



Department of Justice

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FORMER FBI SPECIAL AGENT SENTENCED TO 10 YEARS IN PRISON FOR BRIBERY AND OBSTRUCTION SCHEME

Co-Conspirators Sentenced to 24 Months and 13 Months in Prison for Their Roles

WASHINGTON – A former FBI special agent was sentenced today to 10 years in prison and ordered to forfeit \$70,000 for soliciting and accepting bribes to obstruct a federal grand jury investigation into an alleged kickback scheme involving a defense contractor, announced Assistant Attorney General Leslie R. Caldwell of the Justice Department’s Criminal Division, U.S. Attorney Carlie Christensen of the District of Utah and Justice Department Inspector General Michael E. Horowitz.

“FBI agents—like all federal law enforcement—must be above reproach, but former Special Agent Lustyik sold his badge and position of public trust to the highest bidder,” said Assistant Attorney General Caldwell. “This sentence serves as a stark reminder that no one is above the law. Corrupt officials who break the law and breach their oaths will be prosecuted and sent to prison, even if they come from within the ranks of federal law enforcement.”

“These three defendants attempted to thwart a significant criminal investigation in Utah,” said U.S. Attorney Christensen. “Two of these defendants were entrusted with protecting our citizens and upholding the law. Their conduct, in particular, stands in stark contrast to the integrity and sacrifice of the men and women in our military and law enforcement ranks and their sentences today send a powerful message that no one is above the law.”

“Today’s sentencing represent important steps toward justice in this case,” said Inspector General Horowitz. “Department of Justice employees and their associates must be held accountable when they abuse their authority and betray the public’s trust.”

Robert G. Lustyik Jr., 52, of Sleepy Hollow, New York, a 24-year veteran of the FBI, pleaded guilty to all charges in an 11-count indictment on Sept. 29, 2014. Specifically, Lustyik pleaded guilty to conspiracy to commit bribery and obstruction, eight counts of honest services wire fraud, obstruction of a grand jury investigation and obstruction of an agency proceeding.

Lustyik’s co-defendants, Michael L. Taylor, 54, of Harvard, Massachusetts, and Johannes W. Thaler, 51, of New Fairfield, Connecticut, were also sentenced today to 24 months in prison and 13 months in prison, respectively, for their roles in this scheme. Thaler was also ordered to

forfeit \$70,000, joint and several with Lustyik. U.S. District Senior Judge Tena Campbell of the District of Utah imposed all three sentences.

Lustyik and Thaler both pleaded guilty for their involvement in a similar bribery scheme in the Southern District of New York. Thaler was sentenced to 30 months in prison in that case, and will serve the two sentences consecutively. Lustyik is scheduled to be sentenced on April 30, 2015, in the Southern District of New York.

According to court documents, from October 2011 to September 2012, Lustyik and Thaler conspired to use Lustyik's official position as an FBI counterintelligence special agent to obstruct a criminal investigation into Taylor, a businessman who owned and operated American International Security Corporation. Taylor was under investigation for allegedly paying kickbacks to obtain a series of contracts from the Department of Defense worth approximately \$54 million. Taylor promised Lustyik and Thaler that, in exchange for their help, he would provide them cash and multimillion dollar business contracts. In an email message, Taylor told the two men, "I'll make you guys more money than you can believe, provided they don't think I'm a bad guy and put me in jail."

According to court documents, Lustyik attempted to obstruct the investigation into Taylor by identifying Taylor as an official FBI confidential source in an effort to persuade the FBI, the Justice Department and the prosecutors and law enforcement agents in Utah that Taylor's usefulness to the government outweighed the government's interest in prosecuting him. Indeed, Lustyik emphasized that indicting Taylor would threaten the nation's security. Lustyik also sought to take steps to directly intervene in the investigation by interviewing key witnesses.

According to court documents, the defendants boasted about the success of their scheme. In one email message, Lustyik wrote to Taylor, "The rate this is going. I will be indicted way before u ever are !!". Lustyik wrote separately to Thaler, "I can leave [the FBI] in June. But I'm afraid to if [Taylor] gets indicted n I'm not an agent I'm no help. Has he mentioned giving me-u a salary?"

Taylor admitted at his plea hearing that, as part of this conspiracy, he offered Lustyik a six-figure salary and a share of the proceeds from various multi-million dollar business deals he was pursuing. Acknowledging this, Lustyik wrote to Taylor, "Let's just get Utah over with and get stinking rich," to which Taylor replied, "Getting stinking rick [sic], we are well on the way with that so I have the ball."

The investigation was conducted by the U.S. Department of Justice Office of Inspector General. The case was prosecuted by Deputy Chief Peter Koski and Trial Attorney Maria Lerner of the Criminal Division's Public Integrity Section and Trial Attorney Ann Marie Blaylock of the Criminal Division's Asset Forfeiture and Money Laundering Section. Trial Attorney Scott Ferber of the National Security Division's Counterespionage Section also assisted in the prosecution.

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