

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA	:	Criminal Number:
	:	Violation:
	:	
v.	:	
	:	
JOHN C. BEALE	:	18 U.S.C. § 641 (Theft of Government Property)
	:	
Defendant.	:	

STATEMENT OF THE OFFENSE

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, defendant John C. Beale (“BEALE”) and the United States agree and stipulate that, at all relevant times:

INDIVIDUALS AND ENTITIES

1. From approximately in or around 1989 until April 30, 2013, BEALE was employed by the United States Environmental Protection Agency (“EPA”).
2. At the EPA, BEALE was assigned to the EPA Office of Air and Radiation (“EPA-OAR”), a division of the EPA responsible for the development of national programs, policies, and regulations designed to control air pollution and radiation exposure. For much of his time at EPA, BEALE was a Senior Policy Advisor. BEALE’s specific duties within EPA-OAR included assisting the Assistant Administrator of EPA-OAR in planning, policy implementation, direction, and control of EPA programs.

3. While working at EPA-OAR, BEALE attended and participated in several international conferences regarding air quality issues. Many of these conferences were held in foreign countries.

4. On or about August 23, 2000, BEALE received a promotion to Senior Level ("SL") employee, making BEALE among the highest paid, non-elected federal government employees.

5. In or around June 2000, BEALE received authorization and was awarded a 25% Retention Incentive Bonus for three years. The purpose of the Retention Incentive Bonus was to ensure BEALE continued to work at EPA-OAR, rather than leave the federal government and seek employment elsewhere. The Retention Incentive Bonus was supposed to expire after 2003, but BEALE nevertheless continued to receive the Retention Incentive Bonus through 2013.

Fraudulently Obtained Parking Benefits

6. In or around January 2002 BEALE claimed that because he had contracted malaria while serving in the U.S. Army in Viet Nam, he needed a parking spot within EPA's Ronald Reagan building. BEALE was awarded a parking spot due to his claimed medical condition, and the EPA subsidized the payment for the parking spot at a rate of approximately \$200 per month.

7. BEALE never served in Viet Nam and never contracted malaria. BEALE maintained and used the parking spot at the Ronald Reagan building until on or about June 1, 2005, at a cost of approximately \$8,000 to the EPA.

Unauthorized Absences

8. Beginning in early 2000, BEALE began to take approximately one day a week off of work. BEALE did not submit request for annual leave for this time, and did not inform his supervisors as to the reason for his absences. Rather, BEALE included weekly entries on his EPA electronic calendar that BEALE titled "DO oversight." This entry intended to identify

those days that BEALE was purportedly working at the Central Intelligence Agency (“CIA”), Directorate of Operations.

9. Sometime in 2001, BEALE had a meeting with EPA MANAGER # 1 and told EPA MANAGER # 1 that he had been, and would continue to be, out of the office approximately one day a week, during which time BEALE would be working at the CIA. BEALE told EPA MANAGER # 1 that he was assigned to an inter-agency, special advisory group working on a project with the Directorate of Operations at the CIA. EPA MANAGER # 1 agreed to BEALE’s request.

10. Thereafter, BEALE continued to include weekly entries on his EPA calendar that BEALE titled “DO oversight.” Starting in approximately 2000 until in or around June 2008, BEALE took approximately 102 days off under the auspices of his work for the CIA. For these days, BEALE never submitted a request for annual leave or sick leave. BEALE simply did not show up to work at the EPA-OAR on days he claimed he was working at the CIA, yet still received his EPA salary as if he had performed his EPA-assigned duties for each of those days.

11. In or around June 2005, BEALE discussed a long-term research project with EPA MANAGER # 1. EPA MANAGER # 1 approved, BEALE proposed research project, despite the fact that it contained no internal controls or oversight

12. Between 2005 and 2007, BEALE took approximately five trips to Los Angeles, California, purportedly for work on the research project. While in California, BEALE stayed in Bakersfield and visited family members who lived nearby. For the five trips, BEALE was reimbursed by the EPA in the amount of \$57,235. BEALE did not need to travel to California to work on the research project, which could have been done at his home or at his office at the

EPA. BEALE used the research project as the means to have the EPA pay for his personal travel.

13. BEALE never produced any written work product regarding the research project and the research project was never completed.

14. In June 2008, BEALE failed to report to the EPA offices for approximately six months. BEALE told EPA managers and employees that he was either working on the research project or spending time working for "Langley." Using these excuses, BEALE was absent from the EPA from in or around June 2008 through in or around December 2008 and never submitted a leave request for this time. During this lengthy unexcused absence, BEALE continued to receive his EPA salary.

15. From in or around January 2010 until in or around May 2011, BEALE failed to report to work at the EPA on approximately 9 days, claiming that he was working with the CIA for those days. BEALE never submitted a leave request for these days, but was paid his salary as if he had performed his EPA-assigned duties.

