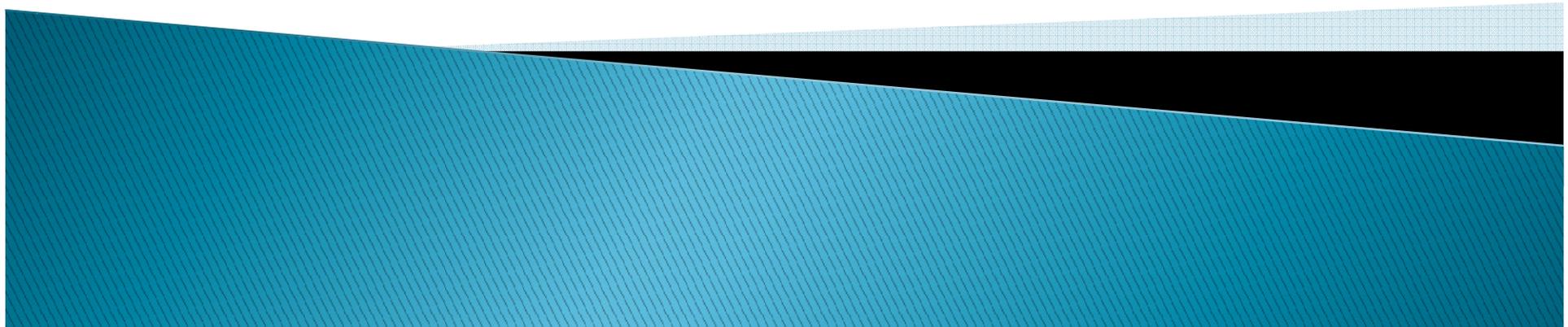


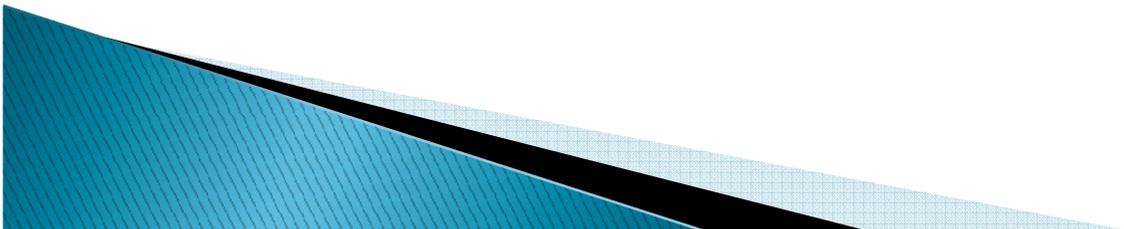
Protection for Persons Who Report Corruption and Those Who Assist With Criminal Investigations

Andrew Levchuk
Senior Trial Attorney
Public Integrity Section
U.S. Department of Justice
Andrew.Levchuk2@usdoj.gov



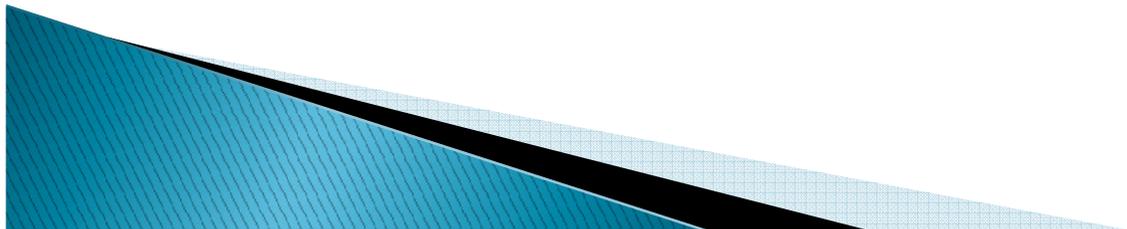
*U.N. Convention Against Corruption: Article 33
Protection of reporting persons*

- ▶ Each State Party shall consider incorporating into its domestic legal system appropriate measures to provide protection against any unjustified treatment for any person who reports in good faith and on reasonable grounds to the competent authorities any facts concerning offences established in accordance with the Convention.



