

# VERSION 7

**A F F I D A V I T**

I, FARRELL A. BINDER, being duly sworn on oath, do hereby depose and say:

I.

**INTRODUCTION**

1. I am a Special Agent ("SA") for the Federal Bureau of Investigation ("FBI") and have served in that capacity for more than ten years. I am currently assigned to the Los Angeles Office, White Collar Division, Public Corruption Squad. My current chief responsibility involves the investigation of public corruption matters including violations of the Foreign Corrupt Practices Act ("FCPA"). During my employment with the FBI, I have participated in investigations involving public corruption, bribery, fraud against the government, bank and loan fraud, wire fraud, mail fraud, social security fraud, and money laundering. Many of these investigations have involved the use of informants and cooperating witnesses, and have required financial analysis. I have also participated in the execution of numerous search and arrests warrants. I have conducted physical surveillance and have monitored electronic surveillance. In addition, I have attended numerous training sessions on the investigation of white collar crimes, including specialized training for FCPA investigations and international contract corruption. The opinions I have formed and set forth in this affidavit are based

on my experience and training, as well as my consultation with other experienced investigators and agents of the FBI.

2. This affidavit is made in support of an application for a warrant to search the Azusa business office (described with particularity below) of a manufacturing company and associated entities, which are believed to have been involved in bribery and money laundering in relation to payments to a senior official of the government of Mexico for the award and renewal of contracts by a Mexican government entity by a U.S. company.

3. There is probable cause, which is presented below in Part V, to believe that 760 N. Georgia Avenue, Azusa, California 91702 ("**SUBJECT PREMISES**") contains evidence of violations of federal law committed by Keith LINDSEY (LINDSEY), doing business as ("dba") LINDSEY MANUFACTURING CO. ("LMC"), LINDSEY INTERNATIONAL INC. ("LII") and others, specifically, evidence of violations of Title 18, United States Code, Section 371 (Conspiracy), Title 15, United States Code, 78dd-1, et seq. (Corrupt Payments to Foreign Officials), and Title 18, United States Code, Sections 1956 and 1957 (Money Laundering).

4. I make this affidavit based on personal knowledge, my training and experience, and information that I have received from other agents and other law enforcement officers in the course of my participation in this investigation as a case agent.

This affidavit is intended to establish probable cause for the requested search warrants, and does not include all information known to me related to this investigation.

II.

**SUBJECT PREMISES TO BE SEARCHED**

5. The **SUBJECT PREMISES** to be searched, the business address and/or offices of LMC, business entities associated with LINDSEY, at 760 N. Georgia Avenue, Azusa, California 91702, is further described as follows:

a. 760 North Georgia Avenue, Azusa, California, is a one story office building (**building 1**) located on the east side of North Georgia Avenue between Foothill Boulevard and Eighth Street. The numbers "760" are affixed to the front of **building 1**, above the front door, which is located in the center of the building, in black numerals on a white background. The front door is all tinted glass and is centered between two tinted glass windows that are the same length as the front door. The numbers "760" are also painted on the front of a half step that leads to a cement walkway to the front door from the street, in black numerals. The exterior of **building 1** has a tan brick facade with a flat blue metal roof. On either side of the front door are four windows, and a planter, which holds bushes that grow between each window. At the top of the blue metal roof overhang, centered above the door, is a sign that

reads "LINDSEY" in black letters on a yellow background. At the south end of **building 1**, also on the blue metal roof overhang, is another sign with a design that consists of an "L" and a lightning bolt running through the "L." The design is in black on a yellow background. Running perpendicular to, and in front of, **building 1** are several parking spaces. All the parking spaces are marked "reserved," with the exception of three spaces to the south marked "visitor." Also visible from North Georgia Avenue is a side entrance on the south side of **building 1**. The side entrance is located approximately six to eight feet from the front of the building, and has six steps leading up to the door from two sides.

**Building 1** is part of a larger industrial complex that makes up Lindsey Manufacturing. The office building is surrounded by several industrial buildings constructed of blue metal. To the south of the office building are two industrial buildings (**building 2 and building 3**). **Building 2** sits just south of the office building, and consists of two large sliding metal doors facing North Georgia Avenue. The sliding metal doors are protected by two chain link fences directly in front of the doors. **Building 2** has a sign on the south side of the front facade that reads "Lindsey Shipping & Receiving" and has an arrow pointing north on North Georgia Avenue. The writing is in black letters on a yellow background. **Building 2** also has a sign

attached to the southeast corner of the building that reads "South Yard" in black writing on a yellow background. **Building 3** sits south of **building 2**, and is separated from **building 2** by two gates with a tan brick wall in between the gates. The gates are made of chain link and topped with barbed wire. The gates also have warning signs indicating hazardous materials and private property signs. The tan brick wall is also topped with barbed wire, and has bushes in front of it. Visible through the gates, and behind the brick wall, is a corrugated metal garage structure. **Building 3** sits the farthest south in the Lindsey industrial complex. **Building 3** has a door in the center of the building, and a window on each side of the door. The numbers "730" are affixed to the front of the door towards the top. Above the door is a sign reading "Lindsey" in black letters with a yellow background.

