JUDGE ZAGEL

MAGISTRATE JUDGE DENLOW

**UNITED STATES DISTRICT COURT**
**FOR THE NORTHERN DISTRICT OF ILLINOIS**
**EASTERN DIVISION**

| | |
|---|---|
| UNITED STATES OF AMERICA ) | **Criminal No.** |
| ) | |
| v. ) | Filed: 10CR 937 |
| ) | |
| RICHARD I. KEEFE, ) | Violation: 18 U.S.C. § 1001(a)(2) |
| ) | (False Statement) |
| Defendant. ) | |
| ) | |

FILED

NOV - 4 2010

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

**INFORMATION**

The United States, by and through its attorneys, charges that:

**I.**

**DESCRIPTION OF THE OFFENSE**

1. Defendant Richard I. Keefe ("defendant") is engaged in business as a commercial print broker and at all times relevant hereto resided in Rock Falls, Illinois.

2. The United States Government Printing Office ("GPO") is the printing arm of the federal government. Under 44 U.S.C. § 501, all printing for the federal government, with few exceptions, is to be done by the GPO. The GPO procures most printing services from outside vendors, and its annual print solicitations are approximately $1 billion. In order to reduce the costs of printing services procured by the federal government, the GPO procures most printing services through competitive bidding and attempts as much as possible to limit the payment of commissions and brokerage fees in connection with print solicitations.

3. During the period covered by this Information, the defendant was engaged in the business of providing print brokerage services to print vendors interested in submitting bids in response to GPO print solicitations. The defendant would notify print vendors of bid

opportunities available through the GPO, would arrange the participation of a primary vendor and, as necessary, subcontractors to complete the various components of the print solicitation, and would prepare and submit bids to the GPO on behalf of print vendors. When the defendant submitted bids to the GPO on behalf of print vendors, the bid prices typically included an undisclosed brokerage fee of 3% to 10% of the total bid price that was to be paid to the defendant's company, Company A, in the event that the GPO contract was awarded to the print vendors represented by Company A. The print vendor in whose name the bid was submitted was deemed by the GPO to be the primary vendor and was responsible for all aspects of the contract, including the work of, and payment to, subcontractors.

4. In or around January 2008, the defendant did knowingly and willfully make and cause to be made materially false, fictitious, and fraudulent statements and representations in relation to an administrative matter concerning the procurement of printing services by the GPO, an agency within the legislative branch of the Government of the United States, by submitting a bid to the GPO in the name of a company that had not authorized him to do so, in which the defendant certified that the bid was not being submitted pursuant to an agreement or understanding for a brokerage fee, when in truth and fact it was.

5. In or about January 2008, the GPO issued a bid solicitation for printing, imaging, and binding of employer quarterly federal tax return packages, designated Jacket No. 341-031. The GPO issued the bid on behalf of the Internal Revenue Service of the Department of the Treasury, a department of the United States.

6. The bid solicitation for Jacket No. 341-031 required that any bid form submitted to the GPO (a) be signed by an authorized person from the bidding company and (b) be subject to

certain GPO representations and certifications, including a "Covenant Against Contingent Fees." The Covenant Against Contingent Fees states that the submission of a bid without a statement of exception constitutes a certification that "no person or agency has been employed or retained to solicit or obtain a contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency." The Covenant Against Contingent Fees defines "contingent fee" as "any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract." The Covenant Against Contingent Fees materially influences the GPO in its contracting decisions because, in order to reduce printing costs, the GPO will only award contracts that include brokerage fees in limited circumstances, such as where the print broker has a contractual agency agreement with the bidding print vendor.

7. In or about early January 2008, the defendant attempted to broker a bid in response to Jacket No. 341-031 by contacting various vendors and soliciting their participation in a bid. Among the vendors contacted by the defendant was Vendor A, a print vendor located in Westville, New Jersey. Vendor A understood that it was being solicited as a subcontractor, not the primary vendor, on Jacket No. 341-031 and that it would pay a commission of 4% in the event that the bid was successful. Vendor A did not authorize or agree to act as the primary vendor or authorize the defendant to submit a bid in its name in response to Jacket No. 341-031.

8. On or about January 9, 2008, the defendant prepared and submitted a bid to the GPO in response to Jacket No. 341-031 in the name of Vendor A (the "Vendor A Bid") as the primary vendor, and the defendant listed Executive 1 on the Vendor A Bid as the person authorized to bid and signed Executive 1's signature on the bid. The Vendor A Bid contained a

total bid price of $783,699.35, which included an undisclosed brokerage fee of 4% that would be payable to Company A if the GPO bid was awarded to Vendor A. The Vendor A Bid stated that it was subject to the GPO's required representations and certifications, which included the Covenant Against Contingent Fees, thereby certifying that no person or agency had been retained to solicit or obtain the contract on Jacket No. 341-031 upon an agreement or understanding for a brokerage fee, except a bona fide employee or agency. The defendant was neither a bona fide employee or agency of Vendor A at the time he prepared and submitted the Vendor A Bid because he did not have a written agency contract with Vendor A as required by GPO regulations.

9. Vendor A and Executive 1 were not aware (a) that the Vendor A Bid had been submitted in its name, thereby making it the primary vendor, (b) that the defendant had signed Executive 1's name and signature on the Vendor A bid, (c) that the Vendor A Bid was subject to the certification required by the Covenant Against Contingent Fees, or (d) that the certification requirement was being violated by submission of the Vendor A Bid. However, at the time that the defendant prepared the Vendor A Bid, signed Executive 1's name and signature on the Vendor A Bid, and submitted the Vendor A Bid to the GPO, the defendant knew that neither Vendor A nor Executive 1 had authorized the bid to be submitted in their names and also that he was certifying that no person or agency was soliciting the bid contract upon an agreement or understanding for a brokerage fee, except a bona fide employee or agency. In fact and truth, at the time the defendant prepared and submitted the Vendor A Bid in the name of Vendor A, he knew that (a) he had not been authorized to submit the bid in the name of Vendor A and Executive 1 as the primary vendor, (b) he was submitting the bid pursuant to a verbal

understanding that Company A would receive a brokerage fee of at least 4% of the total bid price in the event that the GPO awarded Jacket No. 341-031 to Vendor A as a subcontractor, and (c) that neither the defendant nor Company A were bona fide employees or agencies of Vendor A.

10. At the time the defendant prepared and submitted the Vendor A Bid, he did knowingly and willfully make and cause to be made materially false, fictitious and fraudulent statements and representations in relation to an administrative matter concerning the procurement of printing services by the GPO, an agency of the legislative branch of the Government of the United States.

11. On or about January 9, 2008, the defendant faxed the Vendor A Bid from the defendant's offices in Rock Falls, Illinois to the GPO office in Washington, D.C.

12. On or about January 10, 2008, officials of the GPO opened bids submitted on Jacket No. 341-031 and tabulated the results. The GPO initially awarded the contract to Vendor A. The award was subsequently withdrawn from Vendor A and awarded to another print vendor when the defendant's role in preparing and submitting the Vendor A Bid became known to the GPO and Vendor A.

## II.

## JURISDICTION AND VENUE

13. The offense charged in this Information was carried out, in part, within the Northern District of Illinois with the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 18 UNITED STATES CODE, SECTION 1001(a)(2).

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Dated: October 29, 2010