

Employment Benefits and Campaign Finance Violations Included in "Duke" Cunningham Bribery Scandal

March 2006

On February 23, 2006, Mitchell Wade, the former principal owner and chief executive officer of government contractor MZM, Inc., signed a guilty plea in which he admitted to bribing former Congressman Randy "Duke" Cunningham, providing improper benefits to U.S. Department of Defense officials and employees and funding political contributions made in the name of another.

The bribery of former Congressman Cunningham has been widely reported, and on March 3, 2006, the former Congressman received more than eight years in prison for his part. The other two violations by Mr. Wade, however, have received less attention though they involve equally serious criminal violations.

First, Mr. Wade admitted to conspiring to defraud and deprive the U.S. Department of Defense of its right to honest and faithful services. The plea agreement states:

Wade provided benefits to [an unnamed] Official and other DoD employees in order to influence, induce and otherwise improperly cause them to show bias toward MZM in the discharge of their official duties, in ways that would enrich MZM and Wade Official and other DoD employees accepted these benefits, while having the capacity to exercise their official duties in ways that would enrich MZM and Wade.

The plea agreement states that the benefits included, among other things, jobs at MZM for the official and his son.

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Second, Mr. Wade admitted to making unlawful "straw" political contributions. The plea agreement states:

Wade devised and engaged in a scheme to knowingly and willfully violate the [campaign finance laws] by reimbursing MZM employees and their spouses for contributions to campaigns for the United States Congress, including Representative A's Campaign and Representative B's Campaign. Wade targeted these two campaigns because Wade believed that Representative A and Representative B had the ability to request appropriations funding that would benefit MZM.

Press reports have indicated that the unnamed Representatives are Katherine Harris of Florida and Virgil Goode of Virginia. Press reports also have indicated that Representatives Harris and Goode were not aware of the illegal contributions and have not been accused of any wrongdoing.