To the north of the office building is another building (**building 4**) and a smaller structure (**building 5**). **Building 4** is located just north of the office building, and is separated from the office building by a small space of approximately a foot. **Building 4** is constructed of the same blue metal as the other out buildings. **Building 4** has a door centered in the middle of the building, and has two windows on each side of the door. There is one step up into **building 4** at the door, and bushes in front of the building. **Building 4** has a light

attached above the door, and another light attached at the corner of the southeast side of the building, near the office building. Attached to the northeast corner of **building 4** is a sign that reads "North Yard" in black writing on a yellow background. To the north of **building 4** is a tan brick wall with a chain link gate dividing the wall into two sections. Both the wall and the gate are topped with barbed wire. Visible through the gate is a **building 5** which is made of blue metal. **Building 5** has a sign that reads "Shipping & Receiving, 7 A.M. to 11:30 A.M., 12:30 P.M. to 3:15 P.M." Just south of the "Shipping" sign is another sign that reads "Quality begins with me." The entire Lindsey industrial complex has an alleyway running north and south at the rear of the complex, and another alleyway running east and west to the far south of the complex, along **building 3**.

**Subject Premises** includes **buildings 1, 2, 3, 4, and 5** and all attached and unattached rooms, attics, basements, garages, storage areas, safes, lockers, containers, trash areas, surrounding grounds and outbuildings assigned to or part of the business.

### III.

#### SUMMARY OF APPLICABLE FEDERAL STATUTES

6. The anti-bribery provisions of the Foreign Corrupt Practices Act ("FCPA"), codified at Title 15, United States Code, 78dd-1, et seq., among other things, make it unlawful for any

United States "domestic concern," or for any officer, director, employee, or agent of such domestic concern, to knowingly make use of any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" for purposes of influencing any act or decision of such foreign official in his (or her) official capacity, in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person. 15 U.S.C. § 78dd-2.

7. The definition of a "domestic concern" under the FCPA includes: (a) any individual who is a citizen, national, or resident of the United States; and (b) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States.

8. The definition of a "foreign official" under the FCPA includes: any officer or employee of a foreign government or any department, agency or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department,



agency, or instrumentality, or for or on behalf of any such public international organization.

9. Under the federal money laundering statutes, which prohibit certain financial transfers or transactions knowing that the proceeds were from "specified unlawful activity," a violation of the FCPA is within the definition of specified unlawful activity pursuant to Title 18, United States Code, Section 1956(c)(7)(D).

10. The money laundering provisions codified at Title 18, United States Code, 1956, et seq., among other things, make it unlawful for any person, who, knowing that the property involved in a financial transaction represent the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the process of specified unlawful activity, with the intent to promote the carrying on of specified unlawful activity...or knowing that the transaction is designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.

11. The money laundering provisions codified at Title 18, United States Code, 1957, et seq., among other things, make it unlawful for any person, who, knowing engages or attempts to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from specified

unlawful activity.

**IV.**

**OVERVIEW OF INVESTIGATION AND PROBABLE CAUSE**

12. The instant investigation began in May 2007 after ABB Ltd. (ABB), a company based in Switzerland, voluntarily self-reported to the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ), that their Sugarland, Texas subsidiary, ABB Network Management (ABB-NM), had possibly provided bribe payments to public officials in Mexico, in order to obtain contracts with Mexican state owned facility Comision Federal de Electricidad (CFE). ABB reported that the possible bribe payments were made through an intermediary company, SORVILL. An investigation was initiated by the SEC. Through the SEC investigation, it was discovered that SORVILL's owners, ENRIQUE AGUILAR (ENRIQUE) and ANGELA GOMEZ CEPEDA AGUILAR (ANGELA) owned several companies including SORVILL and Grupo Internacional Asesores S.A. (GRUPO). SORVILL and GRUPO's bank and investment records were subpoenaed. A review of the bank and investment records showed that ABB paid SORVILL \$268,000 U.S. dollars. A review of GRUPO's bank records revealed that from September 2003 to May 2008, LINDSEY had paid GRUPO \$878,735 (BOW) + 3,922,904.08 (Preferred) + 528,383.30 (CA United Bank) for a total of \$5,330,022.38. A large amount of the money paid to

GRUPO appeared to be turned into payments for a Ferrari, Yacht and American Express credit card bills for NESTOR MORENO (NESTOR), a Mexican public official who was, at the time, Assistant Director of Generation for CFE. NESTOR was later promoted to Director of Operations of CFE. LINDSEY was awarded contracts by CFE for, at least, \$160,029,918 Mexican pesos or approximately \$14,911,659 U.S. dollars. The FBI took over the investigation of LINDSEY, a privately-held company, and therefore not within the SEC's jurisdiction.

