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Description of document: Closing documents for Two Department of the Interior Office of Inspector General (OIG) Investigations involving allegations regarding public corruption in the U.S. Territory of American Samoa, 2010

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MS-4428, MIB
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OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

VIA EMAIL

January 15, 2015

Re: OIG-2015-00039

This is in response to your FOIA request dated November 24, 2014, which was received by the Office of Inspector General (OIG) on the same day. You requested the following information under the Freedom of Information Act (FOIA), 5 U.S.C. § 552: reports of investigation and other documents as applicable for closed DOI OIG investigations OI-HI-04-0661-I and OI-HI-04-0636-I.

A search was conducted and enclosed are copies of the combined report of investigation for both cases. There are five pages responsive to your request and all five pages contain some information that is being withheld.

Deletions have been made of information that is exempt from release under the provisions of 5 U.S.C. §§ 552(b)(6) and (b)(7)(C). These sections exempt from disclosure are items that pertain to: (1) personnel and other similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy and (2) records of information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information could reasonably be expected to constitute an unwarranted invasion of personal privacy. Exemptions (b)(6) and (b)(7)(C) were used to protect the personal privacy interests of witnesses, interviewees, middle and low ranking federal employees and investigators, and other individuals named in the investigatory file.

If you disagree with this response, you may appeal this response to the Department's FOIA/Privacy Act Appeals Officer. If you choose to appeal, the FOIA/Privacy Act Appeals Officer must receive your FOIA appeal **no later than 30 workdays** from the date of this letter if Appeals arriving or delivered after 5 p.m. Eastern Time, Monday through Friday, will be deemed received on the next workday.

Your appeal must be made in writing. You may submit your appeal and accompanying materials to the FOIA/Privacy Act Appeals Officer by mail, courier service, fax, or email. All communications concerning your appeal should be clearly marked with the words: "FREEDOM OF INFORMATION APPEAL." You must include an explanation of why you believe the OIG's response is in error. You must also include with your appeal copies of all correspondence

between you and the OIG concerning your FOIA request, including your original FOIA request and the OIG's response. Failure to include with your appeal all correspondence between you and the OIG will result in the Department's rejection of your appeal, unless the FOIA/Privacy Act Appeals Officer determines (in the FOIA/Privacy Act Appeals Officer's sole discretion) that good cause exists to accept the defective appeal.

Please include your name and daytime telephone number (or the name and telephone number of an appropriate contact), email address and fax number (if available) in case the FOIA/Privacy Act Appeals Officer needs additional information or clarification of your appeal. The DOI FOIA/Privacy Act Appeals Office Contact Information is the following:

Department of the Interior
Office of the Solicitor
1849 C Street, N.W.
MS-6556 MIB
Washington, DC 20240
Attn: FOIA/Privacy Act Appeals Office

Telephone: (202) 208-5339
Fax: (202) 208-6677
Email: FOIA.Appeals@sol.doi.gov

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of FOIA. *See* [5 U.S.C. 552\(c\)](#). This response is limited to those records that are subject to the requirements of FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

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Telephone: 202-741-5770
Facsimile: 202-741-5769
Toll-free: 1-877-684-6448

Please note that using OGIS services does not affect the timing of filing an appeal with the Department's FOIA & Privacy Act Appeals Officer.

However, should you need to contact me, my telephone number is 202-208-6742, and the email is foia@doioig.gov.

Sincerely,



Ryan Mock
Government Information Specialist

Enclosure



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

REPORT OF INVESTIGATION

Case Title Sunia, Aitofele Tini Lam Yuen	Case Number OI-HI-04-0636-I OI-HI-04-0661-I
Reporting Office Honolulu, Hawaii	Report Date July 19, 2010
Report Subject Investigation Complete – Closing Report	

SYNOPSIS

Investigations of Aitofele Sunia, Lt. Governor, and Tini Lam Yuen, Territorial Senator, U.S. Territory of American Samoa, were initiated after they had been implicated during an investigation of corruption in the American Samoa Government. The investigation disclosed that from 2001 through 2004, Sunia, Yuen and others supplied large quantities of school furniture, at inflated prices, to schools in American Samoa while violating the American Samoa Procurement Rules. Sunia and Yuen did this with the assistance of other government officials and also gave bribes to the Director of the Dept. of Education. Following the indictment of Sunia and Yuen, in January 2010, trial was held in the U.S. District Court for the District of Columbia. After a unanimous decision could not be reached by the jurors, on February 23, 2010, a mistrial was declared. The U.S. Department of Justice, however, declined to retry the case. As a result, this case is now closed.

