

Department of Justice

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**Former USAID Senior Official to Pay Civil Penalty for
Alleged Conflict of Interest Violation**

David Ostermeyer, who retired from the U.S. Agency for International Development (USAID) in 2012, will pay the government a \$30,000 penalty to settle allegations that he participated in a matter in which he had a financial interest that conflicted with his duties when he was Chief Financial Officer of the agency, the Justice Department announced today.

“We expect government officials to earn and maintain the trust of taxpayers by acting with the highest integrity,” said Stuart F. Delery, Assistant Attorney General for the Civil Division. “This requires, at a minimum, that they do their work free of prohibited conflicts of interest. The Justice Department will pursue those who violate their ethical obligations.”

The government alleged that shortly before Ostermeyer retired from USAID, he helped the agency draft a contract solicitation for a senior advisor – a position that Ostermeyer intended to apply for after he retired. In an effort to ensure he would be awarded the position, Ostermeyer allegedly tailored the solicitation to his specific skills and experiences.

Federal conflict of interest laws prohibit executive branch employees from participating personally and substantially in matters in which they have a financial interest. Since Ostermeyer had a financial interest in the contract solicitation, the government alleged that he could not participate in drafting it and, therefore, violated 18 U.S.C. § 208(a).

“To maintain public trust in our institutions, it is vital that those in government adhere to the highest standards of integrity,” said Michael Carroll, Acting Inspector General for USAID. “The exceptional work of the investigators and attorneys on this case reflects our resolve to uphold these standards.”

This settlement was the result of a coordinated effort by the Justice Department’s Civil Division and USAID’s Office of Inspector General. The claims resolved by this settlement are allegations only; there has been no determination of liability.

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Civil Division