13. As set forth below, the FBI has developed substantial corroboration of the allegations through documentary evidence establishing, among other things, the transfer of money from LINDSEY through GRUPO to the government official, NESTOR, through payments to credit cards; the purchase of a yacht, Dream Seeker; and the purchase of a Ferrari.

14. Also, as set forth below, the **SUBJECT PREMISES** is headquarters to LINDSEY and related entities that manufacture Emergency Restoration Systems (ERS), Current and Voltage Monitoring Devices (CVMD), and Transmission and Distribution Lines Hardware (TDLH), among other things. Accordingly, the **SUBJECT PREMISES** is believed to contain the business documentation that would constitute evidence of FCPA violations and money laundering.

///

V.

**PROBABLE CAUSE**

A. Initial Allegations and Background Investigation

15. In May 2008, myself and FBI Special Agent Susan Guernsey (SA Guernsey) spoke with Tonia J. Tornatore, Special Agent, Securities and Exchange Commission (SEC) Division of Enforcement (DOE) (SA Tornatore) and learned the following:

a. ABB voluntarily disclosed to the SEC and the U.S. Department of Justice (DOJ) that there were potential bribes paid to foreign officials from ABB's Sugarland office.

b. The potential bribes centered around CFE Mexico, which handles all of the electricity in Mexico, other than Mexico City.

c. CFE Mexico is a federal company, owned by the Mexican government, which produces power for all of Mexico, excluding the Mexico City area.

d. In the course of gathering evidence regarding ABB-NM and CFE, Tornatore learned of intermediaries that ABB used in Mexico. The intermediaries were supposedly intended to facilitate contract negotiations, shipment of equipment, facilitation of communications, and contract interpretations. In addition, the intermediaries facilitated the potential bribe payments to CFE officials.

e. The intermediaries were:

1. SORVILL
2. Obras Maritimas; and
3. Equipos Systemos Mexicanos

f. SORVILL was a company owned and run by a husband and wife, ENRIQUE AGUILAR (ENRIQUE) and ANGELA GOMEZ CEPEDA AGUILAR (ANGELA). ENRIQUE and ANGELA also controlled GRUPO and Electrica Energia Economica (EEE). How do we know this?

g. Through review of \_\_\_\_\_, it was determined that ENRIQUE and ANGELA live in Cuernavaca, Mexico, but may have a residence in Houston, Texas. Supporting evidence of a residence in Houston, a photocopy of a Texas Department of Public Safety Identification Card was included in the documents provided by Ferrari of Beverly Hills. The information on the ID card reads "ID: 21020076; DOB: 01-14-54; HT: 6-01; EXPIRES: 01-14-10; EYES: BRN; SEX: M; AGUILAR, ENRIQUE FAUSTINO, 1406 WALNUT BEND, HOUSTON, TX 77072." (Not sure what else we may have.)

h. Through review of Sorvill's bank records, SA Tornatore determined that ENRIQUE and ANGELA had an account for their company, GRUPO, at a brokerage firm, Global Financial (Global) in Houston, Texas, that they used like a checking account.

i. SA Tornatore's review of Global's records showed several million U.S. dollars deposited into GRUPO's account from LINDSEY.

j. The deposits corresponded with the purchases of a Ferrari and a yacht. The deposits also corresponded to payments of an American Express bill in NESTOR's name.

B. Contracts between LINDSEY and CFE

16. On July 19, 2008, I reviewed printouts from the CFE website which showed contracts between Lindsey and CFE. The contracts indicated what each contract was for and the amount of each contract, in Mexican pesos. The printouts showed the following contracts between CFE and Lindsey:

A. Contract number 700113303, starting on March 10, 2004, for 2,081,641 Mexican pesos.

B. Contract number 700131808, starting on October 20, 2004, for 5,490,347 Mexican pesos.

C. Contract number 700191011, starting on May 22, 2006, for 4,538,600 Mexican pesos.

D. Contract number 700190421, starting on May 24, 2006, for 1,804,919 Mexican pesos.

E. Contract number 700191352, starting on May 24, 2006, for 3,870,984 Mexican pesos.

F. Contract number 800311925, starting on June 11, 2007, for \$358,546 Mexican pesos.

G. Contract number 700195528, starting on July 3, 2006, for 4,931,881 Mexican pesos.

H. Contract number 700195444, starting on July 5, 2006, for 4,294,010 Mexican pesos.

I. Contract number 700197454, starting on July 20, 2006, for 116,341,284 Mexican pesos.

J. Contract number 700193790, starting on July 24, 2006, for 5,026,266 Mexican pesos.

K. Contract number 700197867, starting on August 3, 2006, for 3,285,777 Mexican pesos.

L. Contract number 700236626, starting on August 17, 2007, for 1,540,111 Mexican pesos.

M. Contract number 700237280, starting on August 29, 2007, for 1,174,892 Mexican pesos.

N. Contract number 700238137, starting on September 13, 2007, for 1,313,259 Mexican pesos.

O. Contract number 700238282, starting on September 17, 2007, for 937,649 Mexican pesos.

P. Contract number 700238207, starting on September 18, 2007, for 1,006,465 Mexican pesos.

Q. Contract number 700238918, starting on September 21, 2007, for 941,813 Mexican pesos.

R. Contract number 700239186, starting on September 28, 2007, for 153,176 Mexican pesos.

S. Contract number 700240396, starting on October 3, 2007, for 938,298 Mexican pesos.

17. On September 25, 2008, I reviewed an online currency converter. I reviewed the currency exchange rate between the U.S. dollar and the Mexican peso for the time period of the above contracts. Although there was some minor fluctuation over the time period, the exchange rate was roughly nine point three Mexican pesos per one U.S. dollar.

C. Money Trail From LINDSEY through GRUPO to NESTOR MORENO

18. Financial records appear to show the payment of bribes to a Mexican official funded from the bank account of GRUPO, through LINDSEY, and paid out as a Ferrari, a yacht and credit card payments.

**FERRARI:**

19. On July 10, 2008, myself and SA Guernsey interviewed Bryant Kreaden (Bryant), Sales Manager of Ferrari of Beverly Hills, 9372 Wilshire Blvd, Beverly Hills, CA 90212. Berman provided the following information:

- a. Bryant sold ENRIQUE a Ferrari in 2007.
- b. ENRIQUE came into the Ferrari dealership several times before purchasing the Ferrari. Once, he came in with a friend.
- c. The friend of ENRIQUE's may have been the one who picked up the car for ENRIQUE.

20. On July 10, 2008, myself and FBI Special Agent Susan Guernsey interviewed Sharon Berman (Berman), Office Manager of Ferrari of Beverly Hills, 9372 Wilshire Blvd, Beverly Hills,



CA 90212. Berman provided, among other documents, the following:

a. A sales contract showing that on February 16, 2007, ENRIQUE AGUILAR purchased a 2005 Ferrari F430 F1 Spider for \$297,500.

b. An undated "Statement of Facts" re: Vehicle I.D. Number ZFFEWS9A150144629 that stated "I/WE ANGELA MARIA GOMEZ CEPEDA THE UNDERSIGNED, HEREBY STATE THAT THE VEHICLE/VESSEL DESCRIBED ABOVE HAVE PAID IN FULL THE AMOUNT OF USD \$297,500.00 (TWO HUNDRED NINETY SEVEN THOUSAND FIVE HUNDRED 00/100 USD) AND WITH THE PAYMENT TO BE APPLIED TO THE ABOVE-MENTIONED VEHICLE AND TITLED IN THE NAME OF ENRIQUE AGUILAR. I AUTHORIZE MR. NESTOR MORENO TO PICK UP THE CAR AT YOUR FACILITIES.

I FURTHER AGREE TO INDEMNIFY AND SAVE HARMLESS THE DIRECTOR OF MOTOR VEHICLES, STATE OF CALIFORNIA, AND SUBSEQUENT PURCHASERS OF SAID VEHICLE OR VESSEL IN CALIFORNIA, FROM ISSUANCE OF A CALIFORNIA CERTIFICATE OF OWNERSHIP COVERING THE SAME, OR TRANSFER TO:

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE INFORMATION ENTERED BY ME ON THIS DOCUMENT IS TRUE AND CORRECT.

SIGNATURE ANGELA M GOMEZ DE AGUILAR (Signature)

ADDRESS RIO SENA 441

CITY CUERNAVACA STATE MORELOS MEXICO

DAYTIME TELEPHONE NUMBER (777) 3221492"

The document was notarized by Laura Garza

d. An insurance paper from Robert Moreno Insurance Services for the Ferrari, listing the car drivers as ENRIQUE AGUILAR and NESTOR MORENO. Both AGUILAR and NESTOR are listed as having been employees of Global Financial Services for twenty years.

f. Check number 240 from ANGELA MARIA GOMEZ CEPEDA written from "The Reserve Funds payable through JP Morgan Chase Bank, ie the GRUPO account; (This is right) dated February 16, 2007, payable to Ferrari of Beverly Hills, for \$297,500 for the Ferrari. The check was signed "ANGELA AGUILAR."

