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PRESS RELEASE

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Former EPA Senior Policy Advisor Pleads Guilty To Theft in Scheme That Cost Government Nearly \$900,000 -Admits Collecting Pay For Hundreds of Days He Wasn't Working-

WASHINGTON – John C. Beale, a former senior policy advisor for the U.S. Environmental Protection Agency, pled guilty today to a federal charge stemming from a long-running scheme in which he cheated the government of nearly \$900,000 in pay and expenses.

The guilty plea, in the U.S. District Court for the District of Columbia, was announced by U.S. Attorney Ronald C. Machen Jr. and Arthur A. Elkins, Jr., Inspector General for the EPA.

Among other things, Beale admitted today that he kept collecting pay from the EPA after claiming he was working on a project for the CIA's Directorate of Operations and on other efforts that kept him out of the office. In fact, Beale was not working for the CIA or for the EPA on the many days he was away. All told, between January 2000 and April 2013, Beale was absent from his duties at the EPA for about 2 ½ years in which he was drawing a salary and benefits.

For more than a dozen years, Beale engaged in a pattern and scheme of deception during which he lied to the U.S. government, his supervisors, friends, and his family to avoid performing his job at the EPA.

Beale, 64, of New York, N.Y., pled guilty to theft of government property, which carries a statutory maximum of 10 years in prison, a fine of up to \$250,000, and other penalties. The parties have agreed that, under federal sentencing guidelines, the likely range is a prison sentence of 30 to 37 months and a fine of up to \$60,000. In addition, Beale has agreed to pay a total of \$886,186 to the EPA in restitution and to a forfeiture money judgment of another \$507,207.

The plea took place before the Honorable Magistrate Judge John M. Facciola. Beale is to appear Oct. 9, 2013 for a status hearing before the Honorable Ellen S. Huvelle. A sentencing date has not yet been set.

“John Beale stole from the government for more than a decade by telling lies of outlandish proportions,” said U.S. Attorney Machen. “He dodged his work at the EPA for extended periods by claiming that he was away working on operations for the CIA. He even got a parking space for three years by falsely claiming that he had malaria. Today’s guilty plea is proof positive that lies do catch up with you and that eventually fraudsters will be held accountable for ripping off the American taxpayer.”

“The details of this remarkable story are unfathomable -- and yet they happened. An absence of even basic internal controls at the EPA allowed an individual to commit multiple frauds over a long period of time,” said Inspector General Elkins. “Thanks to the diligence of the special agents on this case, monetary restitution finally will be paid to the taxpayers. Hopefully, exposing the lax agency practices that enabled Mr. Beale to construct and prosper from a web of lies also will lead to swift reforms so such abuses can never recur.”

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According to a statement of offense, signed by the defendant as well as the government, Beale was employed by the EPA from 1989 until April 30, 2013. He was assigned to the Office of Air and Radiation, a division responsible for the development of national programs, policies and regulations designed to control air pollution and radiation exposure. For much of his time at the EPA, Beale was a senior policy advisor. His duties included assisting in the planning, policy implementation, direction, and control of EPA programs. He also attended and participated in several international conferences regarding air quality issues, many in foreign countries.

In August 2000, Beale was promoted to a senior-level employee, making him among the highest-paid non-elected federal government employees.

According to the statement of offense, Beale collected \$886,186 that he was not entitled to receive in various ways:

Unauthorized Absences:

From in or around 2000, continuing until April 30, 2013, Beale failed to report to work for extended periods of time and failed to submit required requests for leave for these absences. Rather, Beale falsely claimed that he was working on a project at the CIA and other matters.

According to the statement of offense, starting in approximately 2000 until in or around June 2008, Beale took about 102 days off under the auspices of his work with the CIA. From 2005 to 2007, Beale claimed to be working on a research project for the EPA. For example, the statement of offense details payments of \$57,235 in travel expenses for five trips to the Los Angeles area. Beale did not need to travel to California, where he visited family members, and

could have done the research work at home or at his EPA office. In fact, he never produced any written work regarding the research project, which was never completed.

Starting in June 2008, Beale failed to report to the EPA offices for about six months, either claiming to be working on the research project or spending time working for “Langley.” He never submitted a leave request for this time and continued to receive his EPA salary.

From in or around January 2010 until in or around May 2011, Beale failed to report to work at the EPA for approximately nine days, claiming he was working with the CIA. He never submitted a leave request for these days, but was paid his salary from the EPA.

In or around May 2011, Beale announced that he was retiring from the EPA. In September 2011, he and two other long-term EPA employees celebrated a retirement party on a dinner cruise on the Potomac River. Following the party, an EPA manager believed that Beale had actually retired, and the manager did not see him at the EPA offices afterward.

However, in November 2012, the manager discovered that Beale was still receiving a paycheck.

Retention Incentive Bonus:

In or around June 2000, Beale was awarded a 25 percent retention incentive bonus for three years. The purpose of the bonus was to ensure that Beale remained with the EPA, rather than leave the federal government and seek employment elsewhere. It was supposed to expire after 2003, but Beale continued to receive it through 2013.

Fraudulently Obtained Parking Benefits:

In or around January 2002, Beale claimed that, because he had contracted malaria while serving in the U.S. Army in Vietnam, he needed a parking space for work. He was awarded a parking spot, and the EPA subsidized payment for it at a rate of about \$200 a month. In fact, Beale never served in Vietnam and never contracted malaria. He held onto and used the parking spot until about June 2005, at a cost of about \$8,000 to the EPA.

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In announcing the plea, U.S. Attorney Machen and Inspector General Elkins praised the work of those who investigated the case from the EPA Office of the Inspector General. They also acknowledged the work of those who handled the case for the U.S. Attorney’s Office, including Paralegal Specialist Donna Galindo. Finally, they commended the work of Assistant U.S. Attorney James E. Smith, who is prosecuting the case, and Assistant U.S. Attorney Catherine K. Connelly, who is assisting with forfeiture aspects of the investigation.