



U.S. Department of Justice

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## **PRESS RELEASE**

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### **Former Employee Pleads Guilty To Stealing Over \$200,000 From The Federal Trade Commission - Supply Clerk Made Unauthorized Purchases of Laptops, Televisions, Other Items -**

WASHINGTON - Harold Hughes, a former employee of the Federal Trade Commission, has pled guilty to a felony charge stemming from his theft of \$218,636 from the Commission, announced U.S. Attorney Ronald C. Machen Jr., Inspector General of the Federal Trade Commission John Seeba, and L. Eric Patterson, Director of the Federal Protective Service.

Hughes, 58, of Arlington, Virginia, entered his guilty plea on April 12, 2011 to one count of theft of government money before the Honorable Richard J. Leon of the U.S. District Court for the District of Columbia. He is scheduled to be sentenced on July 13, 2011, and faces a statutory maximum sentence of 10 years of imprisonment. As part of the plea agreement, Hughes agreed to pay full restitution to the government and also agreed to an order of forfeiture.

According to a statement of offense agreed to by the government and Hughes, Hughes was employed as a supply clerk with the Federal Trade Commission (FTC) from February 2009 to December 2010. In this position, he was responsible for ordering office supplies for FTC employees. In April 2009, Hughes began using FTC money to make unauthorized purchases. The vast majority of the unauthorized purchases were for electronics, including laptop computers, DVD players, and televisions. Hughes retained for personal use a small number of these electronics; most of them he sold for cash at a price below the retail price.

In the beginning of the scheme, Hughes arranged for the unauthorized items to be shipped directly from the vendor to FTC headquarters, and he used his proximity to the mailroom and his familiarity with its employees to avoid detection. Hughes removed some of the items from FTC headquarters himself but shipped other items via Federal Express using FTC funds. As the scheme continued, Hughes arranged for items to be shipped directly to his residence in Virginia and to the residences of people to whom he had arranged to sell the items.

Before the FTC discovered the theft and removed Hughes from his position as supply clerk in December 2010, Hughes made unauthorized purchases from vendors totaling \$217,372.11, and he accrued \$1,264.10 in unauthorized shipping charges, causing a total loss to the FTC of

\$218,636.21.

In announcing the guilty plea, U.S. Attorney Machen, Inspector General Seeba, and Director Patterson commended the investigative efforts of Chief Investigator Cynthia Hogue of the Federal Trade Commission, Office of the Inspector General and Special Agent Jeff Levine of the Federal Protective Service. They also praised the work of members of the United States Attorney's Office, including Paralegal Specialist Mary Treanor, and Assistant U.S. Attorney Bryan Seeley, who is prosecuting the case.

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