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NEWS

2 Plead Guilty in Health Service Travel Voucher Fraud / High-ranking administrators to cooperate in probe of boss

Jim Doyle, Chronicle Staff Writer

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Two high-ranking administrators at the U.S. Public Health Service's offices in San Francisco pleaded guilty yesterday to conspiring with their former boss to embezzle agency funds through phony travel vouchers.

Former assistant regional administrator **Steven D. Bice**, 47, and former special assistant Jon M. Rasmussen, 53, each entered guilty pleas to a single felony charge of conspiring with former Assistant Surgeon General Sheridan Weinstein to submit false claims for hotels and other travel expenses from 1985 through 1990.

Weinstein -- who was suspended from the health agency in February -- has not been charged with any wrongdoing.

In addition, former deputy district administrator John B. West, 42, pleaded guilty to a misdemeanor charge of embezzling agency funds through his unauthorized use of frequent flier miles that he had compiled on official business for the federal health agency.

All told, seven administrators at the Public Health Service's Pacific regional headquarters in San Francisco were suspended in February, after they were charged with felonies for conspiring to embezzle more than \$25,000 in travel-related expenses.

As part of plea agreements, Bice, Rasmussen, and West have agreed to testify before a federal grand jury in San Francisco that is investigating Weinstein's conduct.

Bice and Rasmussen each face maximum penalties of 10 years in prison; West faces up to a year in prison. But the government has agreed to recommend sentences of probation for the three as long as they cooperate with the probe.

Three other health administrators -- executive officer Robert M. Krochak; and assistant regional administrators Heidi Fitton and Kathy L. Guerrero -- have signed cooperation agreements with the government. In return for their testimony, the government has agreed to erase felony charges from their records.

Former chief of health services delivery Kent L. Angerbauer, who was charged in February with embezzlement, is still negotiating with the U.S. attorney.

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