Ethics and Corruption: What to do when it isn’t you

Martha Perego, ICMA Director of Member Services & Ethics
Jeffrey R. Williams, Supervisory Special Agent, F.B.I.

#ICMA2018
“Pennsylvania Porngate”
Kathleen Kane, Former Pennsylvania Attorney General, Is Sentenced to Prison
INDICTED WITH MOTHER

MICHAEL GREENE  WANDA GREENE

SON PLEADS GUILTY
BUNCOMBE COUNTY
The FBI’s Role in Corruption Investigations
What is Public Corruption?

- When a public official at any level of government abuses his or her public office or position for private gain
- When a private citizen seeks to corrupt a public official
- The focus is on the abuse of the public position and/or the misuse of governmental powers for private gain
Corruption Investigations

- Highly sensitive
- Increased media attention
- Receive extra FBI scrutiny
- Targets have political power, public relations machinery, and money
- Complex
  - Bribery crimes are often agreements made in whispered conversations and sealed with handshakes
  - The secretive nature of the crime makes it difficult to detect without the assistance of concerned citizens
Corrupt Activities

- Bribery
- Extortion
- Fraud
- Embezzlement
- Conflict of interest
- Money laundering
- Facilitate other types of criminal activity
  - Drug trafficking, gambling, and prostitution
Investigative Techniques

- Surveillance
- Undercover operations
- Consensual recordings
- Title III
- GPS tracking
- Search warrants
- Federal grand jury subpoenas
- Interviews
FBI Cincinnati Division

- Cincinnati
- Columbus
- Dayton
- Athens
- Cambridge
- Portsmouth
FBI Cincinnati Division

- **Three major metropolitan areas**
  - Cincinnati
  - Columbus
  - Dayton

- **Multiple, redundant levels of government**
  - 48 Counties
  - 466 Municipalities and Villages
  - 707 Townships

- **State Capital of Ohio**
  - Five elected statewide office holders
  - Ohio General Assembly
  - 40,000 state government employees
Ohio State Representative Carlton Weddington

- Indicted March 2012
  - Bribery
  - Elections Falsification
  - Ethics Violations
- Pled guilty to the Indictment
  - First legislator convicted of bribery in 100 years
- Sentenced to 3 years in prison
Why Target Weddington?

- Allegations of corrupt activities:
  - “Pay to play” regarding legislation affecting Payday Loan industry
  - Solicitation to speak before the Legislative Black Caucus

Ohio Legislative Black Caucus

Paying to talk? That's the rub

Man seeking audience says lawmakers’ group sought $2,500 donation

Wednesday, April 28, 2010 2:53 AM

BY JIM SIEGEL

THE COLUMBUS DISPATCH
E-mail regarding Cleveland Cavaliers tickets

W. Carlton Weddington <wcweddington@hotmail.com>

To: [blank]

Cool, then if they don't come thru with some serious cheese then we want a suite for the Jan. 21 game with LA or Feb. 11 with Orlando or March 14 with Boston and just for gp, I want some decent tickets for Philly Nov. 21st. So you got some dates to work with.

-----Original Message-----

Date: Wednesday, October 14, 2009 7:04:31 pm
To: wcweddington@hotmail.com
From: [blank]
Attachments: 0910CAVS_fullschedule_V2.pdf (481 KB)
Subject: Cavs vs. Celtics - [blank]

Cavs vs. Celtics - [blank]
[black] didn't have anything on hand when we met Monday.
Official Acts

- Directed the Legislative Service Commission (LSC) to draft an amendment to the state budget bill to effectuate a change in Ohio law

- Advocated for the amendment and sought co-sponsors

- Offered to submit the proposed legislation as a stand-alone legislative bill

- Directed LSC to draft the bill

- Issued a fake press release from his office
Benefits

- $5,000 cash
- $4,000 in campaign contributions
- $13,000 in airfare, meals, lodging, and gifts
  - Dinners in Columbus
  - Trip to Miami Beach
  - Trip to Napa Valley
Proposed Changes

To: "W. Carlton Weddington" <w.cweddington@hotmail.com>
Cc: 

C,

Here’s what we suggest:

Proposed language for Ohio Revised Code:

