IN THE UNITED STATES DISTRICT COURT FOR THE

EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL NO. 1:06cr10
	)	
BRETT M. PFEFFER	)	
	)	
Defendant.	)	

STATEMENT OF FACTS

Were this matter to go to trial, the United States of America would prove the following facts beyond a reasonable doubt:

1. From in or about early 2004 and continuing to August 2005, in the Eastern District of Virginia and elsewhere, the defendant, Brett M. Pfeffer, did unlawfully, knowingly, and intentionally combine, conspire, confederate, and agree with a public official and others who directly and indirectly, corruptly demanded, sought, received, accepted, and agreed to receive and accept anything of value personally, and for any other person and entity, in exchange for being influenced in the performance of any official act, in violation of Title 18, United States Code, Sections 2, 201(b)(2) and 371.

2. At all times relevant to this matter, the defendant, Brett M. Pfeffer (also referred to as "Pfeffer"), resided in Herndon, Virginia, within the Eastern District of Virginia.

3. From approximately 1995 through 1998, Pfeffer was employed as a Legislative Assistant by a Member of the United States Congress ("Representative A"). In 1998, Pfeffer left employment with Representative A and embarked on various business consulting jobs. At all

times relevant to this matter, Pfeffer maintained a professional and social relationship with Representative A.

4. By in or about early 2004, Pfeffer began to work as President of an investment company based in McLean, Virginia, and controlled by an individual who later became a cooperating witness for the government ("CW"). Pfeffer's employment responsibilities included seeking out and researching investment opportunities for the company. As part of Pfeffer's compensation, it was agreed that Pfeffer would obtain a percentage of any profits generated by the company as a result of investment opportunities developed by Pfeffer.

The Nigerian Deal

5. In early 2004, Pfeffer told Representative A about Pfeffer's new job and his search for business opportunities on behalf of CW and CW's company. At that time, Representative A informed Pfeffer about a major telecommunications opportunity in Nigeria. Representative A told Pfeffer about a Kentucky-based company that held the rights to a technology that enabled copper wires to transport high-speed internet and broadband services to a wide array of consumers.

6. In or about mid 2004, Pfeffer brought CW from McLean, Virginia to Representative A's Washington, D.C., congressional office where CW was introduced to the founder of the Kentucky-based company. The purpose of the meeting was to inform CW of the Kentucky-based company's plans to provide broadband services, including high-speed internet service and cable television service, to Nigerians over the copper wire telephone line infrastructure operated by the government-controlled Nigerian Telephone Company (the "Nigerian Deal") and to see whether CW would be interested in investing in the Nigerian Deal.

7. At a subsequent meeting located in a Washington, D.C., business, CW attended a demonstration of the Kentucky-based company's copper wire technology. Pfeffer did not attend this meeting, but later discussed it with CW.

8. Following these meetings, CW's company entered into a licensing and distribution agreement with the Kentucky-based company for the exclusive rights to market and distribute the Kentucky-based company's technology in Nigeria. CW's company agreed to invest approximately $45 million for the exclusive right to use the Kentucky-based company's technology and equipment to support the Nigerian Deal. The agreement called for CW's company to pay $3.5 million up-front and to finance the balance with a loan arranged through the Export-Import Bank of the United States, the official export credit agency of the United States (the "Ex-Im Bank").

9. After CW agreed to the investment, Representative A advised Pfeffer and CW that a member of Representative A's family should perform the legal work associated with the Nigerian Deal. CW agreed and a member of Representative A's family performed legal work to further the Nigerian Deal, which included, but was not limited to assisting in the formation of a Nigerian company for CW which stood to earn significant profits from the Nigerian Deal's success, as well as drafting legal agreements between CW's newly formed Nigerian company and a separate local Nigerian partner company. At that time, Pfeffer explained to CW that Representative A would expect something in return for Representative A's official assistance on the Nigerian Deal. At another time, Pfeffer explained to CW that CW should not be surprised if Representative A tried to put other relatives on the payroll.

10. During the summer of 2004, Pfeffer, CW and others met with Representative A, at the law firm where Representative A's family member worked, for the purpose of signing documents associated with the Nigerian Deal. While in the lobby of the law firm, Representative A approached Pfeffer privately and told Pfeffer that Representative A would require five percent (5%) to seven percent (7%) of CW's newly formed Nigerian company to be given to members of Representative A's family. Pfeffer understood that Representative A was soliciting a bribe in exchange for Representative A's official assistance in furthering the Nigerian Deal. Pfeffer told CW about the bribe solicitation by Representative A and later advised CW that it was part of the cost of doing business with Representative A.