BACKGROUND

Allegations regarding public corruption in the U.S. Territory of American Samoa were initially received in 2003, after the territory's Senate Select Investigative Committee (SSIC) requested an investigation of the American Samoa Department of Education (AS-DOE). In response, the FBI and OIG initiated investigations of Fa'au Seumanutafa, former Chief Procurement Officer, and Sili Sataua, former Director of the AS-DOE, concerning school and library furniture projects in addition to other government projects. Seumanutafa and Sataua pleaded guilty, in April 2004 and January 2005, respectively, to **Informations** charging each with 18 U.S.C. Section 371, *Conspiracy to Commit Theft or Bribery Concerning Programs Receiving Federal Funds*, in violation of 18 U.S.C. Section 666. In addition, they each agreed to cooperate with the government and to provide assistance in the

Reporting Official/Title [REDACTED], Special Agent	Signature
Approving Official/Title	Signature

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government's investigation of Sunia and Yuen.

With respect to the school and library furniture project, Seumanutafa admitted that he participated in a scheme to allocate purchases of bookshelves and library furniture for American Samoa schools to individual businesses owned by Sunia (Samoa Furnishings & Handicrafts), Yuen (Tini P. Lam Yuen Company) and himself (Samoa Wood Products). Seumanutafa did this while using his authority as Chief Procurement Officer for the American Samoa Government and by structuring Samoa Wood Products' invoices into amount below \$10,000, to evade the territory's competitive bid requirements*. Sataua admitted that in return for his participation in the scheme, he received bribes from Sunia and Yuen. [Reference is made to Case Titles Fa'au Seumanutafa (OI-HI-04-0161-I) and Sili Sataua (OI-HI-04-0451-I).]

[* *Excerpt from American Samoa Procurement Rules:* (1) with limited exceptions, any purchases by the American Samoa Government exceeding \$10,000 must be made through a competitive sealed bidding process, (2) the related requirement that procurement documents may not be artificially divided so as to constitute a small purchase below \$10,000, thereby avoiding the competitive bidding requirement, and (3) the prohibition on any employee of the American Samoa Government participating directly or indirectly in a procurement when that employee knows that either he or a member of his immediate family has a financial interest pertaining to the procurement. (Attachment 1)]

DETAILS OF INVESTIGATION

On September 6, 2007, Sunia and Yuen were indicted by a Federal Grand Jury in the U.S. District Court for the District of Columbia on charges of *Conspiracy* (18 USC 371); *Fraud Concerning Programs Receiving Federal Funds* (18 USC 666(a)(1)(A)); *Bribery Concerning Programs Receiving Federal Funds* (18 USC 666(a)(2)); and *Obstruction of Agency Proceeding* (18 USC 1505). (Attachment 2) A superseding indictment filed on December 8, 2009, reiterated the original charges but gave more specificity in the details. (Attachment 3)

Trial was held beginning January 12, 2010, in the U.S. District Court for the District of Columbia. During trial the government presented the following evidence through its witnesses. [Agent's Note: As transcripts of actual witness testimony are not available, the attachments referenced below are relative to reports of interviews of these witnesses. Witnesses' testimonies during trial were consistent with the information they provided during their interviews.]

Fa'au Seumanutafa:

Seumanutafa said that he was appointed to Chief Procurement Officer (CPO) in 2001 by then Governor, [REDACTED]. However, after allegations were raised concerning his procurement improprieties and at the request of Governor [REDACTED], he resigned in September 2003.

Seumanutafa explained that he and his family operated Samoa Wood Products (Samoa Wood), a furniture manufacturing business. In 2002, while reviewing purchase invoices from a company operated by Senator Tini Lam Yuen, Tini P. Lam Yuen Company, he became aware of large purchases of bookshelves for ASG schools that would amount to several hundred thousand dollars. He then

contacted Kerisiano Sili Sataua (Sataua), then Director, Department of Education (AS-DOE), to advise that the work should also be distributed to other contractors including Samoa Wood, Samoa Furnishings & Handicrafts and Tini Lam Yuen Company. Subsequently, the bookshelf orders were equally split between Samoa Wood and Tini Lam Yuen Company and the library furniture orders were allocated to Samoa Furnishings. This allocation was memorialized in a memorandum he received from the Acting Director of the Dept. of Education. (Attachment 4) In total, about 600 bookshelves were ordered at a price of \$235 each. Seumanutafa estimated that his cost to manufacture each bookshelf could have been about \$85, resulting in good profits.

Seumanutafa said that unless sole-source procurement is authorized, ASG procurement laws require that all purchases over \$10,000 be put out for competitive bid. However, Seumanutafa prepared the purchase orders for amounts under \$10,000 so that he could approve of them and avoid putting the purchases out for competitive bid. (Attachment 5)

Kerisiano Sili Sataua:

Sataua explained that the AS-DOE has a budget of about \$42 million per year that is substantially funded by the Federal government. (Attachment 6) He also said that the furniture contracts were mostly paid for by U.S. Federal grants. (Attachment 7)

