

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,	:	CRIMINAL NO. 09-348 (RJL)
	:	
Plaintiff,	:	VIOLATIONS:
	:	
v.	:	18 U.S.C. § 371 (Counts 1 and 2);
	:	Conspiracy to Violate the Foreign
DANIEL ALVIREZ,	:	Corrupt Practices Act
	:	
Defendant.	:	18 U.S.C. § 982;
	:	Forfeiture
	:	

SUPERSEDING INFORMATION

The United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney for the District of Columbia (together the “United States”) charge that at all times material to this Superseding Information:

INTRODUCTION

1. The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, *et seq.* (“FCPA”), prohibited certain classes of persons and entities from making payments to foreign government officials to assist in obtaining or retaining business. Specifically, the FCPA prohibited 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.

2. DANIEL ALVIREZ (“ALVIREZ”) 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). ALVIREZ was the President of Company A, an Arkansas company based in Bull Shoals, Arkansas, that manufactured and sold law enforcement and military equipment. As a company that maintained its principal 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).

3. Lee Allen Tolleson (“Tolleson”) was a citizen of the United States and, as such, was a “domestic concern” as that term was defined in the FCPA. 15 U.S.C. § 78dd-2(h)(1). Tolleson was the Director of Acquisitions and Logistics for Company A.

4. Individual 1 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 and was a business associate of ALVIREZ and Tolleson.

5. Undercover Agent 1 (“UA-1”) 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 (“UA-2”) 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.

COUNT 1
(Conspiracy to Violate the Foreign Corrupt Practices Act)

7. Paragraphs 1 through 6 of the Indictment are realleged and incorporated by reference as if fully set forth herein.

8. From in or about April 2009, through in or about January 2010, in the District of Columbia, and elsewhere, the defendant,

DANIEL ALVIREZ,

along with Lee Allen Tolleson, and others known and unknown to the United States, did unlawfully, willfully, and knowingly conspire, confederate and agree together and with each other and others to commit offenses against the United States, that is, to willfully use the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and the authorization of the payment of any money, and offer, give, promise to give, and authorizing of the giving of anything of value to any foreign official and any person, while knowing that a portion of such money or thing of value will be offered, given, promised, directly or indirectly, to any foreign official for the purposes of: (i) influencing the acts and decisions of such foreign official in his official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities thereof, in order to assist ALVIREZ, Tolleson, Company A, and their conspirators in obtaining and retaining business, in violation of the FCPA, Title 15, United States Code, Section 78dd-2(a).

Object of the Conspiracy

9. The object of the conspiracy was for DANIEL ALVIREZ, Lee Allen Tolleson, and their conspirators to unlawfully enrich themselves by making corrupt payments and attempting to make corrupt payments to foreign officials for the purpose of obtaining and retaining lucrative business opportunities.

Manner and Means of the Conspiracy

10. The manner and means by which DANIEL ALVIREZ, Lee Allen Tolleson, and their conspirators accomplished the object of the conspiracy included, but were not limited to, the following:

a. ALVIREZ and Tolleson would participate in meetings and have discussions in which Individual 1 said that a friend of his, who was a self-employed sales agent, was tasked by Country A's Minister of Defense with obtaining various defense articles for outfitting Country A's Presidential Guard and that Individual 1 was brokering the deal. In reality, the self-employed sales agent was UA-1.

b. ALVIREZ and Tolleson would obtain and attempt to obtain business for Company A and themselves by making corrupt payments to UA-1 for the stated purpose of UA-1 "consulting" on a sale by Company A to the Ministry of Defense of Country A.

c. ALVIREZ would work with Individual 1 to identify other companies and individuals that would supply approximately \$15 million worth of goods to the Ministry of Defense of Country A in connection with the corrupt Country A deal, knowing that 20% of the total deal amount – approximately \$3 million – was intended to be paid as a "commission," half

of which was intended to be paid as a bribe to the Minister of Defense of Country A and half of which was intended to be split between Individual 1 and UA-1 as a fee for their corrupt services.