11. During the Summer of 2004, Pfeffer was in or about Arlington, Virginia while talking to Representative A on the telephone, when Representative A told Pfeffer that Representative A wanted a particular member of Representative A's family to be put on the payroll to receive approximately $2,500 to $5,000 in monthly retainers from CW's newly formed Nigerian company. Subsequently, Pfeffer spoke with CW about this request.

12. Pfeffer understood that in exchange for Representative A's receipt of the above-listed things of value, Representative A had agreed to perform various official acts in furtherance of the Nigerian Deal. Pfeffer understood these official acts to include, but not be limited to: efforts to influence high-ranking officials in the Nigerian government through correspondence and in-person meetings; travel to Nigeria to facilitate these meetings; and meetings with personnel of the Ex-Im Bank, in order to facilitate potential financing for the Nigerian Deal. Pfeffer stood to make significant financial gains through his employment arrangement with CW

and CW's company in the event Representative A's official acts were successful in promoting the Nigerian Deal.

The Ghanaian Deal

13. In or about July 2005, Pfeffer, Representative A, a member of representative A's congressional staff, a member of Representative A's extended family, an employee of the Kentucky-based company, and others traveled to Ghana for the purpose of furthering a telecommunication business agreement in Ghana (the "Ghanaian Deal") that was similar to the Nigerian Deal. Representative A, Pfeffer, and others departed from Washington Dulles Airport in Loudoun County, Virginia, on their way to Ghana. While in Ghana, Representative A performed numerous official acts for the purpose of promoting the telecommunications technology of the Kentucky-based company for use in Ghana. During the trip, Pfeffer made frequent reports to CW of the official acts taking place on the trip in Ghana. For instance, Pfeffer observed Representative A meeting with various high-ranking Ghanaian government officials to promote the Ghanaian Deal. Further, Representative A used a member of Representative A's congressional staff to help schedule the trip and to expedite the processing of required visas and passports for the individuals traveling to Ghana.

14. In addition to witnessing Representative A's travel to Ghana to promote the Ghanaian Deal, Pfeffer observed that Representative A had corresponded with a high-ranking Ghanaian official to further promote the Ghanaian Deal. Pfeffer also was present when Representative A met with officials of the Ex-Im Bank in Washington, D.C., to further promote the Ghanaian Deal. Pfeffer stood to make significant financial gains through his employment

arrangement with CW and CW's company in the event Representative A's official acts were successful in promoting the Ghanaian Deal.

15. In exchange for Representative A's performance of official acts, Pfeffer believed that members of Representative A's family would be receiving a percentage of a newly formed Ghanaian company to be controlled by CW for purposes of implementing the Ghanaian Deal. Pfeffer's belief was based, in part, on the fact that Representative A had previously solicited Pfeffer to communicate Representative A's request for a percentage of the newly formed Nigerian company to be given to members of Representative A's family. Pfeffer observed that Representative A was performing official acts in furtherance of the Ghanaian Deal such as corresponding with a high-ranking Ghanaian official and meeting with officials of the Ex-Im Bank in Washington, D.C., which were similar in nature to the official acts Representative A had performed in furtherance of the Nigerian Deal. In addition, Representative A told Pfeffer that a member of Representative A's extended family had been designated to be the secretary of the newly formed Ghanian company and would also serve in a marketing role for the company in Ghana.

16. This Statement of Facts does not contain each and every fact known to the defendant and to the United States concerning the defendant's and other's involvement in the charges set forth in the plea agreement.

Paul J. McNulty
United States Attorney

By: _____ 1/11/06
Mark D. Lytle
Assistant United States Attorney

Paul E. Pelletier
Acting Chief, Fraud Section

By: _____ 1/11/06
Michael K. Atkinson
Trial Attorney
Criminal Division, Fraud Section
United States Department of Justice

DATED: January 11, 2006

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, Brett M. Pfeffer and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

DATED: January 6, 2006

Brett M. Pfeffer, Defendant

I am Brett M. Pfeffer's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

DATED: January 6, 2006

Paul L. Knight, Esquire
Attorney for Defendant Brett M. Pfeffer