

News Release



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Former EPA official sentenced to 32 months in prison for defrauding government under ‘CIA agent’ guise

WASHINGTON – John C. Beale, a former employee of the U.S. Environmental Protection Agency (EPA), today was sentenced to 32 months in prison following a plea agreement in which he admitted perpetrating multiple frauds under the bogus guise of performing undercover work as a CIA agent. The U.S. Department of Justice’s news release with details is available at <http://www.justice.gov/usao/dc/news/2013/dec/13-390.html>.

“Today’s sentencing closes the sordid chapter of John Beale’s numerous and egregious fraudulent actions perpetrated against the federal government over a very long period of time,” said Arthur A. Elkins, Inspector General for the EPA. “While that chapter has ended, we have started a new one in which the Office of Inspector General is actively looking at the EPA’s sloppy internal controls and management actions that enabled Mr. Beale’s frauds to occur. Last week, we issued two reports related to Mr. Beale’s audacious pay and travel frauds. Expect to see the results of more audits from us in the coming months. I truly hope that this extraordinary case will encourage federal employees — at all levels — to immediately approach the OIG with any allegations of fraud, waste and abuse. Let this case also serve as a cautionary tale to those individuals who would take advantage of the system.”

An investigation conducted by the EPA’s Office of Inspector General (OIG) revealed misleading and false statements dating back to Beale’s hiring by the agency in 1988, followed by payment of retention incentive bonuses amounting to 25 percent of his salary authorized for a maximum of six years that continued for 22 years. In 1994, Beale began falsely claiming to be a CIA agent, a lie that became the core of his scheme to justify frequent absences from the office between 2000 and 2013. Additionally, he cited malaria contracted during Army service in Vietnam – when he neither had malaria nor served in Vietnam – as the basis for obtaining subsidized parking for employees requiring special access for medical conditions. Finally, Beale committed travel fraud involving vouchers, lodging, first-class air accommodations and misuse of a government passport.

The frauds were discovered after Beale was honored at a retirement party held in September 2011 but remained on the EPA’s payroll until April 2013, when he officially retired. The agency’s Office of General Counsel referred the case to the OIG in February 2013.

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U.S. Attorney Ronald C. Machen Jr. prosecuted a criminal charge of theft of government property in the U.S. District Court for the District of Columbia. Under the plea agreement, Beale paid a total of \$886,186 in restitution to EPA and a forfeiture money judgment of another \$507,207 to the Department of Justice. The plea was entered by the court on September 27, 2013.

The OIG subsequently launched audits probing a number of potential EPA systematic weaknesses that emerged during the investigation of John Beale: retention bonuses, the statutory annual pay limit, first-class travel, the agency's process for approval of foreign travel, the agency's vetting process for new employees, and time-and-attendance issues. The first reports from those audits – specifically examining internal controls and management actions concerning Beale's pay and travel, respectively – were released on December 11, 2013, and are both available at <http://www.epa.gov/oig/reports.html>, along with podcasts (pay at <http://go.usa.gov/ZxNx> and travel at <http://go.usa.gov/Zrbj>) summarizing the findings.

The Office of Inspector General is an independent office within the EPA that performs audits, program evaluations and investigations of the EPA and its contractors, and prevents and detects fraud, waste, and abuse. By helping the agency operate more economically, effectively and efficiently, the OIG contributes to improved environmental quality and human health. The OIG strives to provide solutions to problems that ultimately result in making America a cleaner and healthier place. For more information, visit <http://www.epa.gov/oig> and follow the OIG on Twitter at [@EPAoig](https://twitter.com/EPAoig) (<https://twitter.com/EPAoig>).

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