21. On July 11, 2008, I reviewed GRUPO's Global bank records for February 1 through February 28, 2007, and observed the following:

a. Under the Global "Transaction Detail" report, "Reserve Fund Checking" section, check number 240 dated 02/16/07 to "payee illegible" for \$297,500 posted to GRUPO's Global account on 02/23/07.

b. Under the Global "Transaction Detail" report, "Deposits And Withdrawals" section, funds were wired to GRUPO from Preferred Bank, account F05704500BB701 (ie LINDSEY's Preferred bank account), on 02/14/2007 in the amount of \$115,879.56.

22. On July 11, 2008, I reviewed LINDSEY's Preferred Bank records, which showed the following funds were wired to

GRUPO from Preferred Bank, account F05704500BB701,

a. On January 18, 2007 in the amount of \$100,917 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice #140 CFE, Mexico PO#700195444; for further credit to A/C#668-29871 in the name of GRUPO International De Asesores S.A."

b. On January 24, 2007 for \$80,242 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice #141 CFE, P.O.#700197867; For further credit to A/C#668-29871 in the name of: GRUPO International De Asesores S.A."

c. On 02/14/2007 in the amount of \$115,879.56 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Outside service and commission for PO 700195528; For further credit to A/C#668-29871 in the name of :GRUPO International De Asesores S.A."

23. The payment total from LINDSEY to GRUPO between January 18, 2007 until the purchase of the Ferrari for \$297,500 U.S. dollars, on February 16, 2007, paid for by check from the GRUPO Global account, was \$297,038.56 U.S. dollars.

24. During the time period of January 18, 2007 until February 16, 2007, there were no other deposits into the GRUPO account.

**YACHT:**

25. On September 11, 2008, myself and SA Guernsey

interviewed Robin Goodman, owner of South Shore Yacht Sales, 550 Marina Parkway D-3, Chula Vista, CA 92154, who provided the following information:

a. He was the broker for Mexican buyer NESTOR MORENO for the purchase of a yacht for \$1.8 million U.S. dollars.

b. The yacht was purchased under a limited liability corporation name, Baja Horizon.

c. Goodman met NESTOR, who said he owned a metal company in Mexico.

d. NESTOR signed the paperwork himself, because Goodman required the actual owner to sign the paperwork.

e. Much of the transaction was handled by NESTOR's brother, Cesar Moreno (Cesar) who lived in Chula Vista, California. Cesar made it clear that the yacht was for his brother, NESTOR.

f. The payment for the yacht came in "lumps," some of it by wire, and some through checks from ENRIQUE AGUILAR (AGUILAR).

g. Goodman did not recall meeting AGUILAR, but thought he was NESTOR's business partner.

26. On July 12, 2008, I reviewed the following documents received from SA Tornatore:

a. One "Membership Interest to Purchase Agreement" between David D. Connor and Christine K. Connor and Baja Horizon, Inc. for the purchase price of 1,810,000 and a

closing date of September 29, 2006. Cesar Moreno is listed as President of Baja Horizon, Inc.

b. Photos of Cesar Moreno on the yacht.

27. On July 12, 2008, I reviewed GRUPO's Global bank records for September 1 through November 30, 2006 and observed the following:

a. Under the Global "Transaction Detail" report, "Reserve Fund Checking" section, check number 195 dated 08/28/06 to "South Shore Yacht Sales" for \$540,000 posted to GRUPO's Global account on 9/6/06.

b. Under the Global "Transaction Detail" report, "Deposits And Withdrawals" section, funds were wired to GRUPO from Preferred Bank, account F05704500BB701, on October 2, 2006 in the amount of \$109,879.38, on October 10, 2006 in the amount of 42,104.40, on November 1, 2006 in the amount of 92,116.74, on November 20, 2006 in the amount of \$1,567,416, and on November 28, 2006 in the amount of \$1,567,416.

28. On July 12, 2008, I reviewed LINDSEY's Preferred Bank records for account number 9600132, which showed the following wire transfers were made from LINDSEY's Preferred bank account to GRUPO's Global/Bear Sterns account, as follows:

a. On October 2, 2006 in the amount of \$109,879.38 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice #132, commission and outside service relating to PO#700191011; For further credit to A/C#668-29871 in

the name of: GRUPO International De Asesores S.A."

b. On October 10, 2006 in the amount of \$42,104.40 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice #133; For further credit to A/C#668-29871 in the name of: GRUPO International De Asesores S.A."

c. On November 1, 2006 in the amount of \$92,116.74 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice 134, CFE PO#700191352; For further credit to A/C#668-29871 in the name of :GRUPO International De Asesores S.A."

d. On November 20, 2006 in the amount of \$1,576,416 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice #135 payment; For further credit to A/C#668-29871 in the name of: GRUPO International De Asesores S.A."

e. On November 28, 2006 in the amount of \$1,576,416 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice 137 dated 11/21/06--CFE, Mexico Outside Service; For further credit to A/C#668-29871 in the name of :GRUPO International De Asesores S.A."