4303.232 S permit to wine manufacturers, brand owners, or importers.

(A)(1) Permit S may be issued to a person that [MANUFACTURES WINE] is the brand owner or United States importer of wine, [OR] is the designated agent of a brand owner or importer for all wine sold in this state for that owner or importer, or manufactures wine if such manufacturer is entitled to a tax credit under 27 C.F.R. 24.278 and produces less than two hundred fifty thousand gallons of wine per year. If the person resides outside this state, the person shall comply with the requirements governing the issuance of licenses or permits that authorize the sale of intoxicating liquor by the appropriate authority of the state in which the person resides or by the alcohol and tobacco tax and trade bureau of the United States department of the treasury.
Amendment to Budget Bill

129HB153-HC1385

SYNOPSIS

S Liquor Permit Holders

R.C. 4303.232

Allows the S liquor permit to be issued to any wine manufacturer rather than a wine manufacturer that is entitled to a tax credit under federal regulations and produces less than 250,000 gallons of wine per year as in current law.
Looking at 8/24 or 25, got that 5k package for you. You know how we do, smoke a cigar and hand out.

August 12, 2011 9:08 PM

When you coming to town?

August 12, 2011 9:15 PM

Let’s do it! Either day is good for me

August 12, 2011 9:18 PM

Bet, will let you know that week

August 12, 2011 9:42 PM

Come on the 25th which is a thursday. Good Club night

August 12, 2011 9:50 PM
CW, what up... I’m making plans on coming that way on Wed. I got that $5k package, just want to get it to you September 12, 2011 5:49 PM

Ok, cool. I will make myself available! September 12, 2011 6:13 PM

About to walk into session may need at least until 3pm September 14, 2011 1:29 PM

Bet, let me know, will pick up smokes... September 14, 2011 1:32 PM

Get a mild vanilla type for me September 14, 2011 1:34 PM

Bet September 14, 2011 1:36 PM

On my way! September 14, 2011 2:17 PM
$5,000 Payment
Financial Disclosure Statement
Joint Legislative Ethics Committee

UCA: Does all that stuff, the Napa and the Florida, all that supposed to go on paper?

WCW: It doesn’t have to.

Later in the conversation:

UCA: Does Miami or Napa come to light?

WCW: I don’t have any record of Miami on my books...
10. MEALS, FOOD AND BEVERAGES

List the source of each payment of expenses for meals and other food and beverages received in connection with your official duties and that exceed $100 aggregated for the calendar year 2011. Expenses include payments or reimbursements to you. You must include the General Assembly if it was the source of expenses or reimbursements for meals, food, or beverages totaling over $100 for the calendar year 2011.

You are not required to disclose the source of meals and other food and beverages provided at a meeting at which you participated in a panel, seminar, or speaking engagement or at a meeting or convention of a national or state organization to which any state agency, including, but not limited to, any legislative agency or state institution of higher education as defined in section 3345.011 of the Revised Code, pays membership dues. Nor must you disclose any meals or beverages, which have been reported in Section 8 above as travel expenses paid by the General Assembly. If you are a member or employee of the General Assembly, you are prohibited from receiving from a legislative agent more than $75 aggregated per calendar year as payment for meals and other food and beverages.

IF NONE, CHECK HERE ☒
Ohio State Representative Clayton Luckie

- 39th District - Dayton
  - Began term in 2006

- Theft of $130,000 from Campaign
  - From January 2006 until 2013
  - Transferred funds to personal account
  - Cash withdrawals
  - Debit card transactions

- Concealed the theft
  - Forged Treasurer’s signature
  - Filed False Campaign Finance reports
  - Created bogus invoices
Significant Financial Problems

- Insufficient funds fees of $11,000
- Spent significantly more money than earned
- Thousands in unpaid debts with numerous vendors

---

Dear Mr. Luckie,

I’m sure that you want to represent the people who elected you by being a shining example of honesty and integrity.

After contacting you concerning your outstanding balance of $6,000 for your roofing purchase on July 11, 2009 for your property at 607 E. Lakengren, Eaton Oh. We received a 2,000.00 payment. Since then there have been numerous attempts to contact you concerning the 4,000 dollar balance but no response has been received from our esteemed Montgomery County representative.

We would hope that you wish to keep a good business relationship with us as we treated you more than fair when we traded dollar for dollar on the above stated job.

We expect payment in full immediately as this matter is now five months and counting. Any options for collection on our part (T.V. or newspaper) would not shed a favorable light on your position; therefore we wished to make one more contact so you can resolve this issue properly and promptly.

