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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
WILLIAM T. WALSH
CLERK

UNITED STATES OF AMERICA : Criminal No. 07-665 (GEB)
: :
v. : 18 U.S.C. §§ 201(b)(1), 371,
: 981, 1957 and 2, and 28 U.S.C.
: § 2461
: :
MARIA LIANIDIS : INDICTMENT

The Grand Jury in and for the District of New Jersey,
sitting in Trenton, charges that:

COUNT 1
(Conspiracy to Defraud the United States)

Defendant, Individuals and Entities

1. From in or about August 1992 to in or about March 2001, defendant MARIA LIANIDIS was employed as a computer specialist by the Federal Aviation Administration ("FAA") at the FAA's William J. Hughes Technical Center ("FAA Technical Center") located at the Atlantic City International Airport, Atlantic County, New Jersey. In or about September 1998, while employed at the FAA, defendant MARIA LIANIDIS and others, founded DMS Technologies, LLC (also known as "DMS Technologists, LLC" and later incorporated as "Digital Management Systems, Inc.") (together "DMS") to profit by, among other things, obtaining FAA contracts and by obtaining subcontracts from FAA prime contractors. Since its founding, DMS's business has included participating in designing and supporting computer applications for aviation systems by hiring and providing computer-trained personnel to work at the FAA Technical Center. As president of DMS, defendant

MARIA LIANIDIS was compensated in a manner commensurate with the profits generated by DMS. On or about June 9, 2003, defendant MARIA LIANIDIS registered a limited liability corporation, DESFO L.L.C., at the same address as that of DMS.

2. From in or about July 1996 to on or about July 21, 2005, Darrell Woods was employed by the FAA, at times assigned to the FAA Technical Center and at times assigned to a facility in Washington, D.C. As an FAA employee, Darrell Woods' official duties included participating in the development, testing, evaluation and deployment of computer systems by the FAA, as well as participating in contracting with private contractors for services related to the development, testing, evaluation and deployment of computer systems. Darrell Woods further maintained responsibilities related to the oversight of FAA purchase orders and contracts (together "FAA contracts"), including aspects of preparing FAA contract specifications, reviewing contractor proposals, overseeing performance on FAA contracts, reviewing invoices, and approving the payment of FAA funds to contractors.

3. At all times relevant to Count 1 of this Indictment, the FAA was a component of the United States Department of Transportation, charged with managing the United States airspace and overseeing the safety of civilian aviation. For many years, the FAA had instituted plans for the modernization of the national airspace system. Aspects of this modernization were

undertaken in phases that include the development, testing, evaluation and deployment of several aviation-related computer systems designed to assist in the management of aircraft to include:

- a. The Surface Movement Advisor ("SMA"), a prototype computer system designed to integrate aircraft data, such as airline schedules and aircraft arrival information, and to retransmit that data to airport personnel to better manage and coordinate movement of aircraft on the ground.
- b. The Surface Management System ("SMS"), a prototype computer system evolved from SMA, designed to assist airport personnel with strategic and tactical planning in managing the movement of aircraft on the surface of busy airports in order to improve the efficiency of airport operations and maximize airport capacity.
- c. The Standard Terminal Automation Replacement System (STARS) a computer workstation system designed to standardize the computer terminals that provide aircraft and flight information data to air traffic controllers, replacing outdated computer workstations. The STARS computer system was designed to be integrated with other aviation computer systems in use by the FAA.

4. The FAA operated the FAA Technical Center. The FAA Technical Center, among other things, conducted research, development, testing and evaluation of aviation-related computer systems, including SMA, SMS and STARS. Through a prescribed process, the FAA awarded contracts to private companies ("contractors" or "vendors") to provide various computer services for the FAA Technical Center, including services related to SMA, SMS and STARS. Employees of these contractors would frequently

work with government-employed personnel at the FAA Technical Center.

5. The FAA utilized a procurement process, governed by policies and guidelines, to assure that services obtained from outside vendors were procured in a fair, open and competitive manner, and that FAA employees rendered impartial, technically sound, and objective assistance, advice and decisions.