29. The payment total from LINDSEY to GRUPO from the date of the yacht purchase, in September 2006, until November 28, 2006 was \$3,378,932.70 U.S. dollars.

30. From April 25, 2006 until January 12, 2007, there was only one other deposit to GRUPO's account. That was a wire

from HSBC Bank USA for \$118,573.60.

**AMERICAN EXPRESS**

31. On February 5, 2008, Global's Chief Compliance Officer, Jane E. Bates (Bates), via letter, provided the following information:

a. NESTOR MORENO did not have a brokerage account with Global.

b. NESTOR MORENO had a Corporate American Express Card (AmEx) affiliated with GRUPO.

c. The payments on NESTOR MORENO's AmEx are paid by GRUPO per written instruction's from GRUPO's account owner who?.

32. On July 12, 2008, I reviewed NESTOR MORENO's AmEx statements and payment supporting documentation, which was provided by Bates, dated from 9/5/06 through 1/5/08 which revealed the following:

a. Over the time period reviewed, NESTOR MORENO had AmEx charges totaling \$164,791.22 U.S. dollars.

b. Over the time period reviewed, all payments made on NESTOR MORENO's AmEx account were paid from GRUPO's Global account.

c. For each payment, ANGELA signed a form authorizing the transfer of funds to AmEx to pay NESTOR MORENO's AmEx bills. On each form, under the "must provide detailed explanation" section, ANGELA wrote "brother-in-law of company

owner" presumably referring to NESTOR.

33. During the time period of NESTOR's AmEx account that was paid for by GRUPO, there were payments from LINDSEY to GRUPO's Global account which referenced CFE and/or "outside service and commission," besides the payments listed above, under the "Ferrari" and "yacht" sections. These payments from LINDSEY's bank accounts included: A payment on January 12, 2007 for \$121,642 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "CFE, PO 700193790 Invoice #590 \$405,473.80 12/29/06; For further credit to A/C#668-29871 in the name of :GRUPO International De Asesores S.A." A payment on July 5, 2007 for \$15,348.50 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Invoice #143to Grupo Internacional De Asesores S.A.; For further credit to A/C#668-29871 in the name of GRUPO INTERNACIONAL SE ASESORES S.A." A payment on September 1, 2007 for \$260,468 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Agent fees on Inv#708, 738, 784, and 709. For further credit to A/C#668-29871in the Name of GRUPO INTERNACIONAL SE ASESORES S.A." A payment on October 12, 2007 for \$9,155 U.S. dollars. In the wire memo section for this wire to GRUPO, it stated "Commission on Inv#765 & 766 Mexico. For further credit to A/C#668-29871 in the Name of GRUPO INTERNACIONAL DE ASESORES S.A."

34. Each of the Wire transfers to GRUPO during the time period of the purchase of the Yacht, Ferrari and AmEx bill,



was authorized by STEVE LEE (LEE), from LINDSEY Manufacturing. Along with LINDSEY, LEE is listed on the signature card for LINDSEY Manufacturing's Preferred and California United bank account as an authorized signer (not sure about BOW-do you have?).

D. NESTOR MORENO's Position at CFE

34. On July 13, 2008, I performed various internet searches and learned the following:

a. I searched the Business News America's website, www.bnamericas.com, and reviewed the company profile for CFE. NESTOR MORENO Diaz is listed as CFE's Operation Director, email address NESTOR.moreno@cfe.gob.mx.

b. Various articles posted to the internet listed NESTOR MORENO as CFE's Operations Director since April 2007, and lists his previous job at CFE as Assistant Director of Generation from 2002 to 2007.

E. LINDSEY AND LINDSEY MANUFACTURING

35. I reviewed search results from a database commonly used by law enforcement, and learned the following about business filings for LINDSEY Manufacturing:

c. On July 5, 1962, LINDSEY Manufacturing Co. was incorporated in the state of California.

d. The President of LINDSEY is Keith E. LINDSEY (Keith).

e. The principal business address and mailing address for LINDSEY Manufacturing is 760 N. Georgia Avenue, Azusa, CA 91702, i.e., the **SUBJECT PREMISES**;

F. Evidence Relating Subjects and Scheme to the SUBJECT PREMISES

36. Various sources of evidence link the alleged bribery conspiracy, and its subjects, to the **SUBJECT PREMISES**, as follows.

37. On July 11, 2008, I performed an internet search and located a website entitled LINDSEY-usa.com. A review of the website revealed the following:

a. The address for LINDSEY Manufacturing Co., listed on the website, is 760 N. Georgia Ave. Azusa, CA 91702 USA.

b. L.E. LINDSEY founded LINDSEY in 1947. His son, Dr. Keith E. LINDSEY, is the current president of LINDSEY.

c. Keith is "recognized worldwide as an expert in transmission and distribution."

d. LINDSEY provided an email address of Email.mail@LINDSEY-usa.com.

e. Persons can request information and a request for a quotation, through the website, by filling in a form on the website and "clicking" the "send" button.