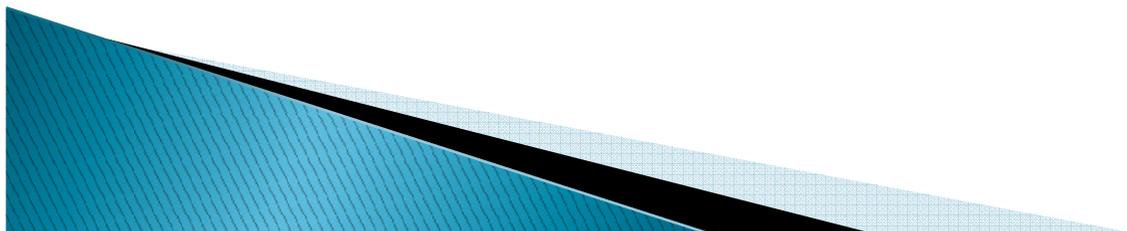
Title 5, United States Code, Section 1213(a)

- ▶ Protects –
- ▶ (1) any disclosure of information by an employee, former employee, or applicant for employment which the [person] reasonably believes evidences--
- ▶ (A) a violation of any law, rule, or regulation; or
- ▶ (B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;
- ▶ if such disclosure is not specifically prohibited by law and if such information is not specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs



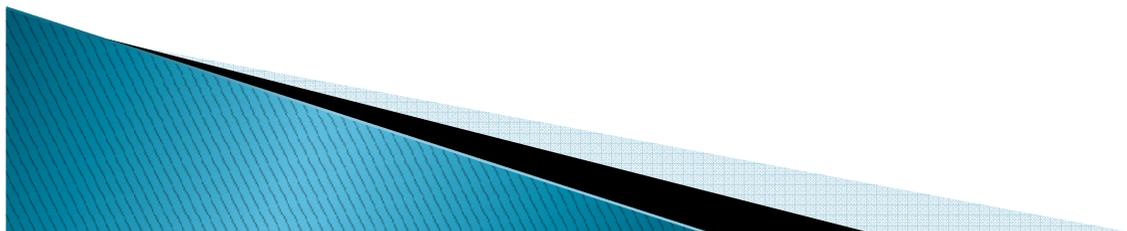
And –

- ▶ (2) any disclosure by an employee, former employee, or applicant for employment to the Special Counsel or to the Inspector General of an agency or another employee designated by the head of the agency to receive such disclosures of information which the [person] reasonably believes evidences--
- ▶ (A) a violation of any law, rule, or regulation; or
- ▶ (B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

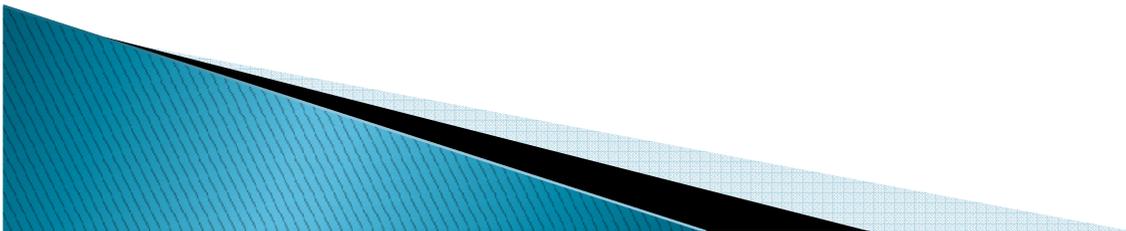


Statement to Congress by Rajesh De, Deputy Assistant Attorney General, Office of Legal Policy, Department of Justice, 11 June 2009

- ▶ “This administration strongly supports protecting the rights of whistleblowers. The administration recognizes that the best source of information about waste, fraud, and abuse in government is often a government employee committed to public integrity and willing to speak out. Empowering whistleblowers is a keystone of the President’s firm commitment to ensuring accountability in government. ”