6. The acquisition process involved several types of FAA personnel:

- a. technical personnel, which included (i) the Program Manager, who participated in determining what work was needed by the FAA Technical Center from vendors, and who, upon award of a contract, worked with and oversaw the performance of the outside vendors, and (ii) the Contracting Officer's Technical Representative ("COTR"), who provided technical expertise to acquisition officials and reviewed invoices submitted by the vendor to ensure compliance with the contract; and
- b. acquisition officials, which included the Contracting Officer, who (i) in coordination with the Program Manager, developed the type of contract, consistent with FAA policies and guidelines, necessary to obtain the work of vendors and, who (ii) received from technical personnel, information related to the performance on a particular contract by the vendor.

7. FAA employees were empowered to utilize different contracting methods, depending upon the size of a particular contract and the needs of the FAA Technical Center. Contracts could be awarded based on a "sole source justification" - that is, without competition, provided that the designated contractor

was the only contractor capable of performing the required work. Documents prepared by the FAA Technical Center for use in the acquisition process included: (a) the Statement of Work ("SOW") which described the type of work to be performed by contractors under the terms of a particular contract and (b) an Independent Government Cost Estimate ("IGCE"), which estimated the projected costs of a particular contract.

8. The integrity of the acquisition process depended on fairness in the solicitation and awarding of purchase orders and contracts to vendors, including that purchase orders and contracts be awarded equitably, and not, among other things, because of favoritism, self-dealing, bribery, conflict of interest, fraud, and misrepresentation, and by the improper disclosure of confidential government information.

9. Darrell Woods oversaw aspects of the following FAA acquisitions:

a. From in or about April 2001 to in or about October 2001, the FAA Technical Center prepared, awarded and funded a purchase order - Purchase Order 01-P-10226 - for the development of the SMA-STARS interface prototype (hereinafter "Purchase Order 226"). DMS was awarded Purchase Order 226 and received approximately \$99,248 in payment from the United States.

b. From in or about August 2001 to in or about October, 2003, the FAA Technical Center prepared, awarded and

funded a purchase order - Purchase Order 01-P-10272 - for the maintenance of the SMA-STARS interface prototype, (hereinafter "Purchase Order 272"). DMS was awarded Purchase Order 272 and received approximately \$772,812 in payment from the United States.

c. From in or about January 2002 to in or about October 2003, the FAA Technical Center prepared, awarded and funded a purchase order - Purchase Order 02-P-10171- for the maintenance and technical support for SMA (hereinafter "Purchase Order 171"). DMS was awarded Purchase Order 171 and received approximately \$1,667,193 in payment from the United States.

d. From in or about February 2003 to on or about August 25, 2003; the FAA Technical Center prepared a competitive solicitation - DTFACT-03-R-00009 - for long-term SMA maintenance, a solicitation which was ultimately cancelled by the FAA Technical Center prior to award of a contract (hereinafter "Solicitation 009" or "Cancelled Solicitation")

e. Beginning on or about August 25, 2003, the FAA Technical Center prepared and issued a competitive solicitation (DTFACT-03-R-00030) (hereinafter "Solicitation 030") for long-term SMA maintenance, which resulted in the award of a contract for long-term SMA maintenance - DTFACT-04-D-00001 (hereinafter "Contract 001"). DMS was awarded this contract and received approximately \$4,296,115 in payment from the United States.

f. From in or about September 2004 to on or about March 11, 2005, the FAA Technical Center prepared a competitive solicitation - DTFAC-05-R-0004 - for work related to SMS maintenance and engineering services, a solicitation which was ultimately cancelled by the FAA Technical Center prior to award of a contract (hereinafter "Solicitation 0004" or "SMS Solicitation").

Conspiracy to Defraud

10. From at least in or about 1999 to in or about February 2005, in Atlantic County, in the District of New Jersey and elsewhere, defendant

MARIA LIANIDIS

did knowingly and willfully conspire and agree with Darrell Woods and others to defraud the United States by impeding, impairing, obstructing, and defeating the lawful governmental function of the FAA to contract for necessary services in an open, fair, and competitive manner, free from corruption, fraud, improper and undue influence, dishonesty, and bias.

