

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

: Criminal No. 08-912

: Filed:

v.

: Violation: 18 U.S.C. § 371

ZUL TEJPAN,

Defendant.

INFORMATION

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

1. Zul Tejpar ("Tejpar") is hereby made a defendant on the charge stated below.

KICKBACK and FRAUD CONSPIRACY
(18 U.S.C. §371)

I. RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Tejpar was a citizen and a resident of Vancouver, British Columbia, Canada.
3. Tejpar was the Vice President of Business Development for a sub-contractor ("Vendor-1") that was a corporation existing under the laws of Canada with its main office located in Oakville, Ontario, Canada. Vendor-1 treated and disposed of contaminated soils for a prime contractor ("P-C") on an environmental remediation

project at the Federal Creosote Superfund Site in Manville, New Jersey ("Federal Creosote").

4. "CC-1" was a co-conspirator who was an officer of Vendor-1.

5. "CC-2" was a co-conspirator who was an employee of Vendor-1.

6. "CC-3" was a co-conspirator who was an employee of P-C at Federal Creosote and was influential in the award of sub-contracts at Federal Creosote. CC-3 owned and operated a shell company ("Company-1") during his employment with P-C. During the period covered by this Information, Company-1 operated out of addresses associated with CC-3's wife's flower shop, CC-3's home and CC-3's parents' home as its business address.

7. 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 representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

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

II. BACKGROUND

9. Federal Creosote was an environmental remediation project that was partly funded by the Environmental Protection Agency ("EPA"). Since late 1999, the Army Corps of Engineers has overseen the procurement process for the remediation of the site. Pursuant to an interagency agreement between the EPA and the Army Corps of Engineers, prime contractors were used to perform different functions, such as remediation, at the site.

10. P-C was the prime contractor that was responsible for managing the remedial action at Federal Creosote. The remedial action was divided into separate phases by geographic boundaries. P-C awarded separate sub-contracts under each phase to various vendors. The EPA paid a fixed fee plus the cost of the remedial action performed by the sub-contractors to P-C.

11. P-C was required to award sub-contracts at Federal Creosote subject to a competitive bidding policy under the Federal Acquisition Regulation system ("FAR"). The FAR's bidding policy sought to ensure that P-C obtained supplies and services at competitive, fair market prices. P-C was required to solicit at least three competitive bids before entering into any sub-contract for supplies or services in excess of \$5,000, and award those sub-contracts to the bidder offering the best value, based on cost, quality and timeliness.

12. CC-3 was responsible for soliciting bids from vendors for sub-contracts in excess of \$5,000 and otherwise ensuring that P-C's procurement process was in accordance with the FAR.

13. The FAR also prohibited any person from providing, attempting to provide, soliciting, or attempting to solicit any kickback, including any money, fee, commission, credit, gratuity, gift, thing of value or compensation of any kind for the purpose of improperly obtaining or rewarding favorable treatment in connection with a sub-contract relating to a prime contract.

III. DESCRIPTION OF THE OFFENSE

14. From approximately December 2001 until approximately the Spring of 2004, the exact dates being unknown to the United States, in the District of New Jersey and elsewhere, Tejpar and his co-conspirators, and others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to defraud the United States or an agency thereof, namely the EPA, and to commit offenses against the United States, to wit, to violate Title 41, United States Code, Sections 53(1) and (3), in violation of Title 18, United States Code, Section 371.

15. It was a part and an object of the conspiracy that Tejpar and his co-conspirators, and others known and unknown, unlawfully, willfully, and knowingly would and did conspire, combine, confederate, and agree to defraud the United States and the EPA and to commit offenses against the United States by providing and attempting to

provide kickbacks to Company-1, CC-3 and certain other employees of P-C, who were co-conspirators, at Federal Creosote and by including the amount of certain kickbacks in the sub-contract price that Vendor-1 charged to P-C on one sub-contract, thereby causing P-C to include the fraudulently inflated amount as part of the costs it charged to the EPA, in violation of Title 41, United States Code, Sections 53(1) and (3).

