

Department of Justice
U.S. Attorney's Office
Central District of California

FOR IMMEDIATE RELEASE

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Former Arizona Official Who Accepted Bribes from Culver City Debt Collection Outfit Pleads Guilty to Federal Criminal Charge

LOS ANGELES – A former Arizona public official pleaded guilty today to accepting tens of thousands of dollars in cash bribes from a now-defunct Culver City-based debt collection company in exchange for disclosing confidential information that helped the company collect nearly \$1 million in outstanding debts.

Leslie Gene Nelson, 59, of Phoenix, pleaded guilty to one count of bribery, a felony offense that carries a statutory maximum sentence of 10 years in federal prison. United States District Judge S. James Otero scheduled a June 24 sentencing hearing.

Nelson was an employee of the Arizona Department of Economic Security (AZ DES), a state agency that provides unemployment benefits. In a plea agreement filed in this case, Nelson admitted he accepted at least \$26,000 in cash bribes from Michael S. Flowers and Flowers' employer, Professional Collection Consultants (PCC), from approximately September 2010 until August 2013. In exchange for the bribes, Nelson provided Flowers and PCC with wage and earnings information for thousands of specific Social Security numbers that Flowers provided, according to court documents. AZ DES maintained wage and employment-related data in its computer systems, which were linked with federal and state databases that contained confidential information for people nationwide.

Nelson admitted that he received the Social Security numbers from Flowers and that he sent confidential information found on each individual or advised that no wages existed for a specific Social Security number. Armed with the confidential information, PCC analyzed the collectability of each debtor's debt and determined whether it was financially reasonable to sue the debtor to obtain a court judgment that would allow the company to garnish the debtor's wages.

During the first eight months of 2013, the confidential information that Nelson provided helped PCC collect \$946,770 in debts owed.

Flowers, 58, of the Mid-City district of the City of Los Angeles, deposited Nelson's bribe payments into a local bank and he also received a 10 percent commission on the recoveries made by PCC. Flowers and PCC each [pleaded guilty to conspiracy](#) to commit federal program bribery. Flowers was sentenced to three years' probation. PCC was fined \$350,000 and ordered to forfeit \$946,770.

This matter was investigated by the United States Department of Labor, Office of the Inspector General, which received assistance from the Federal Bureau of Investigation and the Arizona Department of Economic Security.

The case is being prosecuted by Assistant United States Attorney Elisa Fernandez of the Public Corruption and Civil Rights Section.