

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

NO. 5:14-CR-251-1

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 ENMANUEL LUGO )

CRIMINAL INFORMATION  
Fed. R. Crim. P. 7

**FILED**  
OCT 28 2014  
JULIE A. RICHARDS, CLERK  
US DISTRICT COURT, EDNC  
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BY KM

The United States charges that:

COUNT ONE  
18 U.S.C. § 371  
(Conspiracy)

At all times relevant hereto,

1. Defendant ENMANUEL LUGO (hereinafter referred to as "LUGO") was a Sergeant in the United States Army, and assigned to the 3rd Special Forces Group based at Fort Bragg, North Carolina.
2. From in or about May 2011 through in or about January 2012, LUGO was deployed to Afghanistan with the 3rd Special Forces Group Service Detachment, and was assigned to Camp Brown, a Special Forces compound that is part of Kandahar Air Field. The Detachment supported Special Forces teams based across southern Afghanistan. At all times relevant to this conspiracy, LUGO and the co-conspirators in his unit were "public officials" within the meaning of 18 U.S.C. § 201(a).

3. During the deployment, LUGO reported to his immediate supervisor, a person referred to here as Co-conspirator GM, and to the unit non-commissioned-officer-in-charge, a person referred to here as Co-conspirator JE. Approximately half way through the deployment, in or about July 2011, LUGO became responsible for the management of Transportation Movement Requests ("TMRs").

4. TMRs were used by military units such as the 3rd Special Forces Group to request transportation support for the movement of various items, to include fuel and military equipment, from one base to another. Fulfillment of an individual TMR required one or more trucks of various types suited for the particular mission.

5. A company referred to here as Company A served as the prime contractor for the TMR contract. Company A packaged and invoiced the costs of TMRs to the NATO Support Agency, or NSPA (formerly known as the NATO Maintenance and Supply Agency, or NAMSA). The United States government provided advance funding to NSPA in order to cover the cost of TMRs that were executed in support of military units. NSPA drew from the U.S.-provided funds in order to pay Company A for the cost of TMRs completed in support of the 3rd Special Forces Group (among other U.S. units). Company A would then pay the individual Afghan trucking company that executed the TMR.

6. After taking over the responsibility for TMRs in or about July 2011 from a fellow soldier, a person referred to here as Co-conspirator CC, LUGO managed the TMR process for the 3rd Special Forces Group. LUGO held this role until his departure from Afghanistan in or about January 2012.

7. When LUGO received movement requests from teams in the field, LUGO submitted TMRs to the prime contractor, Company A, and Company A would in turn assign each TMR to a subcontracted Afghan trucking company. LUGO and other Co-conspirators thereby bypassed prescribed contracting procedures which required vetting of the TMR by other military units and contracting officials prior to submission to Company A. Further, Company A was required by contracting procedures to compete each TMR, but in fact, Company A awarded nearly all TMRs requested by the 3rd Special Forces Group to a single Afghan trucking company, referred to here as Company B, despite the significantly higher rates charged by Company B.

8. Company B was operated and controlled by a person referred to here as Co-conspirator HS.

9. LUGO also monitored the status of the requests, and once the transportation was complete, LUGO provided Company A with signed TMRs as evidence that the requests had been fulfilled.

### THE CONSPIRACY

10. Beginning in or about July 2011, the exact date being unknown, and continuing up to in or about February 2012, the exact date being unknown, within the Eastern District of North Carolina, Afghanistan, and elsewhere, defendant ENMANUEL LUGO combined, conspired, and agreed with Co-conspirators GM, JE, CC, HS and other persons known and unknown to the United States to commit offenses against the United States, namely:

a. to knowingly and unlawfully embezzle, steal, purloin, and convert to his use, and the use of another, things of value of the United States and a department and an agency thereof, with a total value exceeding the sum of \$1,000, in violation of Title 18, United States Code, Section 641, and

b. to directly and indirectly, corruptly demand, seek, receive, accept, and agree to receive and accept something of value personally, in return for being influenced in the performance of an official act, and to defraud the United States, in violation of Title 18, United States Code, Section 201(b)(2).

### PURPOSE OF THE CONSPIRACY

11. It was the purpose of the conspiracy for LUGO and his co-conspirators to use their positions as public officials to:

(a) create false TMRs and fraudulently certify that the TMRs had been completed, thereby causing unlawful payments for the TMRs; and (b) facilitate the unlawful theft of U.S. fuel designated for wartime operations, all in return for money, and to send

these proceeds to the United States through various means designed to avoid detection.