16. In or around May 2011, BEALE announced that he was retiring from the EPA.

17. In and around June 2011, BEALE informed EPA MANAGER # 2 that his work at the CIA would require him to be out of the EPA office for extended periods of time. Without ever receiving approval or submitting a request for leave, from in or around June 2011 until in or around December 2012, BEALE did not come to work at the EPA. During that time, BEALE sent several emails to EPA MANAGER # 2 and others at the EPA claiming that he could not come to work because of his CIA matters. In several of these emails, BEALE stated that he was away on international travel, but was in fact in the Washington, D.C. metropolitan area or at his vacation home in Truro, Massachusetts.

The "Retirement" Cruise

18. On or about September 22, 2011, BEALE and two other long-term EPA employees celebrated a retirement party on a dinner cruise on the Potomac River. Several high ranking EPA managers attended the party, including EPA MANAGER # 2. Following the party, EPA MANAGER # 2 believed that BEALE had retired, and EPA MANAGER # 2 did not see BEALE at the EPA offices after the party.

19. On or about November 11, 2011, BEALE told EPA MANAGER # 2 that he would be using the remainder of his annual leave for approximately two months and would be officially retired from the government sometime in January or February, 2012.

20. In or around April 2012, EPA MANAGER # 2 inquired about BEALE's retirement status with EPA human resources managers.

21. In or around November 2012, EPA MANAGER # 2 discovered that BEALE's time and attendance records were still being approved and BEALE was still receiving a paycheck from the EPA. As a result, EPA MANAGER # 2 learned that despite his announcement and participation at the retirement party, BEALE had not retired and was still an EPA employee.

22. On or about November 6, 2012, after EPA MANAGER # 2 asked BEALE about his employment status, BEALE responded in an email stating "I just got back into the country from a too long trip yesterday and tonight's outcome will have a significant impact on those 'Plans' of mine." Contrary to BEALE's claim that he was out of the country, BEALE never left the United States in or around November 2012.

23. On or about November 30, 2012, BEALE informed EPA MANAGER # 2 that "[t]oday is my last day of what I consider substantive work in the government. I still have to

spend some time . . . out processing and being debriefed . . . I will have a much better idea of how long this will take after I . . . get briefed on the debriefing process.”

Conclusion

24. Contrary to his statements to EPA managers and supervisors, BEALE never worked with any element or department of the Central Intelligence Agency. BEALE was never assigned to an inter-agency advisory group working with the Directorate of Operations. BEALE was never extended a top secret clearance by any agency of the United States government.

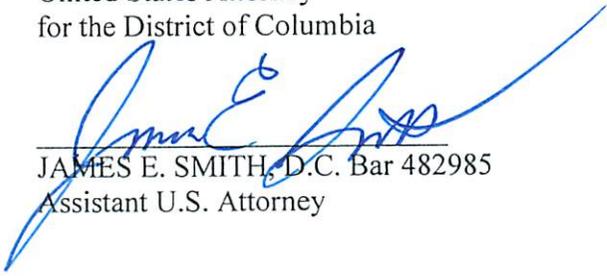
25. For more than ten years, BEALE engaged in a pattern and scheme of deception during which he lied to the United States government, his supervisors, friends, and family about a position he claimed he had with the Central Intelligence Agency. BEALE lied to avoid performing his assigned duties at the EPA. 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 periods of time. Rather, BEALE simply claimed that he was working at the CIA, and claimed that his time away from his EPA duties should be therefore excused. In total, BEALE took approximately 2 ½ years off from his work at the EPA.

26. From in or around January 2000 until on or about April 30, 2013, BEALE knowingly and willfully did steal and convert to his own use property of the United States of the value of \$886,186, which said property had come into the possession and under the care of BEALE as his salary, Incentive Retention Bonuses, travel reimbursement, and parking expenses for his employment as a Senior Policy Advisor, Department of Environmental Protection Agency, but which BEALE had not, in fact, earned by providing employment services to the EPA.

Respectfully submitted,

RONALD C. MACHEN JR.
United States Attorney
for the District of Columbia

By:


JAMES E. SMITH, D.C. Bar 482985
Assistant U.S. Attorney

DEFENDANT'S ACCEPTANCE

I have read this Statement of the Offense and carefully reviewed every part of it with my attorney. I am fully satisfied with the legal services provided by my attorney in connection with this Statement of the Offense and all matters related to it. I fully understand this Statement of the Offense and voluntarily agree to it because I am in fact guilty of the crimes charged. No threats have been made to me, nor am I under the influence of anything that could impede my ability to understand this Statement of the Offense fully. No agreements, promises, understandings, or representations have been made with, to, or for me other than those set forth above. This Statement of the Offense is a summary, made for the purpose of providing the Court with a factual basis for my guilty plea to the charges against me. It does not include all of the facts known to me regarding these offenses.

Date: 9/27/13



John C. Beale
Defendant

I am John Beale's attorney. I have reviewed every part of this Statement of the Offense with him. It accurately and completely sets forth the Statement of the Offense agreed to by the defendant and the Office of the United States for the District of Columbia.

Date: 9/27/13



John Kern, Esq.
Attorney for the Defendant