

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	:	CRIMINAL NO. CR-09-335
	:	
Plaintiff,	:	VIOLATION:
	:	
v.	:	18 U.S.C. § 371 (Count 1);
	:	Conspiracy to Violate the Foreign
	:	Corrupt Practices Act
HAIM GERI,	:	
	:	18 U.S.C. § 982;
Defendant.	:	Forfeiture
_____	:	

FILED
APR 28 2011

Clerk, U.S. District & Bankruptcy
Courts for the District of Columbia

STATEMENT OF OFFENSE

1. HAIM GERI (“GERI”) entered into an agreement to supply military and law enforcement products to a foreign government believing that bribes would be paid to a foreign government official in order to assist in obtaining and retaining business. GERI entered into the agreement believing that others were also supplying goods to the foreign government as part of a larger deal, and that he was just one supplier of many.

2. The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, *et seq.* (“FCPA”), prohibits certain persons and entities from making payments to foreign government officials to assist in obtaining or retaining business. Specifically, the FCPA prohibits the willful use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to a foreign official for the purpose of assisting in the obtaining or retaining of business.

3. GERI was a citizen of the United States and, as such, was a “domestic concern” as that term is defined in the FCPA. 15 U.S.C. § 78dd-2(h)(1). GERI was the President of Company A, a company based in North Miami Beach, Florida, that served as a sales agent for companies in the law enforcement and military products industries. As a company that maintained its place of business in the United States, and that was organized under the laws of a state of the United States, Company A was a “domestic concern” as that term is defined in the FCPA. 15 U.S.C. § 78dd-2(h)(1).

4. Richard Bistrong, an individual cooperating with the government and referred to as Individual 1 in the Superseding Indictment (“Bistrong”), was the former Vice President of International Sales for a company that manufactured and supplied law enforcement and military equipment to law enforcement and military customers around the world.

5. Undercover Agent 1, using the name “Pascal Latour” (“Latour”), was an undercover Special Agent with the Federal Bureau of Investigation (“FBI”) posing as a representative of the Minister of Defense of a country in Africa (“Country A”).

6. Undercover Agent 2, using the name “Jean-Pierre Mahmadou” (“Mahmadou”), was an undercover Special Agent with the FBI posing as a procurement officer for Country A’s Ministry of Defense who purportedly reported directly to the Minister of Defense.

7. On or about May 14, 2009, GERI met with Bistrong and Latour at the Mandarin Oriental Hotel in Miami, Florida. At that meeting, Latour and Bistrong explained that the entire Country A “deal” would be worth approximately \$15 million, which included a built-in 20% “commission,” amounting to \$3 million; that the deal would involve several suppliers; and that the deal would proceed in two phases: Phase One would involve a “test sale” of defense articles

for Country A's Presidential Guard, and Phase Two would involve the sale of a larger quantity of those articles to outfit the rest of the Presidential Guard. GERI agreed to supply Corner Shot units – which are special purpose devices that can enable a pistol to shoot around a corner – in connection with the Country A deal.

8. On or about May 14, 2009, at the Mandarin Oriental meeting in Miami, Florida, GERI agreed to proceed with the Country A deal, after being told by Latour and Bistrong that in order to win the Country A business, Company A would need to add a 20% “commission” to the invoices it sent to Latour in connection with Phase One and Phase Two, half of which would be paid to Country A's Minister of Defense and half of which would be split between Latour and Bistrong as a fee for their services. GERI further agreed to proceed with the Country A deal believing that the purpose of Phase One was to show Country A's Minister of Defense that he would personally receive a 10% “commission” in connection with the deal.

9. On or about May 15, 2009, GERI caused an email to be sent to Latour attaching a price quotation in connection with Company A's sale of goods to Country A in Phase One, which contained an inflated sales price for two Corner Shot units, i.e., the true sales price plus the 20% “commission,” that would be used to pay and facilitate the bribe to Country A's Minister of Defense. The inflated sales price was approximately \$12,190, and it included the 20% commission in the amount of approximately \$2,000.