11. It was a principal object of the conspiracy that defendant MARIA LIANIDIS and Darrell Woods would subvert the role of the FAA acquisition process in awarding contracts in a fair, open and competitive manner, consistent with government regulations, policies and guidelines, and instead steer contracts, by means of deceit, trickery, bribery, self-dealing

and dishonesty, to DMS and defendant LIANIDIS.

12. It was part of the conspiracy that defendant MARIA LIANIDIS made secret cash payments, of approximately \$159,000, to Darrell Woods.

13. It was further part of the conspiracy that Darrell Woods, acting in his capacity as an FAA employee, took actions favorable to DMS and defendant MARIA LIANIDIS without disclosing that defendant LIANIDIS and Woods had a corrupt relationship whereby Woods would use his position to assist DMS and defendant LIANIDIS in obtaining FAA purchase orders and contracts and that Woods was receiving secret cash payments of at least approximately \$159,000 from defendant LIANIDIS.

14. It was further part of the conspiracy that defendant LIANIDIS caused Woods to steer contracts to DMS by Woods: (a) structuring FAA Technical Center solicitations, purchase orders and contracts to favor defendant LIANIDIS and DMS and avoid competition; (b) improperly allowing defendant LIANIDIS and DMS to participate in drafting specifications for FAA Technical Center contracts, without disclosure of such participation, and (c) improperly disclosing to defendant LIANIDIS and DMS confidential contract information.

15. It was further part of the conspiracy that after the award of the sole source purchase order contracts, Darrell Woods repeatedly authorized that purchase order amounts be increased,

thereby providing additional FAA funds to defendant MARIA LIANIDIS and DMS, without the necessity of participating in a competitive bidding process.

16. It was further part of the conspiracy that defendant LIANIDIS and DMS participated in drafting specifications for the purchase orders and contracts, including SOW's and the position descriptions for contract employees to work on the SMS project. By doing so, defendant MARIA LIANIDIS and Darrell Woods attempted to restrict and did restrict competition by unfairly tailoring acquisition requirements to favor the qualifications of DMS.

17. It was further part of the conspiracy that defendant MARIA LIANIDIS actively concealed material facts by providing false information and making material omissions, to include affirming compliance with regulations governing ethical conduct by contractors.

Overt Acts

18. To further the conspiracy and effect its objects, the following overt acts were committed in the District of New Jersey and elsewhere:

A. Acts Benefitting Defendant Maria Lianidis and DMS

(1) On or about May 2, 2001, defendant MARIA LIANIDIS provided to Darrell Woods a draft SOW for Purchase Order 226 that Woods subsequently utilized in creating the FAA's SOW for Purchase Order 226.

(2) On or about May 15, 2001, defendant MARIA LIANIDIS received, from Darrell Woods, a draft of the IGCE for Purchase Order 226.

(3) On or about July 19, 2001, Darrell Woods submitted his evaluation of DMS's qualifications to perform on Purchase Order 226, giving them an overall rating of "excellent."

(4) On or about July 26, 2001, defendant MARIA LIANIDIS, on behalf of DMS, signed an FAA document accepting the terms of Purchase Order 226, for which DMS ultimately received payment of \$99,248, authorized by Darrell Woods.

(5) On or about August 8, 2001, Darrell Woods, serving as the Program Manager for the development of Purchase Order 272, prepared a "sole source justification" indicating that Purchase Order 272 should be awarded on a "sole source" basis to DMS - that is, that DMS was the only contractor qualified to perform the work required.