d. ALVIREZ would agree to split with Individual 1 the portion of the “commission” on the entire \$15 million Country A deal that Individual 1 received, including commissions Individual 1 would receive based on corrupt sales made to Country A by the following individuals: Helmie Ashiblie (“Ashiblie”), Andrew Bigelow (“Bigelow”), R. Patrick Caldwell (“Caldwell”) and Stephen Gerard Giordanella (“Giordanella”), Yochanan R. Cohen (“Cohen”), Haim Geri (“Geri”), John Gregory Godsey (“Godsey”) and Mark Frederick Morales (“Morales”), Amaro Goncalves (“Goncalves”), Saul Mishkin (“Mishkin”), John M. Mushriqui and Jeana Mushriqui, David R. Painter (“Painter”) and Lee M. Wares (“Wares”), Pankesh Patel (“Patel”), Ofer Paz (“Paz”), Jonathan M. Spiller (“Spiller”), Israel Weisler (“Weisler”) and Michael Sacks (“Sacks”), and John Benson Wier III (“Wier”).

e. ALVIREZ would further agree to share a portion of his “commission” on the entire \$15 million Country A deal with Tolleson.

f. ALVIREZ would meet with and have telephone conversations with other Country A deal participants – including Bigelow, Godsey, Mishkin, Morales, Patel, Spiller, Tolleson, and Wier – to discuss the corrupt Country A deal.

g. ALVIREZ and Tolleson would agree to pay UA-1 a 20% “commission” in connection with two contracts for Company A to sell tear gas projectiles and launchers to the Ministry of Defense of Country A, knowing that half of the “commission” was intended to be paid as a bribe to the Minister of Defense of Country A and half was intended to be split between Individual 1 and UA-1 as a fee for their corrupt services.

h. ALVIREZ and Tolleson would agree to inflate by 20% the true price of the tear gas projectiles and launchers Company A would sell to the Ministry of Defense of Country A for the purpose of concealing the 20% “commission” being paid to UA-1.

i. ALVIREZ and Tolleson would agree to create two price quotations, with one quotation representing the true cost of the tear gas projectiles and launchers and the second, inflated quotation representing the true cost of the tear gas projectiles and launchers plus the 20% “commission.”

j. ALVIREZ and Tolleson would pay a “commission” into UA-1's bank account in the United States in connection with a “test sale” of goods to the Ministry of Defense of Country A (“Phase One”), knowing that half of the “commission” was intended to be paid outside the United States as a bribe to the Minister of Defense of Country A, for the purposes of obtaining the test sale contract and winning a second, larger contract to supply additional goods to the Ministry of Defense of Country A (“Phase Two”).

k. ALVIREZ and Tolleson would agree to pay a “commission” to UA-1 in the United States in connection with the Phase Two contract, knowing that approximately half of the “commission” was intended to be paid outside the United States as a bribe to the Minister of Defense of Country A, for the purpose of obtaining the second contract.

l. ALVIREZ would attend a cocktail reception at Clyde's, a restaurant in Washington, D.C., along with several other Country A deal participants – including Tolleson, Ashiblie, Bigelow, Caldwell, Cohen, Geri, Godsey and Morales, Mishkin, Painter and Wares, Patel, Paz, Weisler and Sacks, and Wier – to celebrate the completion of Phase One of the

corrupt Country A deal and to meet with UA-2 to discuss Phase Two of the corrupt Country A deal.

m. ALVIREZ would allow Godsey and Morales to purchase the ammunition Godsey and Morales intended to sell to Country A from Company A, for the purpose of hiding the corrupt transaction from Morales's employer and to allow Morales, Godsey and Company A to make more money on the corrupt deal.