Sincerely

JC Roofing Supply
Transfers to Personal Accounts

- Transferred $62,000 to personal bank accounts
  - Used Committee funds as a personal piggybank
  - Transferred funds when personal accounts had negative balances and/or to pay bills

- Paid mortgage directly from Committee bank account

- Example of transfer: November 8, 2011
  - Wrote a check for $1,405.97 from personal account which left a negative balance of $911.16
  - Transferred $950 the next day from Committee account to personal account
Debit Card Transactions

- More than 800 transactions totaling $40,000
- None listed on campaign finance reports

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam’s Club</td>
<td>$1,322.27</td>
</tr>
<tr>
<td>h.h. gregg</td>
<td>$932.80</td>
</tr>
<tr>
<td>Macy’s</td>
<td>$928.61</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>$883.70</td>
</tr>
<tr>
<td>Babies R Us</td>
<td>$760.68</td>
</tr>
<tr>
<td>Cub Foods</td>
<td>$666.53</td>
</tr>
<tr>
<td>Frontgate</td>
<td>$639.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marshalls</td>
<td>$433.24</td>
</tr>
<tr>
<td>Kroger</td>
<td>$356.43</td>
</tr>
<tr>
<td>TJ Maxx</td>
<td>$295.36</td>
</tr>
<tr>
<td>Home Depot</td>
<td>$237.73</td>
</tr>
<tr>
<td>Toys R Us</td>
<td>$229.02</td>
</tr>
<tr>
<td>Lowes</td>
<td>$225.19</td>
</tr>
<tr>
<td>Meijer</td>
<td>$223.07</td>
</tr>
</tbody>
</table>
Concealing the Theft

- Forged signature of Treasurer

- Campaign finance reports filed with Secretary of State
  - Suppose to list every contribution and expenditure
  - Every report by Luckie failed to accurately list expenditures

- Audited by Secretary of State
  - Luckie provided bogus invoices and receipts to support non-existent expenditures
No Treasurer

Purported signature of Richmond Jones

FORGERY

Signature of Treasurer

True signature of Richmond Jones
Dayton Printery

Dayton Printery
PO Box 13602
Dayton, OH 45413

DATE 1/22/2010
INVOICE # 14467

Bill To: Dayton Lucky Committee
69 Noyes
Dayton, OH 45402

1000 yard signs $2.29 $2,290.00
1000 wire F plug $0.77 $770.00
500 thank you cards $2.00 $1,000.00
10000 mail cards $0.89 $900.00
10000 plan cards $0.87 $870.00
4 car signs $50.00 $200.00

$547.00

SALES TAX $878.40
$0.00
$15,308.40

Check
$15,500.00

The Borg Group Inc. d/b/a
Dayton Printery
PO Box 13602
Dayton, OH 45413

Bill To:
Clayton Lucky Committee
69 Noyes
Dayton, OH 45402

P.O. No.

Terms

Project

Quantity

Description

Clayton

Due on receipt

0.391

$1,080.00

$39.30

$1,119.30

Total

$1,119.30
Fabricated Invoices

Bill To: clayton lucky committe
69 horace
Dayton, OH 45402

3000 yard signs
3000 wire 9 gauge
500 thank you cards
10000 mail cards
30000 plan card
4 car signs

check
1/27/2010
$15,500.00

P A I D
State Representative Luckie

- Pled Guilty - January 2013
  - Theft
  - Money Laundering
  - Elections Falsification
  - Ethics Violations

- Sentenced to 3 years in prison
Arise Academy

- **Dr. Shane Floyd**
  - Arise Superintendent
  - 84 months imprisonment

- **Carl Robinson**
  - Owner Global Educational Consultants
  - 78 months imprisonment

- **Dr. Christopher Martin**
  - Board member
  - 60 months imprisonment

- **Kristal Allen**
  - Board member
  - 27 months imprisonment
Office of the Ohio Treasurer

- Initial allegations
  - Noure Alo
  - Amer Ahmad
  - State Street Bank

- Hampton Capital Management
  - Doug Hampton
  - Attended high school with Ahmad

- Going Green
  - Joe Chiavaroli
  - Lawn mowing business
Deputy Treasurer Amer Ahmad
Trading Strategy

TO: KEVIN L. BOYCE, TREASURER STATE OF OHIO
FROM: AMER AHMAD, DEPUTY TREASURER
ROBERT NEWMAN, DIRECTOR OF INVESTMENTS
TONY LOVELL, PORTFOLIO MANAGER

SUBJECT: TREASURY TRADING PORTFOLIO PRINCIPLES
DATE: 12/24/2009

This memo is intended to provide the Treasurer with an outline of the principles that guide our Treasury Trading Portfolio.