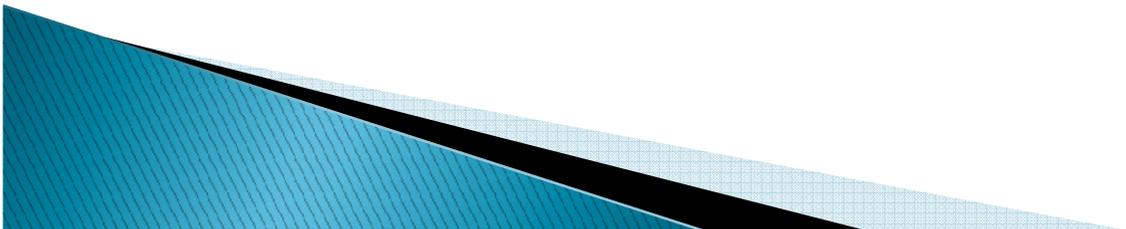
“A government employee who speaks out about waste, fraud or abuse performs a public service. Such acts of courage and patriotism, which can sometimes save lives and often save taxpayer dollars, should be encouraged rather than stifled. Yet too often whistleblowers are afraid to call attention to wrongdoing in their workplace. Blowing the whistle often means taking great risks. The whistleblower may suffer retaliation from his boss and scorn from his colleagues. Knowing that he is performing a public service is cold comfort if his patriotic duty costs him a promotion, valuable assignments, or even his job.”



U.N. CAC – Article 36

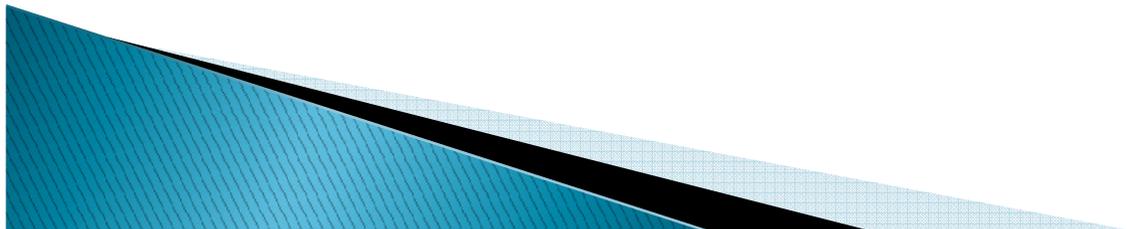
Specialized authorities

- ▶ Each State Party shall . . . Ensure the existence of a body . . . specialized in combating corruption through law enforcement. Such body . . . shall be granted the necessary independence . . . to be able to carry out their functions effectively and without any undue influence.



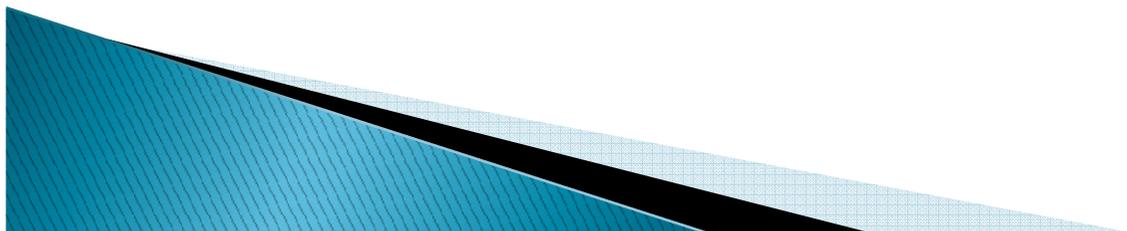
Inspector General Act of 1978

- ▶ In U.S. federal agencies, such as the Department of Justice, Offices of Inspector General are established in order to create independent and objective units–
- ▶ (1) to conduct and supervise audits and investigations relating to the programs and operations of the various federal agencies;
- ▶ (2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations; and
- ▶ (3) to provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.