38. I reviewed LINDSEY's Bank of the West (BOW) checking account, Account #677-010480, for the period January

2003 to June 2 2004, LINDSEY's Preferred Bank's checking account, Account #9600132, for the period January 2005 to February 2007, LINDSEY's United California Bank checking account, Account #030000004, for the period December 26, 2006 to May 31, 2008, I learned the following:

The BOW bank records for LINDSEY reflect that the addresses for LINDSEY is 760 N. Georgia Avenue Azusa, California 91702, i.e., the **SUBJECT PREMISES**.

39. Surveillance of the office located at 760 N. Georgia Avenue, Azusa, California 91702 (i.e., the **SUBJECT PREMISES**) was conducted on June 18, 2008 by FBI SA Guernsey. She observed that the sign on the front of the building at 760 N. Georgia Avenue reflects the name of "Lindsey," further confirming the location of the **Subject Premises**.

40. As referenced above, the addresses on the bank account statements and/or checks for LINDSEY were all the **SUBJECT PREMISES** from January 2003 to May 2008.

41. On July 11, 2008, I conducted an internet search and identified a website, LINDSEY-usa.com, an examination of which disclosed the following:

a. The address for "LINDSEY Manufacturing" is the **SUBJECT PREMISES**.

E. Types of Documents Likely To Evidence the Bribery Scheme

42. During the course of my training and experience as

a Special Agent and my conversations with other law enforcement agents, I am familiar with the practices and methods of persons committing acts of business fraud, and I believe that actors in such conduct routinely maintain records reflecting or attempting to disguise the fraudulent activity. The records are necessary for the owner to operate a business, know if the business is profitable, and give the appearance of complying with other laws, such as federal statutes relating to taxation. These records reflect, among other things, the business's income, expenses and acquisition of assets. These records may expressly reflect fraudulent activity or, more often, may attempt to disguise the fraudulent activity as legitimate business conduct. I believe the owners of such businesses generally maintain the following records with regard to such conduct:

a. Business records: Financial records, address lists, personal diaries, ledgers, general ledgers, logs, telephone records, and other papers relating to or reflecting the operation of a business involved in contracting with foreign governmental entities;

b. Bank records: Bank statements, cancelled checks, deposit slips, withdrawal transactions, wire transfers;

c. Records of income: Sales invoices, receipts, cash register tapes, and sales journals;

d. Records of expenses: Receipts, invoices, cancelled checks, and journals and ledgers of expenditures;

e. Financial statements: Income statements, statements of cash flow, balance sheets, and income and expense projections;

f. Inventory records: Purchase receipts and inventory journals;

g. Travel records: Expense reports, airline receipts, hotel receipts and entertainment records; and

h. Board minutes.

i. Correspondence: Including emails and letters.

j. Purchase Orders.

k. Shipping information.

l. Contracts.

## VI.

### COMPUTER DATA

43. Based upon my training, experience and information related to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during the search of the premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

a. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.

b. Searching computer systems requires the use of precise, scientific procedures which are designed to maintain the integrity of the evidence and to recover "hidden," erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or intentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conducting a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.

c. The volume of data stored on many computer systems and storage devices will typically be so large that it will be highly impractical to search for data during the execution of the physical search of the premises. A single

megabyte of storage space is the equivalent of 500 double-spaced pages of text. A single gigabyte of storage space, or 1,000 megabytes, is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, the 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.

d. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard," is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography." For example, by using steganography a computer user can conceal text in an image file which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort

through data that is concealed or encrypted to determine whether it is evidence, contraband or instrumentalities of a crime.

VI.

ITEMS TO BE SEIZED

44. Based on the foregoing, I respectfully submit that there is probable cause to believe that the following items, which constitute evidence of violations of Title 18, United States Code, Section 371 (Conspiracy), Title 15, United States Code, 78dd-1, et seq. (Corrupt Payments to Foreign Officials), and Title 18, United States Code, Section 1956 (Money Laundering), will be found at the **SUBJECT PREMISES:**

a. Contracts, agreements, correspondence, memoranda, facsimiles, email messages, notes or any other written communication, board minutes, business journals, incorporation and business license papers, and notes of meetings, purchase orders, shipping information reasonably appearing to be related to any of the persons or entities listed below (hereinafter "Subject Persons and Entities"), for the years 2003 through the present:

- i. GRUPO, or any agent or employee thereof;
- ii. CFE, or any agent or employee thereof;
- iii. AGUILAR, ENRIQUE;