**Partners and Frequency**
We will work with subset of Broker/Dealers approved in the 2009 RFP process. Certain firms, most notably, Ancora Securities, Ameriprise Financial, Cantor Fitzgerald, Hampton Capital Management, JP Morgan, Raymond James and William Blair have been extremely helpful in providing us with market information that is helpful in making buy/sell/hold decisions. These seven firms will form the core of our Treasury Portfolio trading partners. We will utilize other authorized broker/dealers as well.

Because this is an explicitly NOT a buy-and-hold strategy, we expect to make 5-10 trades per day and will calculate net returns on a daily basis.
Hampton Capital Management: Most frequently used broker

2009-2010 Treasury Notes and Debentures

<table>
<thead>
<tr>
<th>All Other Brokers</th>
<th>Hampton Capital Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>$85,103,955,000</td>
<td>$11,328,000,000</td>
</tr>
</tbody>
</table>

2009-2010 Treasury Notes Trades

<table>
<thead>
<tr>
<th>All Other Brokers</th>
<th>Hampton Capital Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,803,827,000</td>
<td>$12,075,000,000</td>
</tr>
</tbody>
</table>

2009-2010 Treasury and Debenture Trade Executions

- Hampton Capital Management: 12%
- All Other Brokers: 88%

2009-2010 Treasury Notes Executions

- Hampton Capital Management: 43%
- All Other Brokers: 57%
### General Securities Trade Details

**HAMPTON, DOUGLAS (91F)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
<th>Amount</th>
<th>Date</th>
<th>Rate</th>
<th>Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/25/10</td>
<td>Trading Rep</td>
<td>35,000,000</td>
<td>$100,406,335,142,178.50</td>
<td>35.00</td>
<td>9,537.50</td>
<td>88.00% after fees</td>
<td></td>
</tr>
<tr>
<td>10/26/10</td>
<td>Trading Rep</td>
<td>35,000,000</td>
<td>$100,132,835,046,484.38</td>
<td>35.00</td>
<td>8,345.33</td>
<td>88.00% after fees</td>
<td></td>
</tr>
<tr>
<td>10/28/10</td>
<td>Trading Rep</td>
<td>35,000,000</td>
<td>$100,203,135,071,093.75</td>
<td>35.00</td>
<td>9,537.50</td>
<td>88.00% after fees</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal of 302 trade(s) for TREASURER OF STATE OF OHIO**

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
<th>Amount</th>
<th>Date</th>
<th>Rate</th>
<th>Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/28/10</td>
<td>Trading Rep</td>
<td>50,000,000</td>
<td>$99,750,049,875,000.00</td>
<td>35.00</td>
<td>109,000.00</td>
<td>88.00% after fees</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal of 1 trade(s) for TREASURER OF STATE OF OHIO**

---

**Hampton Commissions: $3M**
Charter One

Wire Transfer Request

Customer Information

Debit from Account #: 1630094605
Customer Name: DOUG E HAMPTON
Phone#: (330)327-5522

Authorized Representative (if applicable):
(The individual communicating the wire instructions on behalf of a business or Attorney in Fact/Agent.)

Address: 11052 BANCROFT AVE NW UNIONTOWN OH 44685-8686
(List COMPLETE Street Address, City, State and Zip Code - P.O. Box is unacceptable)

Photo ID Type: US State Driver's License w/ Photo
ID#: RL537537

Issued By: OH Issue Date: 07/19/2007 Expiration Date: 08/01/2011
Additional ID Type:
ID#: 

Issued By: 
Issue Date: 
Expiration Date:

Transaction Information

U.S. Dollar Amount: $100,000.00

Foreign Dollar Amount: 
Foreign Currency Type:

Rate: 
Trader Name: 
Trader Number:

The beneficiary will receive funds in the currency of the country in which their account resides. If a beneficiary holds a US dollar account at the beneficiary's bank, you can request transfers to that account in US dollars. In such cases, additional information must be provided to the Bank at the time of request.

