



**U. S. Department of Justice**

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**FOR IMMEDIATE RELEASE**

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**BOP CONTRACTOR AND FORMER EMPLOYEE INDICTED  
FOR FRAUD, CONFLICT OF INTEREST**

**PENSACOLA, FLORIDA** – A former federal Bureau of Prisons (BOP) employee and a former BOP contractor were arrested today on charges that they conspired to manipulate for their personal gain the sale of surplus equipment from the UNICOR factory at the Mariana, Florida federal prison facility, announced United States Attorney Pamela C. Marsh, Northern District of Florida. The 37-count indictment unsealed today in United States District Court in Pensacola, charges James Lee Bailey, 42, a former BOP employee, and Lee J. Temples, 36, a BOP contractor, with conspiracy, money laundering, wire fraud, conflict of interest, and deprivation of honest services. Bailey is also charged with two counts of making false statements, and Temples is charged with one count of obstruction of justice.

Both men were released on their own recognizance following their first appearance before United States Magistrate Judge Miles Davis today in Pensacola, Florida.

The indictment alleges that between 2004 and 2007, Bailey and Temples maintained an undisclosed business relationship involving Fast-Lane Computers and E-Surplus Solutions. In James Lee Bailey's position as the factory manager and industrial specialist at the UNICOR computer recycling factory in Mariana, Florida, he was responsible for eBay sales of surplus computer equipment. Temples, his cousin, became the exclusive eBay contractor for UNICOR and was responsible for selling recycled UNICOR computers and equipment from the UNICOR factory in Mariana.

UNICOR is a wholly-owned, self-sustaining Government corporation operated by BOP. BOP employees manage UNICOR and supervise BOP inmates who work at UNICOR. The UNICOR operation at Marianna, Florida is involved in the recycling of computers and other electronic equipment obtained primarily from local, state and other federal government agencies. Once the equipment is refurbished by BOP inmates, it is sold at a profit by UNICOR. The indictment alleges that Bailey directed the highest quality equipment to Temples and took steps to eliminate potential competition from other UNICOR contractors. Profits from these arranged sales were split between the two defendants, with Bailey receiving \$228,252 over the course of three years.

If convicted, defendants face the following maximum penalties upon each count of conviction: for conspiracy to violate conflict of interest laws - 5 years' imprisonment and a \$250,000 fine; for conspiracy to commit wire fraud – 20 years' imprisonment and a \$250,000 fine; for conspiracy to commit money laundering - 20 years' imprisonment and a \$250,000 fine; for wire fraud - 20 years' imprisonment and a \$250,000 fine; for deprivation of honest services - 20 years' imprisonment and a \$250,000 fine; for false statements - 5 years'

imprisonment; and for obstruction of justice – 20 years' imprisonment and a fine of up to \$1 million. The grand jury indictment also seeks forfeiture of any real or personal property traceable to the crimes alleged.

This case was investigated by the Internal Revenue Service Criminal Investigation, the Department of Justice Office of Inspector General, Atlanta Area Office, and the Department of Justice Office of Inspector General, Oversight and Review Division. This case is being prosecuted by Assistant United States Attorney Stephen Preisser

An indictment is merely a formal charge by the grand jury. Each defendant is presumed innocent unless and until proven guilty in United States District Court.