(6) Between on or about September 5, 2001 and on or about September 30, 2003, defendant MARIA LIANIDIS and DMS received approximately \$772,812 in payments from the FAA for Purchase Order 272, including, on or about the dates set forth below, eight separate increases in funding requested by Darrell Woods

that increased the original \$59,464 value of the purchase order:

<u>Sub-paragraph No.</u>	<u>Date</u>	<u>Amount of Increase</u>
(a)	9/27/01	\$14,000
(b)	10/29/01	\$20,000
(c)	12/20/01	\$114,993
(d)	2/4/02	\$235,000
(e)	9/23/02	\$66,000
(f)	12/10/02	\$107,000
(g)	4/24/03	\$70,000
(h)	6/27/03	\$97,996

(7) On or about January 23, 2002, Darrell Woods, serving as the program manager for the development of Purchase Order 171, prepared a "sole source justification" indicating that Purchase Order 171 should be awarded on a "sole source" basis to DMS - that is, that DMS was the only contractor qualified to perform the work required.

(8) Between on or about May 7, 2002 and on or about January 12, 2004, defendant MARIA LIANIDIS and DMS received approximately \$1,667,193 in payments from the FAA for Purchase Order 171, including, on or about the dates set forth below, eight separate increases in funding requested by Darrell Woods that increased

the original \$99,000 value of the purchase order:

<u>Sub-paragraph No.</u>	<u>Date</u>	<u>Amount of Increase</u>
(a)	6/3/02	\$225,000
(b)	7/23/02	\$437,000
(c)	12/10/02	\$137,000
(d)	1/28/03	\$197,000
(e)	4/29/03	\$97,000
(f)	6/27/03	\$169,984
(g)	7/31/03	\$96,000
(h)	8/29/03	\$210,000

(9) On or about February 11, 2003, Darrell Woods serving as an FAA manager, prepared a "sole source justification" indicating that Solicitation 009 should be awarded on a "sole source" basis to DMS - that is, that DMS was the only contractor qualified to perform the work required.

(10) On or about October 5, 2004, defendant MARIA LIANIDIS submitted to Darrell Woods, via electronic mail, personnel specifications for the SMS Solicitation that Darrell Woods subsequently incorporated into the SMS Solicitation.

(11) On or about October 18, 2004, defendant MARIA LIANIDIS received, via electronic mail, a draft version of the SOW for the SMS Solicitation from Darrell Woods, prior to the issuance of the SMS Solicitation.

(12) On or about October 20, 2004, defendant MARIA LIANIDIS

sent, via electronic mail, a revised version of the SOW for the SMS Solicitation to Darrell Woods, prior to the issuance of the SMS Solicitation.

(13) On or about November 23, 2004, Darrell Woods and defendant MARIA LIANIDIS attempted to restrict and did restrict competition on the SMS Solicitation in favor of DMS by Woods inserting a provision in the SMS Solicitation that restricted competition to small businesses below a certain size threshold, such as DMS, to the exclusion of larger qualified bidders.

B. Corrupt Payments Made By Defendant Maria Lianidis

19. On or about the dates listed below, in the approximate amounts listed below, defendant MARIA LIANIDIS made the following corrupt payments to Darrell Woods:

<u>Sub-paragraph No.</u>	<u>Date</u>	<u>Approximate Amount</u>
(a)	July 9, 2001	\$4,000
(b)	June 3, 2002	\$9,900
(c)	January 6, 2003	\$9,900
(d)	March 26, 2003	\$7,500
(e)	April 29, 2003	\$6,000
(f)	April 30, 2003	\$50,000
(g)	October 29, 2003	\$5,000
(h)	December 18, 2003	\$9,900
(i)	March 1, 2004	\$5,000
(j)	April 5, 2004	\$5,000
(k)	June 4, 2004	\$5,000

(l)	July 8, 2004	\$5,000
(m)	July 29, 2004	\$5,000
(n)	August 18, 2004	\$5,000
(o)	September 17, 2004	\$5,000
(p)	October 18, 2004	\$5,000
(q)	October 23, 2004	\$5,000
(r)	December 6, 2004	\$5,000
(s)	December 26, 2004	\$7,500

In violation of Title 18, United States Code, Section 371.

