

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	Criminal No.	99-CR-651
v.	:	Filed:	June 24, 1999
JOHN M. MAVROS,	:	Violation:	18 U.S.C. § 371
Defendant.	:		

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INFORMATION

The United States of America, acting through its attorneys, charges:

1. John M. Mavros (“Mavros”) is hereby made a defendant on the charge stated below.

DEFINITION

2. “Advertising and display materials” refers to the manufacture, assembly, or packaging of any point-of-purchase advertising and display materials, including, but not limited to, display stands, posters, banners, counter cards or sell sheets, used for the advertising or promotion of consumer goods, primarily in retail stores.

DEFENDANT AND CO-CONSPIRATORS

3. Mavros is a resident of Locust Valley, New York. During the period covered by this Information, Mavros was employed as a purchasing agent by Joseph E. Seagram & Sons, Inc. (“Seagram”) at its offices in Manhattan. Mavros’ duties and responsibilities included awarding contracts for advertising and display materials in accordance with Seagram’s written purchasing policy, and, in carrying out that responsibility, selecting potential suppliers of advertising and display materials to bid for contracts to be awarded by Seagram.

4. Dani Siegel, a co-conspirator not named as a defendant herein, was the owner and president of Genetra Affiliates, Inc., a vendor of advertising and display materials.

5. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

6. Various persons and firms, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

DESCRIPTION OF THE OFFENSE

7. From at least as early as 1992 and continuing through May 1996, the exact dates being unknown to the United States, the defendant Mavros and co-conspirators did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree to devise a scheme and artifice to defraud and obtain money from Seagram, and to deprive Seagram of the intangible right of Mavros' honest services, by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice were executed by and through the use of the United States mails, in violation of 18 U.S.C. § 1341 and § 1346, all in violation of 18 U.S.C. § 371.

GOALS OF THE CONSPIRACY

8. The scheme and artifice to defraud and obtain money from Seagram resulted in the payment of substantial amounts of cash kickbacks to Mavros by Siegel without Seagram's knowledge. The prices Siegel's company charged Seagram for the advertising and display

contracts awarded to them by Mavros were increased as a result of the scheme. The scheme also resulted in Seagram's being deprived of the intangible right to have its employee, Mavros, perform his job in an honest fashion.

THE MANNER AND MEANS BY WHICH THE CONSPIRACY
WAS CARRIED OUT

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

9. Seagram's purchasing policy generally required that the company's purchasing agents obtain at least three written quotations for the purchase of all materials or services in excess of \$50,000 per transaction. The policy also required the company's purchasing agents to maintain supporting documentation to demonstrate their compliance with the policy.

10. Seagram also had a policy that prohibited its employees from engaging in any conduct that created a conflict of interest. That policy prohibited its employees from accepting from any supplier to the company compensation and gifts of more than a nominal value if those gifts had not been previously disclosed to and approved by a supervisor. Mavros was required to and did annually acknowledge in writing his compliance with that policy.

11. From at least as early as 1992 and continuing through May 1996, defendant Mavros caused Seagram to enter into approximately 12 contracts worth a total of at least \$1.4 million with one of Siegel's companies. During that time, Mavros received from Siegel cash kickbacks totaling approximately \$83,200. The amounts Siegel paid Mavros were based on monies that Mavros and Siegel arranged to add to the prices of contracts between Seagram and Siegel's company. For example, on one occasion, Mavros and Siegel arranged to increase the price of an item being ordered by \$1 per unit. Mavros and Siegel then equally split the increase. On other

occasions, Mavros suggested that Siegel raise his price because the budget for the display materials being ordered was greater than the price Siegel's company had quoted.

12. On some occasions, Mavros asked Siegel to provide him with a written price quotation at a specified price and further instructed Siegel to backdate the quotation. Mavros requested, received, and maintained backdated price quotations from Siegel so that it would appear that he was complying with Seagram's purchasing policy.

13. Mavros usually received the cash kickbacks from Siegel during lunch meetings. The payments occurred approximately 6 or 7 times a year and ranged in size from \$2,000 to \$4,000. The last payment took place in May 1996, just before Siegel and his companies were indicted on a variety of charges, including violations of the antitrust and tax laws.

OVERT ACTS

In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts were committed in the Southern District of New York:

14. On numerous occasions from 1992 through May 1996, Mavros met with Siegel in Manhattan to receive substantial amounts of cash. These payments totaled approximately \$83,200.

15. From 1992 through May 1996, Siegel added the amounts he had agreed to pay to Mavros to the prices his company quoted and billed to Seagram. On numerous occasions between 1992 and May 1996, Siegel caused quotations and invoices reflecting prices that were inflated by the amounts of the kickbacks to be paid to Mavros to be sent via United States Mail from Siegel's offices in Manhattan to Seagram's offices in Manhattan. Mavros authorized for

payment the invoices from Siegel's companies, and Seagram then sent via United States Mail its checks, issued in payment of those invoices, from its offices to the offices of Siegel's company.

JURISDICTION AND VENUE

16. The aforesaid conspiracy was formed and carried out, in part, within the Southern District of New York within the five years preceding the filing of this Information.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371

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"/s/"
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