Overt Acts

11. Within the District of Columbia, and elsewhere, in furtherance of the above described conspiracy and in order to carry out the object thereof, DANIEL ALVIREZ, Lee Allen Tolleson, and others known and unknown to the United States, committed the following overt acts, among others:

a. On or about April 20, 2009, ALVIREZ had a telephone conversation with Individual 1 in which ALVIREZ and Individual 1 discussed the names of companies and individuals that would participate in the \$15 million corrupt Country A deal, and ALVIREZ and Individual 1 agreed that ALVIREZ would split the commissions Individual 1 received on all of the corrupt Country A transactions.

b. On or about May 13, 2009, ALVIREZ and Tolleson met with Individual 1 and UA-1 at the Mandarin Oriental Hotel in Miami, Florida. At that meeting, Individual 1 and UA-1 explained that the Country A Presidential Guard "deal" would be worth a total of approximately \$15 million, that it would involve several suppliers and who those suppliers would be, and that the 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.

c. On or about May 13, 2009, at the Mandarin Oriental meeting in Miami, ALVIREZ and Tolleson agreed to proceed with the Country A deal, after being told that in order to win the Country A business, Company A would need to add a 20% “commission” to the invoices it sent to UA-1 in connection with the Phase One and Phase Two deals, half of which would be paid to Country A’s Minister of Defense and half of which would be kicked back in the form of a commission split between Individual 1 and UA-1 as a fee for their corrupt services.

d. On or about May 13, 2009, at the Mandarin Oriental in Miami, ALVIREZ participated in meetings that Godsey, Morales, and Spiller had with Individual 1 and UA-1 in which the corrupt Country A deal was discussed.

e. On or about May 13, 2009, Tolleson sent an email to UA-1, Individual 1, and ALVIREZ attaching a price quotation in connection with Phase One that contained the true sales price for the 25 tear gas launchers ALVIREZ and Tolleson agreed to sell through Company A.

f. On or about May 13, 2009, Tolleson sent an email to UA-1, Individual 1, and ALVIREZ attaching a price quotation in connection with Phase Two that contained the true sales price for the 70,000 tear gas projectiles ALVIREZ and Tolleson agreed to sell through Company A.

g. On or about May 18, 2009, ALVIREZ sent an email to Individual 1 and Tolleson attaching a second price quotation in connection with Phase One that contained an inflated sales price for the 25 tear gas launchers 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.

h. On or about June 17, 2009, ALVIREZ and Tolleson caused to be sent a wire transfer in the amount of approximately \$16,231 from a bank account purported to be controlled by Country A to a Company A bank account for the purpose of funding the purchase of the tear gas launchers sold by Company A to Country A’s Ministry of Defense for Phase One of the scheme.

i. On or about June 19, 2009, ALVIREZ and Tolleson caused to be sent a wire transfer of the 20% “commission” to UA-1's bank account for the purpose of making the corrupt payment to Country A’s Minister of Defense and paying the commissions to Individual 1 and UA-1 for facilitating the corrupt scheme.

j. On or about August 21, 2009, ALVIREZ had a telephone conversation with Individual 1 in which ALVIREZ stated that the tear gas launchers Company A sold in connection with Phase One had been shipped to a storage facility in Virginia, for the purpose of consolidating those goods with the other goods being sold by his conspirators to Country A in the corrupt Country A transaction. ALVIREZ also stated that the ammunition Godsey and Morales were purchasing from Company A for sale to Country A had been shipped to Virginia, for the purpose of consolidating all goods being shipped to Country A.

k. On or about September 11, 2009, ALVIREZ sent an email to Individual 1 and Tolleson attaching a price quotation in connection with Phase Two that contained an inflated sales price for the 70,000 tear gas projectiles 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.

