



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 4, 2008
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CRM
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TDD (202) 514-1888

**FORMER LOBBYIST JACK ABRAMOFF
SENTENCED TO 48 MONTHS IN PRISON ON CHARGES
INVOLVING CORRUPTION, FRAUD, CONSPIRACY AND TAX EVASION**

WASHINGTON - Former lobbyist Jack A. Abramoff was sentenced today to 48 months in prison and ordered to pay \$23,134,695 in restitution to victims based on his guilty plea to conspiracy, honest services fraud and tax evasion charges, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division and Nathan J. Hochman, Assistant Attorney General for the Tax Division announced.

U.S. District Court Judge Ellen Segal Huvelle of the District of Columbia also sentenced Abramoff, 49, to three years of supervised release following his release from prison. Abramoff pleaded guilty on Jan. 3, 2006, to a criminal information charging him with one count of conspiracy to commit honest services fraud involving public officials and fraud involving Abramoff's clients; one-count of honest services fraud involving public officials; and one count of tax evasion.

According to the plea agreement signed by Abramoff, from 1994 through early 2004 he was employed in the Washington, D.C., offices of two law firms. During this time, Abramoff lobbied public officials in the federal government, principally members of Congress. He also sought to further his client's interests through grassroots work, public relations services and election campaign support. Abramoff admitted he received undisclosed kickbacks from former lobbyist Michael Scanlon, who owned and operated Capitol Campaign Strategies LLC (CCS). Abramoff and Scanlon conspired to defraud four Native American Indian tribes that either operated or were interested in operating gaming casinos. Each of these four clients, which were tribes located in Mississippi, Louisiana, Texas and Michigan, hired Abramoff through his employers to give advice regarding how best to limit competition from competing casinos or, in one instance, to re-open a previously closed casino.

According to information in the plea agreement, once Abramoff had established a relationship with the tribal clients, he recommended Scanlon and CCS as the primary provider for grassroots work and public relations services. As Abramoff and Scanlon knew, the clients relied on Abramoff's recommendation because of his expertise in these matters. As part of the scheme described in the information and plea agreement, Abramoff and Scanlon charged fees that incorporated huge profit margins and then split the net profits in a secret kickback arrangement. As both men admitted, the secrecy of the kickback arrangement was crucial to the success of their scheme, and Scanlon and Abramoff concealed the arrangement from the tribal clients. In addition, Abramoff admitted to defrauding other clients by making affirmative false statements regarding various aspects of his lobbying and grassroots work. As stipulated in the agreement, through Abramoff's scheme with Scanlon as well as other frauds he committed with others not including Scanlon, Abramoff received more than \$23 million in undisclosed criminal kickbacks and other fraudulently obtained funds.

Abramoff also admitted that as part of the criminal conspiracy, and as one means of accomplishing results for their clients, he and others engaged in a pattern of corruptly providing things of value to public officials, including trips, campaign contributions, and meals and entertainment, with the intent to influence acts by the public officials that would benefit Abramoff and his clients. For example, Abramoff admitted in his plea that he and others provided things of value to public officials and members of his staff, including, but not limited to, a lavish trip to Scotland to play golf on world-famous courses,

tickets to sporting events and other entertainment, regular meals at Abramoff's upscale restaurant and campaign contributions. At the same time, and in exchange for these things of value, Abramoff sought and received the public officials' agreements to perform directly and through others a series of official acts, including but not limited to, agreements to support and pass legislation, and agreements to place statements in the Congressional Record.

Count two of the criminal information charged Abramoff with aiding and abetting honest services fraud for arranging with a Texas Indian tribe to solicit another Indian tribe to mail a \$50,000 payment, in order to assist Abramoff in paying for the golf trip he offered and provided to public officials.

Count three of the criminal information charged Abramoff with tax evasion that stemmed largely from Abramoff's failure to report and pay taxes on income payments that he attempted to hide by causing them to be sent instead to certain non-profit entities that he controlled. In his plea, Abramoff admitted that he used the unreported income for his personal benefit and to carry out the fraud and corruption schemes described in the plea agreement and information. Abramoff also admitted that, in order to carry out his tax evasion, he caused others to prepare false invoices and false entries in books and records of certain non-profit entities and he caused them to file false reports with the Internal Revenue Service (IRS). Abramoff admitted in his plea that through this conduct, he attempted to evade payment of approximately \$690,000 in federal income tax from 2001 to 2003.

To date, the ongoing investigation into the lobbying activities of Jack Abramoff and his associates has resulted in thirteen guilty pleas by various lobbyists and public officials, including former lobbyist Michael Scanlon, who pleaded guilty in November 2005 to conspiracy to commit bribery and honest services fraud. Former lobbyist and congressional staffer Tony C. Rudy pleaded guilty in March 2006 to conspiring with Abramoff, Scanlon and others to commit honest services fraud, mail and wire fraud, and a violation of conflict of interest post-employment restrictions. On June 2, 2008, John C. Albaugh, a former chief of staff to a former member of the U.S. House of Representatives pleaded guilty to a one-count information charging him with conspiracy to commit honest services wire fraud. Mark D. Zachares, a former high-ranking aide to the U.S. House of Representatives Transportation and Infrastructure Committee, pleaded guilty in April 2007 to a one-count information charging him with conspiracy to commit honest services wire fraud. Scanlon, Rudy, Albaugh and Zachares are all cooperating and awaiting sentencing.

In addition, Ohio Congressman Robert Ney pleaded guilty in September 2006 to conspiracy to commit multiple offenses, including honest services fraud, making false statements in violation of his former chief of staff's one-year lobbying ban, and making false statements to the U.S. House of Representatives. Ney was sentenced to 30 months in prison. Neil Volz, former lobbyist and chief of staff to Congressman Ney, pleaded guilty in May 2006 to honest services fraud and violating the one-year lobbying ban. Volz received a reduced sentence based on his substantial assistance to the government's investigation and was sentenced in September 2007 to two years probation and ordered to pay a \$2,000 fine. William Heaton, former chief of staff for Ohio Congressman Robert Ney, pleaded guilty on Feb. 26, 2007, to conspiracy to commit honest services wire fraud. Heaton received a reduced sentence based on his substantial assistance to the government's investigation and was sentenced in August 2007 to two years probation and ordered to pay a \$5,000 fine.

On June 8, 2007, Italia Federici, president of the Council of Republicans for Environmental Advocacy, pleaded guilty to tax evasion and obstruction of the U.S. Senate's investigation into the Abramoff scandal. Federici received a reduced sentence based on her substantial assistance to the government's investigation and was sentenced in December 2007 to four years probation and ordered to pay \$74,000 in restitution. On March 23, 2007, James Steven Griles, the former Deputy Secretary of the Department of the Interior (DOI), pleaded guilty to obstructing the U.S. Senate's investigation into the corruption allegations surrounding Abramoff. On June 26, 2007, Griles was sentenced to 10 months in prison.

In addition, former General Services Administration (GSA) Chief of Staff David H. Safavian is scheduled for retrial on obstruction of justice and false statements charges related to his relationship with Abramoff.

The case was prosecuted by Trial Attorneys of the Public Integrity and Fraud Sections of the Criminal Division with assistance from Trial Attorneys of the Tax Division of the Department of Justice. The investigation of this case and related cases is being conducted by the FBI, IRS Criminal Investigation, DOI Office of Inspector General and GSA Office of Inspector General.

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