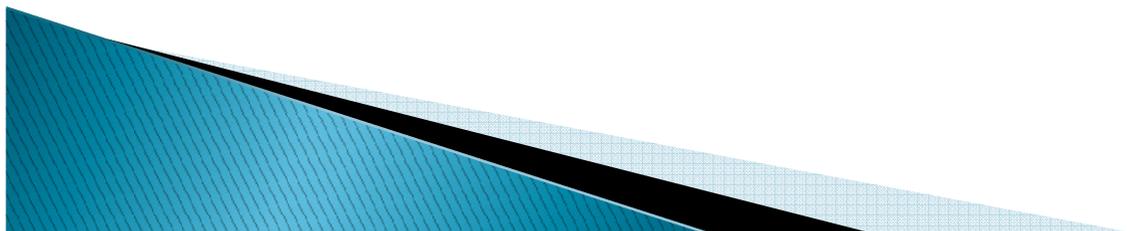
U.S. Office of Special Counsel

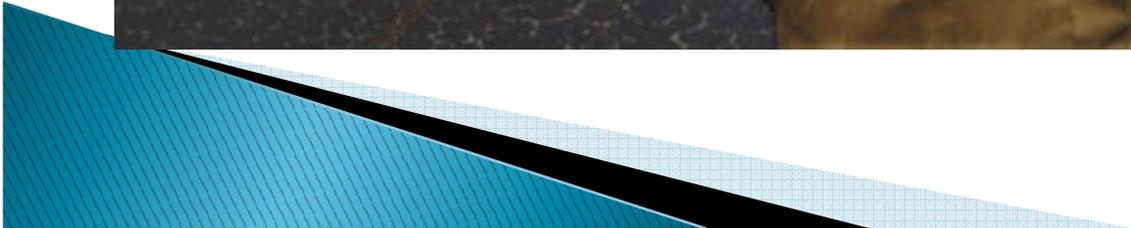
- ▶ Office of Special Counsel receives, investigates, and prosecutes allegations of PPPs, with an emphasis on protecting federal government whistleblowers. OSC seeks corrective action remedies (such as back pay and reinstatement), by negotiation or from the Merit Systems Protection Board (MSPB), for injuries suffered by whistleblowers and other complainants.
- ▶ <http://www.osc.gov>



Suppose the Whistleblower is a Participant in or Victim of a Crime?

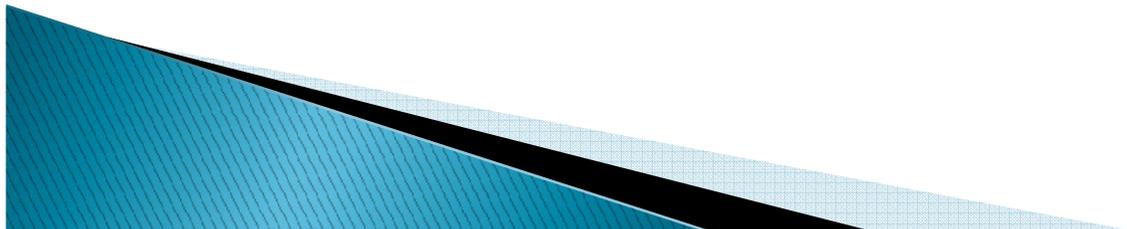
- ▶ U.N. CAC Article 37 --
Cooperation with law enforcement authorities
- ▶ Each State Party shall take appropriate measures to encourage persons who participate . . . in the commission of an offence . . . to supply information useful to competent authorities for investigative and evidentiary purposes . . .





Cooperators: Judge Lackey, Timothy Balducci

- ▶ Judge Lackey and another lawyer working with Mr. Scruggs, Timothy R. Balducci, discussed a bribe of \$40,000
- ▶ FBI investigators confront Balducci, who agreed to wear a recording device while he and Mr. Scruggs discussed the need to pay Judge Lackey an additional \$10,000





November 29, 2007

Lawyer Battling for Katrina Payments Is Indicted

By [JOSEPH E. TREASTER](#)

Richard F. Scruggs, a prominent trial lawyer who has been fighting insurance companies over payments for damage from [Hurricane Katrina](#), was indicted yesterday by federal authorities on charges of offering a bribe of \$50,000 to a Mississippi state judge in a dispute over fees with another lawyer.

The indictment, filed in federal court in Oxford, Miss., Mr. Scruggs's hometown, said that on behalf of Mr. Scruggs, a colleague met several times this year with State Judge Henry L. Lackey in his chambers in Calhoun County to propose and deliver the bribe in installments.

Mr. Scruggs's son Zachary, who is a partner in the Scruggs Law Firm in Oxford, and Sidney A. Backstrom, another partner, were also indicted, as were Mr. Scruggs's colleague, Timothy R. Balducci, a partner in the firm of Patterson & Balducci, and Steven A. Patterson, a staff member in the firm. Mr. Scruggs, his son and the others were all accused of conspiracy.

The indictment, signed by Jim M. Greenlee, a United States attorney, said Judge Lackey reported an attempt to bribe him to the [Federal Bureau of Investigation](#) and cooperated with investigators as payments were made.

The indictment quoted from a conversation apparently tape-recorded in Judge Lackey's chambers and from a phone conversation in which Mr. Balducci told a member of his firm, "All is done, all is handled and all went well."