l. On or about October 5, 2009, ALVIREZ and Tolleson met with Individual 1 and UA-2 at Clyde’s, a restaurant in Washington, D.C. At that meeting, UA-2 told ALVIREZ and Tolleson that the Minister of Defense, who had recently been elected President of Country A, was pleased with the tear gas launchers sent in Phase One and with the “commission” the Minister of Defense had received. UA-2 also told ALVIREZ and Tolleson that the Minister of Defense had given his approval to proceed with Phase Two. ALVIREZ then accepted two copies of the corrupt purchase agreement for Phase Two from Individual 1.

m. On or about October 23, 2009, ALVIREZ and Tolleson caused to be sent by U.S. mail from Bull Shoals, Arkansas, to Washington, D.C., two original copies of the corrupt purchase agreement, which had been executed by ALVIREZ.

n. On or about January 17, 2010, ALVIREZ and Tolleson traveled to Las Vegas, Nevada, for the purpose of attending a meeting between the suppliers in the Country A deal – including ALVIREZ, Tolleson, Ashiblie, Bigelow, Caldwell, Cohen, Geri, Godsey, Morales, Goncalves, Mishkin, John M. Mushriqui, Jeana Mushriqui, Painter, Wares, Patel, Paz, Spiller, Weisler, Sacks, and Wier – and the Minister of Defense of Country A. ALVIREZ and Tolleson, along with the other suppliers, expected to receive a payment at that meeting amounting to 60% of the inflated sales price of goods sold by the suppliers to Country A in Phase Two of the corrupt Country A deal.

(Conspiracy to Violate the Foreign Corrupt Practices Act, in violation of Title 18, United States Code, Section 371)

COUNT 2
(Conspiracy to Violate the Foreign Corrupt Practices Act)

12. Paragraphs 1 through 6 of the Indictment are realleged and incorporated by reference as if fully set forth herein.

13. From in or about February 2008, through in or about December 2008, the defendant,

DANIEL ALVIREZ,

and others known and unknown to the United States, did unlawfully, willfully, and knowingly conspire, confederate and agree together and with each other and others to commit offenses against the United States, that is, to willfully use the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and the authorization of the payment of any money, and offer, give, promise to give, and authorizing of the giving of anything of value to any foreign official and any person, while knowing that a portion of such money or thing of value will be offered, given, promised, directly or indirectly, to any foreign official for the purposes of: (i) influencing the acts and decisions of such foreign official in his official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities thereof, in order to assist ALVIREZ, Company A, and their conspirators in obtaining and retaining business, in violation of the FCPA, Title 15, United States Code, Section 78dd-2(a).

Object of the Conspiracy

14. The object of the conspiracy was for DANIEL ALVIREZ and his conspirators to unlawfully enrich themselves by making corrupt payments and attempting to make corrupt payments to foreign officials for the purpose of obtaining and retaining lucrative business opportunities.

Manner and Means of the Conspiracy

15. The manner and means by which DANIEL ALVIREZ and his conspirators accomplished the object of the conspiracy included, but were not limited to, the following:

a. ALVIREZ would participate in conversations and meetings with sales agents who ALVIREZ knew were making corrupt payments to Ministry of Defense officials of the Republic of Georgia (“Georgia”) in order to assist in obtaining business from the government of Georgia.

b. ALVIREZ would facilitate the sale of military and law enforcement equipment to the government of Georgia, with the assistance of corrupt sales agents, knowing that the sales agents would make corrupt payments to Georgian government officials to assist in obtaining and retaining business from the government of Georgia.

c. ALVIREZ would accept commission payments from the corrupt sales agents for facilitating the corrupt deals with the government of Georgia.