IV. 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:

16. During some or all of the period from approximately December 2001 until approximately the Spring of 2004, Tejpar, CC-1 and CC-2 provided kickbacks to Company-1, CC-3 and certain other employees of P-C, who were co-conspirators. Tejpar, CC-1 and CC-2 provided kickbacks in order to influence the award of sub-contracts for the treatment, removal and disposal of contaminated soil by P-C to Vendor-1 at Federal Creosote.

17. In approximately May 2002, CC-3 provided the bid prices of other vendors to CC-2 before a sub-contract was awarded by P-C. This enabled Tejpar, CC-1, CC-2 and CC-3 to fraudulently inflate the amount of Vendor-1's bid price for this sub-contract by at least \$13.50 per ton of contaminated soil from \$485 per ton of contaminated soil to \$498.50 per ton of contaminated soil. As a result, Vendor-1 was awarded this sub-contract at a price higher than it would have otherwise bid. The ultimate value of this sub-

contract was approximately \$27,000,000 of which at least \$1,510,000 was included as a fraudulently inflated amount. This fraudulently inflated amount included kickbacks made to Company-1, CC-3 and certain other employees of P-C, who were co-conspirators, plus an amount that Vendor-1 kept for itself. P-C included the fraudulently inflated amount as part of the costs it charged to the EPA for work performed by Vendor-1. As a result, the EPA paid more for this sub-contract than it otherwise would have if the FAR requirements were followed.

18. Tejpar, CC-1, and CC-2 provided kickbacks to Company-1 via wire transfers from Vendor-1's bank account in Canada to Company-1's bank account in New Jersey. Company-1 issued false invoices to Vendor-1 as a means of concealing the true nature of the kickbacks. The kickbacks to Company-1 totaled at least \$1,100,000.

19. Tejpar, CC-1, and CC-2 also provided kickbacks to CC-3 and certain other employees of P-C, who were co-conspirators, that included Mediterranean cruises and corresponding flights, pharmaceuticals, wine and a wine shelving unit, entertainment tickets, flat screen televisions and laptops. The kickbacks to CC-3 and other employees of P-C, who were co-conspirators, totaled approximately \$205,000. The amount that Vendor-1 kept for itself totaled at least \$205,000.

V. OVERT ACTS

20. In furtherance of the conspiracy and to effect the illegal object thereof, Tejpar and others known and unknown, committed the following overt acts, among others, in the District of New Jersey and elsewhere:

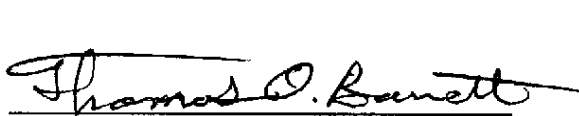
(a) On or about June 11, 2003, Tejpar approved a \$177,000 wire transfer sent from Vendor-1's bank account in Canada to Company-1's bank account in New Jersey;

(b) On or about August 26, 2003, Tejpar approved a \$249,910 wire transfer sent from Vendor-1's bank account in Canada to Company-1's bank account in New Jersey; and

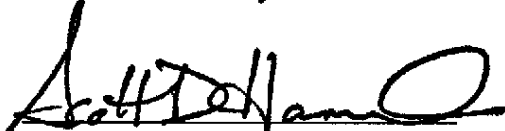
(c) On or about April 16, 2004, Tejpar approved a \$77,570 wire transfer sent from Vendor-1's bank account in Canada to Company-1's bank account in New Jersey.

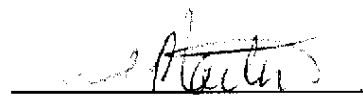
IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371.

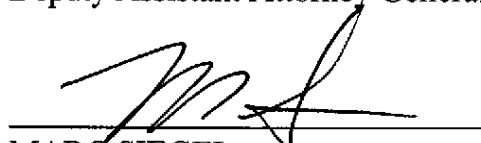
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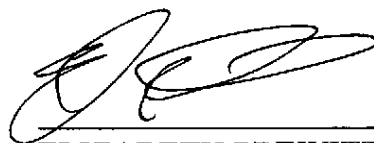

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