



Department of Justice

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Former FBI Employee Sentenced for Receiving Bribes and Tax Fraud

James Heslep Received \$128,128 for Influencing FBI Contracts; Sentenced to 39 Months in Prison

POCATELLO – Former Federal Bureau of Investigation (FBI) official James Heslep, 52, of Gainesville, Virginia, was sentenced to 39 months in federal prison followed by three years of supervised release for receiving a bribe by a public official, Acting U.S. Attorney Rafael M. Gonzalez, Jr. announced today. Heslep was also sentenced to 36 months in federal prison followed by one year of supervised release for making and subscribing a false federal income tax return. The sentences will run concurrently. U.S. District Judge B. Lynn Winmill also ordered Heslep to forfeit \$128,128 and pay \$15,353 in restitution to the Internal Revenue Service. In the related case, Robert Bailey, 63, of Centreville, Virginia, pleaded guilty to paying a bribe to a public official. Bailey’s sentencing is set for May 5, 2021.

“A 39-month sentence is significant and sends the appropriate message to Mr. Heslep and other public officials entrusted with influence over government contracts,” said Gonzalez. “Public service is a public trust. The people of Idaho must be confident that when that trust is breached, there will be severe consequences no matter who you are or where you work. This investigation, this prosecution, and this sentence delivers that message clearly and forcefully.”

According to court records, Heslep was a Management and Program Analyst with the FBI. In that position, Heslep was responsible for managing construction and services contracts for FBI buildings across the country.

According to court records, in 2001, Bailey, purchased L-1, a construction management and operations company located in Chantilly, Virginia. In 2008, Heslep and Bailey became business acquaintances when they worked together on an FBI construction project.

According to court records, in 2017, the FBI broke ground on the construction of a data center in Pocatello, Idaho (the Pocatello Data Center project). The Pocatello Data Center project involved construction of a two-building, 140,000 square-foot complex that would accommodate data halls containing computer equipment and office space. The purpose was to consolidate multiple FBI data centers from across the country and improve efficiency and cyber-security. In 2017, Heslep became the Contracting Officer Representative (COR) for the Pocatello Data Center project. In that position, Heslep had management and oversight responsibilities over the construction of the Pocatello Data Center.

According to court records, from 2016 through 2018, Bailey and L-1 made illegal payments, and gave items of value, to Heslep. These payments included 18 deposits totaling \$120,000 into a bank account controlled by Heslep. From this account, Heslep made payments on a personal loan, home mortgage, car, credit card, and vacation travel payments, among other personal expenditures at retail

stores, such as a pair of diamond earrings that cost \$5,300. In addition, Bailey and L-1 provided the following items of value to Heslep: a fiftieth birthday party in Dallas, Texas, including first-class airfare, hotel accommodations, and tickets to a Dallas Cowboys football game; a beach house rental in Nags Head, North Carolina; first-class Amtrak train tickets; invitations to a L-1 company holiday party; and tickets to a Washington Nationals baseball game, among other gratuities. The total value of the unlawful payments and gratuities was \$128,128.

“Heslep abused his position as a government contracting officer. He accepted bribes of cash, sports tickets, and other items of value in exchange for granting favorable contracting terms. This sentencing shows that this kind of fraud will not be tolerated,” said Douglas B. Bruce, Special Agent in Charge of the Department of Justice Office of the Inspector General Denver Field Office.

“This sentence sends a clear message that the law of the land applies to everyone, including paying your fair share of taxes, regardless of position or power,” said Andy Tsui, Special Agent in Charge of IRS – Criminal Investigation’s Denver Field Office. “Heslep abused his position as a public official to obtain illegal payments which he used for his own personal gain. IRS Criminal Investigation will continue to enforce the nation’s tax laws regardless of a person’s status or a person’s position as a public official.”

According to court records, Bailey and L-1 made these payments, and gave these items of value, to Heslep with the intent to influence Heslep in performing official acts at FBI to benefit L-1 on the Pocatello Data Center project. These official acts included the following: Heslep seeking and receiving authorization for approximately \$16,000 monthly per diem payments from the FBI to Bailey for L-1 employees who stayed at Bailey’s house instead of a hotel; Heslep soliciting and including Bailey’s edits in the statement of work to a \$12.2 million construction and services bridge contract (related to the Pocatello Data Center project) that the FBI later awarded to S-1 (as general contractor) and L-1 (as subcontractor); and Heslep convincing his FBI superiors to pay L-1 for its work on the bridge contract at higher Washington, D.C. metropolitan-area labor rates, rather than lower Idaho labor rates. The Washington D.C. labor rates were approximately 30 percent greater than the Idaho labor rates.

When pronouncing the sentence Judge Winmill stated, “this is a case of greed.” He emphasized the case involved “public trust and public funds and when there is an abuse of that, there have to be consequences.”

This case was investigated by the Department of Justice, Office of the Inspector General and Internal Revenue Service – Criminal Investigation.

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