COUNTS 2 TO 18
(Giving And Offering A Bribe)

1. Paragraphs 1 to 9 of Count 1 are realleged and incorporated herein.

2. On or about the dates and in the approximate amounts listed below, in Atlantic County, in the District of New Jersey and elsewhere, defendant

MARIA LIANIDIS

directly and indirectly, did knowingly, willfully and corruptly give, offer and promise money to a public official, Darrell Woods, with the intent to (A) influence official acts; (B) influence Woods to commit, aid in committing, collude in and allow; and make opportunity for the commission of, fraud on the United States; and (C) induce Woods to do and omit to do acts in violation of his lawful duties:

<u>Count</u>	<u>Date</u>	<u>Approximate Amount</u>
2	January 6, 2003	\$9,900
3	March 26, 2003	\$7,500
4	April 29, 2003	\$6,000
5	April 30, 2003	\$50,000
6	October 29, 2003	\$5,000
7	December 18, 2003	\$9,900
8	March 1, 2004	\$5,000
9	April 5, 2004	\$5,000
10	June 4, 2004	\$5,000
11	July 8, 2004	\$5,000

12	July 29, 2004	\$5,000
13	August 18, 2004	\$5,000
14	September 17, 2004	\$5,000
15	October 18, 2004	\$5,000
16	October 23, 2004	\$5,000
17	December 6, 2004	\$5,000
18	December 26, 2004	\$7,500

In violation of Title 18, United States Code, Sections 201(b)(1) and 2.

COUNTS 19 TO 26
(Money Laundering)

1. Paragraphs 1 through 9 of Count 1 are realleged and incorporated herein.

2. On or about the dates set forth below, in Atlantic County, in the District of New Jersey and elsewhere, defendant

MARIA LIANIDIS

did knowingly and willfully engage in and attempt to engage in a monetary transaction in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, namely bribery and wire fraud, contrary to Title 18, United States Code, Sections 201 and 1343, and such transactions affecting interstate commerce.

<u>Count</u>	<u>Financial Transaction</u>	<u>Date</u>
19	Transfer of \$50,000 to FAA Credit Union joint account	April 14, 2003
20	Deposit of \$50,000 check into Commerce Bank joint account	April 14, 2003
21	Purchase of \$50,000 bank check from Commerce Bank	April 22, 2003
22	DMS Fleet Bank check of \$15,000 to DESFO	July 14, 2004
23	DMS Fleet Bank check of \$20,000 to DESFO	July 21, 2004
24	DESFO check of \$25,034.86 to Window Wizards	July 26, 2004
25	DMS Fleet Bank check of \$65,564 to DESFO	July 27, 2004
26	DESFO check of \$28,247 to Braga Construction	August 2, 2004

In violation of Title 18, United States Code, Sections 1957
and 2.

FORFEITURE ALLEGATION

As the result of committing one or more of the offenses in violation of Title 18, United States Code, Sections 201 and 1957, alleged in Counts 2 through 26 of this Indictment (which are realleged and incorporated herein), defendant MARIA LIANIDIS shall forfeit to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and 28 U.S.C. § 2461, all property, real and personal, involved in a transaction in violation of 18 U.S.C. § 1957, and that constitutes or is derived from proceeds traceable to the commission of an offense in violation of 18 U.S.C. § 201, including but not limited to the following:

1. MONEY

A sum of money equal to \$6,845,155 in United States currency, representing the amount of proceeds obtained as a result of the offenses.

2. REAL PROPERTY

All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, located at 104 Dee Drive, Linwood, New Jersey, more particularly described as: Lot 1, Block 172, District 14, Linwood, New Jersey.

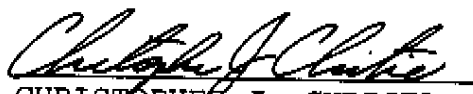
If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;

- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; and
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property, all in violation of Title 18, United States Code, Section 981, 28 United States Code, Section 2461 and Title 18, United States Code, Sections 201, 1957 and 2.

A TRUE BILL


CHRISTOPHER J. CHRISTIE
United States Attorney

CASE NUMBER:

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

MARIA LIANIDIS

INDICTMENT FOR

18 U.S.C. §§ 201, 371, 1557 AND 2

A True Bill

FC-7

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