FEES: The basic wire transfer fee for US dollar denominated transfers is $21 for transfers to domestic accounts of beneficiaries and $35 to foreign accounts of beneficiaries. Additional fees may apply if additional services are requested. Please refer to the Fees and Features guide for details. Third parties, such as intermediary banks, may also levy fees; such fees are beyond the control of the Bank.

Unless otherwise instructed, the beneficiary will receive funds in the currency of the country in which their account is booked. The Bank will convert the US dollar amount of the transfer into the currency at a retail exchange rate which may be several percentage points lower than the then prevailing inter-bank spot rate. If a beneficiary holds a US dollar denominated account at their foreign bank, you can request US dollar transfers to that account. In all such cases, the Bank must be notified at the time of the transfer request and the Bank may require additional information in order to initiate the transfer.

Beneficiary Information

IBAN/Account #: 831745864
Beneficiary Name: GOING GREEN LANDSCAPES AND LAWN CARE
Cell Phone #:
Address: 2370 SCIOTO HARPER DRIVE COLUMBUS OH 43204
(List COMPLETE Street Address, City, State and Zip Code - P.O. Box is acceptable)
On the same day, Hampton wired $123,622 to Alo.

Ahmad told Alo how much he trusted him.
- Hampton pled guilty
- After indictment other conspirators all pled guilty
- Amer Ahmad...
Ahmad fled to Pakistan

Ahmad in Pakistan

$176,000

$17,000

Faisal Sarni
### Born in Pakistan?

**Ohio Department of Health**
**Division of Vital Statistics**
**Certificate of Live Birth**

<table>
<thead>
<tr>
<th>CHILD—NAME</th>
<th>First</th>
<th>Middle</th>
<th>Last</th>
<th>AGE (at time of this birth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amar</td>
<td>AHMAD</td>
<td></td>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEX</th>
<th>SEX OF THIS BIRTH</th>
<th>COUNTY OF BIRTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Single</td>
<td>Summit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CITY, VILLAGE, OR LOCATION OF BIRTH</th>
<th>INSIDE CITY LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akron, Ohio 44310</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MOTHER—MAIDEN NAME</th>
<th>First</th>
<th>Middle</th>
<th>Last</th>
<th>AGE (at time of this birth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riffat</td>
<td>Jilani</td>
<td></td>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FATHER—NAME</th>
<th>First</th>
<th>Middle</th>
<th>Last</th>
<th>AGE (at time of this birth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shamim</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>

**INFORMANT’S NAME OR SIGNATURE**

<table>
<thead>
<tr>
<th>NAME</th>
<th>SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rift Ahmad</td>
<td></td>
</tr>
</tbody>
</table>

**ATTESTATION OF ATTENDANT**

<table>
<thead>
<tr>
<th>NAME</th>
<th>SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>V. Adams, M.D.</td>
<td></td>
</tr>
</tbody>
</table>

**RECEIVED DEPARTMENT OF HEALTH**

**DATE ISSUED**

9-27-74

RUTH HOLECEK, REGISTRAR
Extradition

FEDERAL INVESTIGATION AGENCY
SPECIAL INVESTIGATION UNIT
HOUSE NO. 20-A NAZIM-UD-DIN ROAD F-10/4 ISLAMABAD
Telephone Numbers. 051- 9267603, 051- 9267210

No FIA/SIU/E-19/2014/

Dated:- Aug 2015

The In-charge,

14- FIA SIU ISLAMABAD- EXTRADITION OF KAMRAN AHMAD TO USA

Agency presents its compliments to the esteemed

Please be informed that competent authority has
Facing Justice

- **Noure Alo**
  - 48 months in prison
  - $123,622 forfeiture

- **Douglas Hampton**
  - 45 months in prison
  - $2,202,259 forfeiture

- **Joseph Chiavaroli**
  - 18 months in prison
  - $400,000 forfeiture

- **Amer Ahmad**
  - 15 years in prison
  - Liable for $3,200,000
Why the FBI?

- Resources and experience to work the most sensitive and complex investigations
- Extensive use of sophisticated techniques
  - Undercover operations
  - Consensual recordings and Title III interception
  - Search warrants
  - Federal grand jury subpoenas
- Significant use of confidential sources
- Freedom from political pressure to effectively investigate corruption at all levels
• Ask before you act
  • Confidential advice
  • Talking about an ethics mistake doesn’t trigger a review
  • In an ethics hole? Strategy to extricate you!
• New ethics e-book