



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

PRESS RELEASE

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For Information Contact:

Public Affairs

(202) 252-6933

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Former U.S. Immigration and Customs Enforcement Official Pleads Guilty to Taking Part in Fraud Against Government - Scheme Involved More Than \$50,000 Obtained Through Travel Vouchers -

WASHINGTON – William J. Korn, 53, a former Intelligence Research Specialist with the U.S. Department of Homeland Security (DHS) Immigration and Customs Enforcement (ICE), pled guilty today to taking part in a fraud scheme involving more than \$50,000 in government money.

The plea was announced by U.S. Attorney Ronald C. Machen Jr., James Izzard Jr., Special Agent in Charge of the DHS Office of Inspector General, and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

Korn, of Tucson, Ariz., pled guilty in the U.S. District Court for the District of Columbia to a charge of conversion of government money. The Honorable Amy Berman Jackson scheduled a status hearing for January 27, 2012; no sentencing date was set. Under federal guidelines, Korn faces a likely sentence of up to a year in prison. As part of his plea agreement, he agreed to forfeiture of the money wrongly obtained.

According to the government's evidence, with which Korn agreed, at all relevant times, Korn was either an Intelligence Research Specialist or a Supervisory Intelligence Research Specialist for ICE's Office of Intelligence, Homeland Security Investigations.

The charge stems from Korn's dealings with two other individuals who also worked for ICE, both based in Washington, D.C., including one who was a supervisor in Korn's chain-of-command. The case remains under investigation. For much of the scheme, Korn was on a temporary assignment in Washington, D.C., from his base in Tucson.

When a U.S. government employee is officially on duty in a location other than the employee's permanent duty station, that is referred to as Temporary Duty (TDY) status. While on TDY, the employee is entitled to a per diem allowance for lodging, meals and other expenses.

The scheme involved the improper use of TDY money.

Beginning in October of 2008, the ICE supervisor approved Korn being on TDY status in Washington, pending a permanent move from Korn's previous posting in Tucson. In October of 2008, Korn entered into a verbal agreement with the supervisor and the other ICE employee to lease a house in Alexandria, Virginia, where all three would reside together.

The plan called for Korn to pay the rent and utilities for the residence from his TDY funds.

Between October of 2008 and June of 2009, Korn filed TDY travel vouchers and paid \$2,650 to \$10,000 per month for the household expenses while retaining the remainder of the per diem money for himself. Because Korn did not itemize the negotiated \$2,650 rent on his travel voucher, but claimed the traditional, higher hotel rate for lodging for this period of time, Korn wrongfully obtained approximately \$3,000 per month more than that to which he was entitled. At times during this period, other ICE contractors also lived in the Alexandria residence and paid some rent, approximately \$500 a month apiece, to the ICE supervisor and the other employee.

In February of 2009, Korn was selected by ICE for a permanent Supervisory Intelligence Research Specialist position in Washington, D.C. Korn delayed accepting the position because the supervisor wanted to extend Korn's TDY status – and corresponding per diem payments – to continue to pay the rent and utilities for the Alexandria residence. However, in May of 2009, Korn declined the position in Washington and told the supervisor that he did not want to lose the equity in his home in Arizona that would result from him making the move. In June of 2009, the supervisor told Korn to pay all of Korn's TDY voucher funds to him so that the supervisor could buy a house in Stafford, Virginia. The supervisor told Korn that he would make up the difference later with Korn with TDYs to South America and the Philippines.

In July of 2009, Korn returned to his personal home and job in Tucson. The second ICE employee subsequently told Korn that he needed to continue to file TDY vouchers to pay the rent for the Alexandria residence. Korn continued to file vouchers to pay the rent for the Alexandria residence from July of 2009 to December of 2009 – even though he knew he was no longer entitled to be obtaining the TDY money. He also continued to pay for the rent for the Alexandria residence with the wrongfully obtained TDY funds, partly because he was concerned about retribution from the supervisor. Finally, in December of 2009, Korn declared that he was not going to pay any more rent for the Alexandria residence.

As a result of the submission of the TDY vouchers, Korn, aided by the ICE supervisor and employee, received from ICE approximately \$50,832 more than that to which he was entitled during the period of October of 2008 to December of 2009. Korn contends that he turned the vast majority of this money over to the supervisor and the other ICE employee.

This case was investigated by the Office of Inspector General for the Department of Homeland Security, the FBI's Washington Field Office, and the Immigration and Customs Enforcement Office of Professional Responsibility, Special Investigation Unit.

In announcing today's guilty plea, U.S. Attorney Machen, Special Agent in Charge Izzard

and Assistant Director McJunkin praised the investigative agents from the respective agencies for their hard work in this matter. They also acknowledged the efforts of Legal Assistant Jared Forney, as well as Assistant U.S. Attorneys Daniel Butler and Allison Barlotta, who are handling this prosecution, and Assistant U.S. Attorney Scott Sroka, who is handling the asset forfeiture.

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