



Department of Justice

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FORMER OWNERS OF FLORIDA AIRLINE FUEL SUPPLY AND INDIANA FLIGHT MANAGEMENT SERVICES COMPANIES PLEAD GUILTY IN SCHEMES TO DEFRAUD RYAN INTERNATIONAL AIRLINES

WASHINGTON – A former owner and operator of a Florida-based airline fuel supply service company and a former owner and operator of an Indiana-based flight management services company pleaded guilty today to participating in separate schemes to defraud Ryan International Airlines, a charter airline company located in Rockford, Ill., the Department of Justice announced. The charges announced today are the first to arise out of the Antitrust Division’s ongoing investigation into fraud and anticompetitive conduct in the airline charter services industry.

On July 21, 2011, James E. Murphy, the former owner and operator of a Florida aviation fuel supply company, and David A. Chaisson, the former owner and operator of an Indiana flight management services company, were charged in separate two-count felony charges in U.S. District Court in Fort Lauderdale, Fla. Murphy and Chaisson were charged with participating in different conspiracies with co-conspirators to defraud Ryan by making kickback payments to a procurement official at Ryan in exchange for the official awarding their respective companies business. Ryan provides air passenger and cargo services for corporations, private individuals, professional sports teams and the U.S. government, including the U.S. Department of Defense, the U.S. Department of Homeland Security and the U.S. Marshals Service.

According to court documents, from as early as October 2005 through at least September 2008, Murphy participated in a conspiracy in which Murphy paid more than \$130,000 in kickbacks to a Ryan official responsible for procuring jet fuel for Ryan flights in exchange for the Ryan official providing aviation fuel contracts to Murphy’s company, and to two other aviation fuel supply companies where Murphy worked as a corporate bookkeeper.

In a separate conspiracy, according to court documents, from as early as January 2005 through at least July 2008, Chaisson paid the same Ryan official more than \$60,000 in kickbacks, including payments based on fabricated invoices submitted by Chaisson’s company to Ryan. Chaisson’s company was responsible for managing the ground operations for Ryan flights.

Both Murphy and Chaisson are charged with one count of conspiracy to commit wire fraud and honest services fraud, as well as one substantive count of wire fraud. Each count

carries a maximum sentence of 20 years in prison and a \$250,000 criminal fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either amount is greater than the statutory maximum fine.

The investigation is being conducted by the Antitrust Division's Atlanta Field Office and the National Criminal Enforcement Section and the U.S. Department of Defense's Office of Inspector General, with assistance from the U.S. Attorney's Office in Fort Lauderdale. Anyone with information concerning anticompetitive conduct in the airline charter services industry is urged to call the Antitrust Division's Atlanta Field Office at 404-331-7100 or visit www.justice.gov/atr/contact/newcase.htm.

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