According to the indictment, Mr. Balducci had the phone conversation on Sept. 27 after handing over \$20,000 in cash to Judge Lackey in his chambers. Immediately after meeting with the judge, the indictment said, Mr. Balducci went to the Scruggs Law Firm. The indictment also cited a phone conversation on Sept. 21 in which it said Mr. Balducci discussed the bribery transaction with Mr. Backstrom.

Mr. Scruggs did not respond to phone and e-mail messages last night. His son Zachary declined to comment but referred a reporter to Joey Langston, who he said was a lawyer representing him and the others. Mr. Langston did not respond to a voice mail message left on his cellphone. He was quoted by The Associated Press as saying "I'm convinced that these guys did not do what they are accused of doing."

Mr. Scruggs, who has negotiated settlements worth more than \$100 million this year with State Farm and other insurers, is a brother-in-law of Senator [Trent Lott](#) and a close friend of [Mike Moore](#), former Mississippi attorney. He first gained national attention in the late 1990s for helping win a settlement of \$248 billion from the tobacco industry.

Mr. Scruggs recruited other Mississippi lawyers to help him resolve hundreds of lawsuits brought by people whose homes had been destroyed or badly damaged in the hurricane. In the biggest settlement, with State Farm,

[Home](#) | [Site Map](#) | [FAQs](#)
 SEARCH



FEDERAL BUREAU OF INVESTIGATION

Public Corruption

Contact Us

- Your Local FBI Office
- Overseas Offices
- Submit a Crime Tip
- Report Internet Crime
- More Contacts

Learn About Us

- Quick Facts
- What We Investigate
- Natl. Security Branch
- Information Technology
- Fingerprints & Training
- Laboratory Services
- Reports & Publications
- History
- More About Us

Get Our News

- Press Room
- E-mail Updates
- News Feeds

Be Crime Smart

- Wanted by the FBI
- More Protections

Use Our Resources

- For Law Enforcement
- For Communities
- For Researchers
- More Services

Visit Our Kids' Page

Apply for a Job



Investigating Public Corruption

Public corruption is one of the FBI's top investigative priorities—behind only terrorism, espionage, and cyber crimes. Why? Because of its impact on our democracy and national security. Public corruption can affect everything from how well our borders are secured and our neighborhoods protected...to verdicts handed down in courts...to the quality of our roads and schools. And it takes a significant toll on our pocketbooks, too, siphoning off tax dollars. Learn more here about our national program and local investigations.

About Our Program

- Border Corruption
- Why Corruption Matters
- Foreign Corruption
- Hurricane Katrina Cases

In the News



The Case of the Crooked Border Official
 She seemed to be serving the nation, but she was really working for a band of drug traffickers for a boatload of cash. [Full story](#)

Recent Press Releases

- Charges in Operation Illegal Motion
- NJ Bribery Sentence
- FL Police Officer Sentenced
- CBP Officer Charged with Bribery
- PA School Board Member Charged

Report Corruption Now



Please contact us if you come across evidence of public corruption activities:

- > **Submit an Online Tip**
- > **Call our Local Corruption Hotlines**

- Katrina Fraud: (800) CALL FBI
- Birmingham, AL: (877) 628-2533
- Cincinnati, OH: (614) 744-2139
- Columbia, SC: (803) 551-4200
- Denver, CO: (888) 232-3270
- Knoxville, TN: (888) 678-6720
- Little Rock, AR: (501) 221-8200
- New York, NY: (877) 363-4723
- Pittsburgh, PA: (412) 432-4722
- Puerto Rico: (877) FBI-SJPR
- Richmond, VA: (804) 627-4597
- Salt Lake City, UT: (888) 50-BRIBE
- San Diego, CA: (877) NO-BRIBE
- San Francisco, CA: (800) 378-5991
- Springfield, IL: (877) U-TIP-OFF
- U.S. Virgin Islands: (340) 774-9296
- More Local FBI Offices

- Economic Stimulus Fraud/Corruption
- Election Crimes and the FBI
- More Stories

Accessibility | eRulemaking | Freedom of Information Act/Privacy | Legal Notices | Legal Policies and Disclaimers | Links
 Privacy Policy | USA.gov | White House
 FBI.gov is an official site of the U.S. Federal Government, U.S. Department of Justice.

“The Romans had a proverb that money was like sea water. The more you drink the thirstier you become.”