- iv. AGUILAR, ANGELA CEPEDA GOMEZ;
- v. MAQUINARIA UNIDA, or any agent or employee thereof;
- vi. EEE, INC., or any agent or employee thereof;
- vii. SORVILL, or any agent or employee thereof;
- viii. MORENO, NESTOR;
- ix. MORENO, CESAR;

b. Budgets and budget preparation materials, financial projections, revenue estimates, cost estimates, requests for proposals, bidding documents, and laws, regulations, and rules applying to bidding, in connection with the CFE for years 2003 through the present;

c. Brochures, literature, and published documents related to the CFE for years 2003 through the present;

d. Logs, notebooks, account books of entry including general ledgers, journals, financial statements including expense reports, profit and loss statements, balance sheets, invoices, receipts, and other means of keeping track of money, checks, travel and expense records, payroll tax information, bank account activity and payments from or payments to employees, contractors, investors, and others, reasonably appearing related to the CFE, and involving the Subject Persons and Entities from 2003 through the present;

e. Telephone bills, telephone logs, and records of telephone calls or facsimiles involving the Subject Persons and Entities for the years 2003 through the present;

f. Bank records and statements involving the Subject Persons and Entities to include canceled checks, records of deposits, applications to open bank accounts, correspondence, records of the purchase or transmittal of wire transactions, wire instructions, cashier's checks, certificates of deposit, or other financial instruments and commercial paper, for the years 2003 through the present;

f. Documents showing ownership of companies owned and controlled, in whole or in part, by KEITH E. LINDSEY and STEVE K. LEE including all fictitious business filings, and corporation paperwork, including dbas;

g. Shredders and shredded paper;

h. Electronic organizer and/or address book for KEITH E. LINDSEY and STEVE K. LEE for the years 2003 to the present;

i. Tax returns and tax preparation materials for the years 2003-2007, including Forms W-2, 1040, 1120, and 1099 for Subject Persons and Entities showing ownership and control interests, revenues, income, and expenditures;

j. Travel documents including passports, visas, visa applications, and travel itineraries and tickets, for Subject Persons and Entities related to international travel;

k. Photographs, videotapes, and audio recordings, reasonably appearing related to the CFE and NESTOR MORENO, and depicting Subject Persons and Entities;

l. Media reports, reasonably appearing related to the CFE and NESTOR MORENO, and mentioning Subject Persons and Entities; and

m. Lists of client companies, credit references, business cards, and Rolodexes belonging to or referencing Subject Persons and Entities.

45. As used above, the terms records, documents, programs, applications or materials includes records, documents, programs, applications or materials created, modified or stored in any form.

46. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:

a. Upon securing the premises, law enforcement personnel trained in searching and seizing computer data (the "computer personnel") will make an initial review of any computer equipment and storage devices to determine whether these items can be searched on-site in a reasonable amount of time and without jeopardizing the ability to preserve the data.

b. If the computer equipment and storage devices cannot be searched on-site in a reasonable amount of

time, then the computer personnel will determine whether it is practical to copy the data during the execution of the search in a reasonable amount of time without jeopardizing the ability to preserve the data.

c. If the computer personnel determine it is not practical to perform an on-site search or make an on-site copy of the data within a reasonable amount of time, then the computer equipment and storage devices will be seized and transported to an appropriate law enforcement laboratory for review. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized set forth herein.

d. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth herein. In addition, the computer personnel may search for and attempt to recover "deleted," "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth herein.

e. If the computer personnel do not determine that the data falls within any of the items to be seized pursuant to this warrant, the government will return the original data storage devices within a reasonable period of time not to exceed

60 days from the date of execution of the warrant. If the government needs additional time to determine whether the data falls within any of the items to be seized pursuant to this warrant, it may seek an extension of the time period from the Court within the original sixty day period.

47. In order to search for data that is capable of being read or interpreted by a computer, law enforcement personnel will need to seize and search the following items, subject to the procedures set forth above:

a. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offense listed above;

b. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices, and optical scanners;

c. Any magnetic, electronic or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-R, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, cellular telephones, and personal digital assistants;

d. Any documentation, operating logs and reference manuals regarding the operation of the computer

equipment, storage devices or software.

e. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;

f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and

g. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.

#### VIII.

#### CONCLUSION

48. Based on the facts set forth in this affidavit, there is probable cause to believe that the **SUBJECT PREMISES** contains evidence of violations of the following federal statutes: Title 18, United States Code, Section 371 (Conspiracy), Title 15, United States Code, 78dd-1, et seq. (Corrupt Payments to Foreign Officials), and Title 18, United States Code, Section 1956 (Money Laundering).

Date: \_\_\_\_\_

\_\_\_\_\_  
Farrell A. Binder  
Special Agent  
Federal Bureau of Investigation

Sworn and subscribed to before me  
on this \_\_\_\_ day of October, 2008.

United States Magistrate Judge