Overt Acts

16. In furtherance of the above described conspiracy and in order to carry out the object thereof, DANIEL ALVIREZ and others known and unknown to the United States, committed the following overt acts, among others:

Corrupt Ammunition Deals with the Government of Georgia

- a. In or about February 2008, Company A's sales representative in Israel (the "Israeli sales agent") contacted ALVIREZ to discuss purchasing 14 million rounds of M855 ammunition on behalf of the government of Georgia.
- b. In or about March 2008, ALVIREZ learned that a corrupt Miami-based sales agent (the "Miami sales agent") was also participating in the deal to help facilitate the sale of ammunition to the government of Georgia.
- c. In or about March 2008, ALVIREZ contacted an executive of a company that supplied ammunition ("Co-Conspirator 1") to facilitate the Israeli sales agent's purchase of the ammunition, knowing that the Israeli sales agent was paying bribes to government officials in Georgia to assist in obtaining the ammunition contract.
- d. In or about July 2008, the Israeli sales agent purchased approximately 14 million rounds of M855 ammunition from Co-Conspirator 1's company for \$278 per 1000 rounds, which amounted to approximately \$3,892,000, for the purpose of selling that ammunition to the government of Georgia.
- e. On or about July 10, 2008, the Israeli sales agent sold the ammunition to the government of Georgia for approximately \$334 per 1000 rounds, which amounted to approximately \$4,676,000. Approximately \$8 per 1000 rounds of ammunition sold to the government of Georgia, or approximately \$112,000, was paid as a commission to ALVIREZ for facilitating the deal.

f. On or about July 15, 2008, the Israeli sales agent and the Miami sales agent sold to the government of Georgia an additional 7.2 million rounds of ammunition, which the Israeli sales agent had purchased from Co-Conspirator 1's company for \$278 per 1000 rounds, for approximately \$334 per 1000 rounds. ALVIREZ received a commission of \$8 per 1000 rounds on the additional sales, which amounted to approximately \$57,600.

Corrupt MRE Deal with the Government of Georgia

g. In or about October 2008, the Miami sales agent contacted ALVIREZ to assist him in finding a supplier for a deal to sell Meals, Ready to Eat ("MREs") to the government of Georgia.

h. In or about October 2008, ALVIREZ contacted a manufacturer of MREs to facilitate the Miami sales agent's sale of MREs to the government of Georgia, knowing that the Miami sales agent was making corrupt payments in order to assist in obtaining the MRE contract from the government of Georgia.

i. On or about December 24, 2008, ALVIREZ received approximately \$15,000 from the Miami sales agent, which represented a partial payment of ALVIREZ's commission on the sale of the MREs to the government of Georgia.

(Conspiracy to Violate the Foreign Corrupt Practices Act, in violation of Title 18, United States Code, Section 371)

FORFEITURE

17. The violations alleged in Counts 1 and 2 of this Superseding Information are realleged and incorporated by reference herein for the purpose of alleging forfeiture to the United States of America pursuant to Title 18, United States Code, Sections 981 and 982(a)(1), and Title 28, United States Code, Section 2461(c).

18. As a result of the FCPA offenses alleged in Counts 1 and 2 of this Superseding Information (the“FCPA offenses”), DANIEL ALVIREZ shall, upon conviction of such offenses, forfeit to the United States all property, real and personal, which constitutes or is derived from proceeds traceable to the FCPA offenses, wherever located, and in whatever name held, including, but not limited to a sum of money equal to the amount of proceeds obtained as a result of the FCPA offenses, in violation of Title 18, United States Code, Section 371. By virtue of the offenses charged in Counts 1 and 2 of the Superseding Information, any and all interest that the defendant has in the property constituting, or derived from, proceeds obtained directly or indirectly, as a result of such offenses is vested in the United States and hereby forfeited to the United States pursuant to Title 18, United States Code, Section 981, in conjunction with Title 28, United States Code, Section 2461(c).

19. In the event that any property described above as being subject to forfeiture, as a result of any act or omission by the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to or deposited with a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 18, United States Code, Section 982, to seek forfeiture of any other property of the defendant up to the value of the above described property in paragraph 19(a)-(e).

(Forfeiture, Title 18, United States Code, Sections 981 and 982(a)(1), and Title 28, United States Code, Section 2461(c))

Sincerely,

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