

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	
JONATHAN M. SPILLER,	:		
	:	18 U.S.C. § 982;	
Defendant.	:	Forfeiture	
_____	:		

FILED
MAR 29 2011

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

STATEMENT OF OFFENSE

1. JONATHAN M. SPILLER (“SPILLER”) entered into an agreement to supply military products to a foreign government believing that a bribe was being paid to a foreign government official in order to assist in obtaining and retaining business. SPILLER entered into the agreement with others knowing 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. SPILLER was a resident 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). SPILLER was the owner and President of Company A, a Florida company that was in the business of providing consulting services for companies in the law enforcement and military equipment industries. SPILLER was also the part-owner and Manager of Company B, a Florida company that was in the business of marketing and selling law enforcement and military equipment. Company A and Company B were both located in Ponte Vedra Beach, Florida. As companies that maintained their principal place of business in the United States, and that were organized under the laws of a state of the United States, Company A and Company B were each 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 13, 2009, SPILLER met with Bistrong and Latour at the Mandarin Oriental Hotel in Miami, Florida. Daniel Alvarez (“Alvarez”) was also present at the meeting. At that meeting, Bistrong and Latour explained to SPILLER 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 Country A’s Presidential Guard. SPILLER agreed to supply rifle-mounted cameras and related equipment in connection with Phase One and tactical vehicles in connection with Phase Two.

8. On or about May 13, 2009, at the Mandarin Oriental meeting in Miami, SPILLER agreed to proceed with the Country A deal, after being told by Latour and Bistrong that in order to win the Country A business, he would need to add a 20% “commission” to the invoices he 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. SPILLER 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 18, 2009, SPILLER sent an email to Latour attaching two price quotations in connection with Phase One: one price quotation contained the true sales price for the three rifle-mounted cameras and related equipment that SPILLER agreed to sell through Company A, and the second price quotation contained an inflated sales price for the three rifle-mounted cameras and related equipment, 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 \$12,792, and it included the 20% commission in the amount of approximately \$2,132.

10. Beginning in or about May 2009, SPILLER had in person meetings and telephone conversations with David R. Painter (“Painter”), in which SPILLER agreed that Painter and Lee M. Wares (“Wares”) could sell seven armored vehicles in connection with the Country A deal through Company A, rather than directly through Painter and Wares’s own company, for the purpose of, among other things, allowing Painter, Wares and Spiller to make more money on the Country A deal.

11. From in or about May 2009 through in or about December 2009, SPILLER had conversations with other Country A deal participants – including Painter, Wares, Pankesh Patel (“Patel”), and Alvirez – to discuss the Country A deal.

12. On or about June 17, 2009, SPILLER caused Company A to receive a wire payment of approximately \$12,792 from a bank account SPILLER understood to be controlled by Country A for the purpose of funding the purchase of the three rifle-mounted cameras sold by Company A to Country A’s Ministry of Defense for Phase One of the scheme.

13. On or about July 2, 2009, SPILLER 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.

14. On or about August 3, 2009, SPILLER met with Bistrong at Bistrong’s residence in Florida and stated that Latour was making a lot of money on the Country A deal and “heaven knows what the Minister is making.” Bistrong replied, “well, half of that.”

15. On or about September 3, 2009, SPILLER sent an email to Bistrong attaching two price quotations in connection with Company B's sale of goods to Country A in Phase Two: one price quotation contained the true sales price of three tactical vehicles SPILLER agreed to sell through Company B, and the second price quotation contained an inflated sales price for the three tactical vehicles that included 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 \$1,080,000, and it included the 20% commission in the amount of approximately \$180,000.

16. On or about September 3, 2009, SPILLER sent an email to Bistrong attaching two price quotations for the goods being sold by Company A to Country A in Phase Two, on behalf of Painter and Wares: one price quotation contained the true sales price of seven armored vehicles SPILLER agreed to sell on behalf of Painter and Wares through Company A, and the second price quotation contained an inflated sales price for the seven armored vehicles that included 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 \$1,260,000 and it included the 20% commission in the amount of approximately \$210,000.

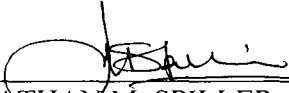
17. On or about October 5, 2009, SPILLER had a telephone conversation with Bistrong and Mahmadou, who were both located in Washington, D.C. In that conversation, SPILLER agreed to proceed with Phase Two of the Country A deal, after being told that the Minister of Defense was pleased with the equipment sent in Phase One and with the "commission" the Minister of Defense had received.

18. On or about October 30, 2009, SPILLER sent by Federal Express, a commercial

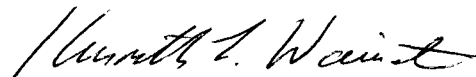
interstate carrier, from Ponte Vedra Beach, Florida, to Washington, D.C., one original copy of the Phase Two purchase agreement, which had been executed by SPILLER.

19. On or about January 17, 2010, SPILLER traveled to Las Vegas, Nevada, for the purpose of attending a meeting between the suppliers in the Country A deal – including Alvarez and Lee Allen Tolleson, Helmie Ashiblie, Andrew Bigelow, R. Patrick Caldwell, Yochanan Cohen, Haim Geri, John Gregory Godsey and Mark Frederick Morales, Amaro Goncalves, Saul Mishkin, John M. Mushriqui and Jeana Mushriqui, Painter and Wares, Patel, Ofer Paz, Israel Weisler and Michael Sacks, and John Benson Wier III – and the new Minister of Defense of Country A. SPILLER expected to receive a payment at that meeting amounting to 60% of the inflated sales price of the tactical vehicles he had agreed to sell to Country A in Phase Two of the Country A deal.

DATE: 3.29.2011



JONATHAN M. SPILLER
Defendant



KENNETH WAINSTEIN, ESQ.
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