney were to investigate a fellow AUSA in the same office, the public would be likely to question the vigor and impartiality of the investigation. Thus, cases involving United States Attorneys, AUSAs, or federal investigators or employees working with AUSAs in the field generally result in a recusal of the local office. These cases are typically referred to the Public Integrity Section, where they constitute a significant portion of its caseload, as can be seen from a review of the cases described in Part II.

During 1998 the Section handled a number of significant cases as a result of recusals. One of these cases resulted in the conviction of a special agent of the Immigration and Naturalization Service for perjury, stemming from his testimony in a prosecution involving immigration violations brought by the United States Attorney's Office in Los Angeles. Another recusal case culminated in the conviction of a senior agent of the United States Customs Service on a criminal conflict of interest charge arising out of the agent's solicitation of a kickback from a paid informant. In each case, the agent pled guilty at the end of the Section's investigation.

Two of the Section's 1998 cases that went to trial also arose as a result of recusals by the local United States Attorney's Office. An Ohio State Senator was found guilty of extortion for demanding personal "loans" and contributions from Cleveland-area grocery store owners in return for helping the owners obtain various state and county contracts. And in Texas, after a three-month trial, a Houston City Councilman and a lobbyist were convicted of conspiracy and bribery offenses relating to the receipt of federal funds.

2. Sensitive and Multi-District Cases

In addition to recusals, the Public Integrity Section also handles two other special categories of cases. At the request of the Assistant Attorney General of the Criminal Division, the Section handles cases that are highly sensitive and cases that involve the jurisdiction of more than one United States Attorney's Office.

Cases may be sensitive for any of a number of reasons. Because of its importance, a case may require close coordination with high-level Department officials. Alternatively, it may require substantial coordination with other federal agencies in Washington. The latter subgroup includes cases involving classified information, which require careful coordination with the intelligence agencies. Sensitive cases