10. On or about May 15, 2009, GERI caused an email to be sent to Latour attaching a price quotation in connection with Company A's sale of goods to Country A in Phase Two, which contained an inflated sales price for 50 additional Corner Shot units, i.e., the true sales price plus the 20% “commission,” that would be used to pay and facilitate the bribe to Country

A's Minister of Defense. The inflated sales price was approximately \$308,500, and it included the 20% commission in the amount of approximately \$50,000.

11. On or about May 16, 2009, GERI caused an email to be sent to Latour attaching a letter in connection with Company A's sale of goods to Country A that included the true sales price of the Corner Shot units that GERI agreed to sell through Company A in connection with Phases One and Two.

12. On or about June 17, 2009, GERI caused Company A to receive a wire payment of approximately \$12,190 from a bank account GERI understood to be controlled by Country A for the purpose of funding the purchase of the Corner Shot units sold by Company A to Country A's Ministry of Defense for Phase One of the scheme.

13. On or about June 17, 2009, GERI caused an email to be sent on behalf of Company A to Latour and Bistrong confirming receipt of the payment.

14. On or about June 26, 2009, GERI arranged for a wire payment of the 20% "commission" to be sent from a Company A bank account to Latour's bank account for the purpose of making the payment to Country A's Minister of Defense and paying the commissions to Latour and Bistrong for facilitating the scheme.

15. Between in or about May 2009 and in or about October 2009, GERI had several telephone conversations with Saul Mishkin ("Mishkin"), who GERI understood to be supplying Meals-Ready-to-Eat to Country A as part of the Country A deal. During those conversations, GERI and Mishkin discussed their participation in the Country A deal.

16. On or about October 5, 2009, GERI attended a cocktail reception at Clyde's, a

restaurant in Washington, D.C., along with several other Country A deal participants – including Daniel Alvarez (“Alvarez”) and Lee Allen Tolleson (“Tolleson”), Helmie Ashiblie (“Ashiblie”), Andrew Bigelow (“Bigelow”), R. Patrick Caldwell (“Caldwell”), Yochanan Cohen (“Cohen”), John Gregory Godsey (“Godsey”) and Mark Frederick Morales (“Morales”), Mishkin, David R. Painter (“Painter”) and Lee M. Wares (“Wares”), Pankesh Patel (“Patel”), Ofer Paz (“Paz”), Israel Weisler (“Weisler”) and Michael Sacks (“Sacks”), and John Benson Wier, III (“Wier”) – to celebrate the completion of Phase One of the Country A deal and to meet with Mahmadou to discuss Phase Two of the Country A deal.

17. On or about October 5, 2009, GERI met with Bistrong and Mahmadou during the cocktail reception at Clyde’s. At that meeting, Mahmadou told GERI that the Minister of Defense, who had recently been elected President of Country A, was pleased with the Corner Shot units sent in Phase One and with the “commission” that the Minister had received. Mahmadou also told GERI that the Minister of Defense had given his approval to proceed with Phase Two. GERI then accepted two copies of the purchase agreement for Phase Two from Mahmadou. Throughout the cocktail reception at Clyde’s, GERI witnessed other suppliers having private meetings with Mahmadou as well.

18. On or about October 13, 2009, GERI caused to be sent by Federal Express, a commercial interstate carrier, from North Miami Beach, Florida, to Washington, D.C., one original copy of the purchase agreement, which had been executed by GERI on behalf of Company A.

19. On or about January 18, 2010, GERI traveled to Las Vegas, Nevada, for the

purpose of attending a meeting between the suppliers in the Country A deal – including GERI, Alvarez, Ashiblie, Bigelow, Caldwell, Cohen, Godsey and Morales, Amaro Goncalves, Mishkin, John M. Mushriqui and Jeana Mushriqui, Painter and Wares, Patel, Paz, Jonathan M. Spiller, Weisler and Sacks, and Wier – and the new Minister of Defense of Country A. GERI expected to receive a payment at that meeting amounting to 60% of the inflated sales price of the Corner Shot units he had agreed to sell to Country A in Phase Two of the Country A deal.

DATE: 4/28/11



HAIM GERI
Defendant

Matthew I. Menchel / by EBB
MATTHEW I. MENCHEL
Attorney for Haim Geri w/ permission