He described how in return for facilitating the furniture orders for AS-DOE, Sunia offered and provided construction work at Sataua's newly constructed house. (Attachment 8) In a follow up interview, Sataua further described the work that Sunia did at his house for free. The work was performed in July and August 2001, and included finish work to the home's interior. He estimated that the work had a value of about \$1,500. Sataua also described other work performed at his home for free by Yuen between May and September 2001. That work involved the construction of kitchen and bathroom cabinets and counter tops valued at about \$2,500. Moreover, in 2002, Yuen gave him cash aggregating to about \$1,300, all to compensate Sataua for his help in allocating work to Sunia and Yuen. (Attachment 9) Sataua also advised that Sunia had stated that he, Sataua, should let him, Sunia, do the library furniture work while Yuen did the bookcases. (Attachment 10)

Summary of Invoices:

An exhibit, Government's Exhibit 262, summarizing the invoices and vendor payments relative to Samoa Furnishings & Handicrafts, Samoa Wood and Tini Lam Yuen Company was introduced during trial by FBI Financial Analyst [REDACTED]. The exhibit reflects payments for related invoices totaling \$276,387 for Samoa Furnishings & Handicrafts, \$228,000 for Tini Lam Yuen Company, and \$251,400 for Samoa Wood, for a Grant Total of \$755,787. The exhibit is also a reflection of 106 invoices submitted by the vendors, with each individual invoice submitted for an amount of less than \$10,000. Furthermore, each of the vendors submitted multiple invoices on the same date where had the invoices been submitted on a single invoice, it would have totaled greater than \$10,000, the threshold at which competitive bidding would have been required in accordance with American Samoa Procurement Rules. (Attachment 11)

[REDACTED]:

[REDACTED] ([REDACTED]) is long-time acquaintances with both Sunia and Seumanutafa.

While attending a Christmas Festival in December 2004, Sunia approached [REDACTED] and asked what was up with Seumanutafa. [REDACTED] asked for clarification and Sunia responded that Seumanutafa was too greedy and that he, Seumanutafa and Yuen had made arrangements to share the furniture orders for the schools and that they would all profit. Sunia added that Seumanutafa's greed would ultimately jeopardize everyone and get them into trouble. (Attachment 12)

Competitive Estimates:

Other furniture manufacturers operating in American Samoa were asked if they would have been interested in supplying the schools with furniture had they been given an opportunity. Both [REDACTED] and [REDACTED] said that their respective family businesses would have been interested. (Attachment 13)

Statements of Defendant Aitofele Sunia:

During an interview of Sunia on April 27, 2004, he indicated that Samoa Furnishings & Handicrafts was his family's business. He also denied that there was any collusion with Sataua and Seumanutafa and that they supplied the furniture on an as needed basis. (Attachment 14)

Statements of Defendant Tini Lam Yuen:

During interviews of Yuen on April 9, 2004 and October 21, 2004, Yuen said that he was aware of the AS Procurement Rules requiring that purchases over \$10,000 go out for competitive bid but that he structured his invoices into amounts below \$10,000 to avoid alerting someone that competitive bid was required. He said that with respect to other construction work he performed at the legislative offices of the American Samoa Legislature (Fono), had he not structured his invoices into amounts below \$10,000, it would have alerted someone that competitive bid was required. In addition, Yuen denied having given any money to Seumanutafa or Sataua or given anything of value to Sataua for free. (Attachment 15)

Results of Trial:

On February 4, 2010, after closing arguments were presented by the government and defense counsels, the case was turned over to the jury for deliberation. However, after a number of days of deliberation, the jurors were not able to reach a unanimous decision and on February 23, 2010, Judge Reggie Walton declared a mistrial (Hung Jury). The U.S. Department of Justice declined to retry the case.

All original evidence gathered in this case was transferred to the FBI.

SUBJECTS

- 1) Aitofele F. Sunia, Lt. Governor, U.S. Territory of American Samoa
- 2) Tini P. Lam Yuen, Territorial Senator, U.S. Territory of American Samoa

DISPOSITION

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As the U.S. Department of Justice declined to retry the case, this case is now closed.

ATTACHMENTS

1. Procurement Rules, American Samoa Government.
2. Indictment of Aitofele Sunia and Tini Lam Yuen, Filed 9/6/2007.
3. Superseding Indictment of Aitofele Sunia and Tini Lam Yuen, Filed 12/8/2009.
4. Memorandum from Acting Director to Seumanutafa, dated 3/27/2001 and references.
5. IAR- Interview of Faa'u Seumanutafa from 3/5/2004 - 3/8/2004.
6. FBI 302- Interview of Sili Sataua on 8/28/2003.
7. FBI 302- Interview of Sili Sataua on 4/13/2004.
8. FBI 302- Interview of Sili Sataua on 5/17/2006.
9. FBI 302- Interview of Sili Sataua on 6/26/2007.
10. Grand Jury Transcript (Pg. 17; Para 14) of Kerisiano Sili Sataua on 1/16/2007.
11. Government Exhibit, Summary of Invoices.
12. FBI 302 - Interview of [REDACTED] on 10/31/2006.
13. Interview Reports of [REDACTED] and [REDACTED]
14. FBI 302 - Interview of Aitofele Sunia on 4/27/2005.
15. IAR - Interviews of Tini Lam Yuen on 4/9/2004 & 10/21/2004.