MANNER AND MEANS

12. In furtherance of the conspiracy, defendant LUGO, along with others, employed the following manner and means:

a. The co-conspirators created false TMRs requesting the movement of a quantity of fuel by one or more large fuel tanker trucks (each with a capacity of approximately 10,000 gallons), when in fact no such transportation requirement existed or had been requested.

b. Between in or about July 2011 and in or about September 2011, the co-conspirators created false TMRs for approximately 15 large fuel tanker trucks.

c. The co-conspirators submitted the false TMRs to Company A, ensuring that the TMRs were assigned by Company A to a specific, subcontracted Afghan trucking company, Company B.

d. The co-conspirators provided the approved TMRs to Company B drivers of Company B fuel tanker trucks and used the TMRs to load the tanker trucks at Kandahar Air Field fuel distribution points with fuel owned by the U.S. government.

e. The co-conspirators sold the fuel on the black market in neighboring towns in return for cash payments.

f. The co-conspirators falsely certified by signature that the TMR deliveries had been successfully

completed in service of legitimate military requirements.

g. Between in or about July 2011 and in or about September 2011, the co-conspirators falsely certified that the false TMRs representing approximately 15 truckloads of fuel had been completed successfully.

h. The co-conspirators submitted the certified, false TMRs to Company A, which in turn submitted invoices based on those TMRs to NSPA in order to effect payment to Company B with U.S. government funds for each TMR.

i. The co-conspirators took receipt of a portion of the proceeds of the fuel sale and the TMR payment and divided the proceeds of the scheme amongst the co-conspirators and sent via wire transfer a portion of the stolen U.S. dollars to the United States from Afghanistan.

j. The co-conspirators transported stolen U.S. dollars on their person and secreted in their luggage back to the United States.

#### OVERT ACTS

13. In furtherance of the conspiracy, and to effect the object thereof, there were committed by at least one of the co-conspirators in the Eastern District of North Carolina and at U.S. military installations in Afghanistan, at least one of the following overt acts, among others:

a. On or about July 11, 2011, defendant LUGO created

and signed a false TMR requesting five 10,000 gallon fuel tanker trucks to transport fuel from Kandahar Air Field to Pashmeel South, Afghanistan, when in fact no such requirement existed.

b. On or about August 15, 2011, defendant LUGO certified by his signature that the transport of fuel from Kandahar Air Field to Pashmeel South, Afghanistan by five 10,000 gallon fuel tanker trucks had occurred on August 1, 2011, when in fact it had not occurred, and when in fact approximately 50,000 gallons of fuel had been transported elsewhere and stolen.

c. In or about January 2012, defendant LUGO, at Kandahar Air Field, hid approximately \$180,000 of stolen funds inside stereo equipment that he purchased and altered for the purpose, and smuggled the funds into the United States hidden inside his unit's packaged gear shipped to the Eastern District of North Carolina.

d. In or about February 2012, following his return to the United States and the Eastern District of North Carolina, defendant LUGO accepted from Co-conspirator CC at least \$60,000 in cash, which LUGO knew to be proceeds of the conspiracy in Afghanistan.

All in violation of Title 18, United States Code, Section 371, and pursuant to the extraterritorial venue provision of Title 18, United States Code, Section 3238.

COUNT TWO  
18 U.S.C. § 201(b) (2)  
(Bribery)

14. Paragraphs 1 through 9 and 12 of this Information are incorporated by reference as if fully stated herein, and the following is further alleged:

15. From in or about July 2011 until in or about December 2011, defendant ENMANUEL LUGO, a public official, knowingly and unlawfully, directly and indirectly, corruptly demanded, sought, received, accepted, and agreed to receive and accept money in return for being influenced in the performance of official acts, and in return for being influenced to commit and aid in committing, and collude in and allow any fraud and make the opportunity for the commission of any fraud on the United States; that is, defendant LUGO corruptly demanded, sought, received, and accepted money from the sale of fraudulently obtained U.S. fuel in return for colluding with Company B, for aiding and facilitating the payment to Company B for false TMRs, and for aiding and facilitating the theft of U.S. fuel from Kandahar Air Field.

All in violation of Title 18, United States Code, Section 201(b) (2), and pursuant to the extraterritorial venue provision of Title 18, United States Code, Section 3238.



FORFEITURE NOTICE

The defendant is given notice of the provisions of Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461, that all of his interest in all property specified herein is subject to forfeiture.

As a result of the foregoing offenses as alleged in this criminal information, the defendant shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the said offenses.

The forfeitable property includes, but is not limited to U.S. currency in the amount of \$1,357,500.

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

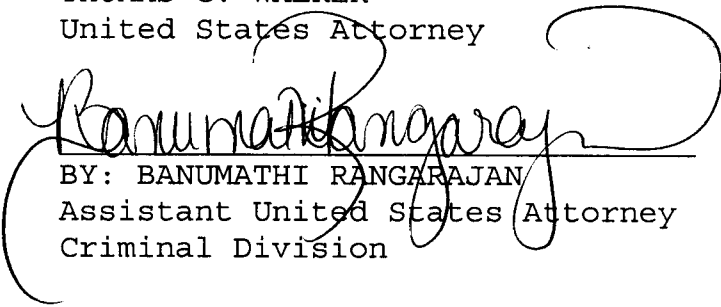
- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot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

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the above

forfeitable property.

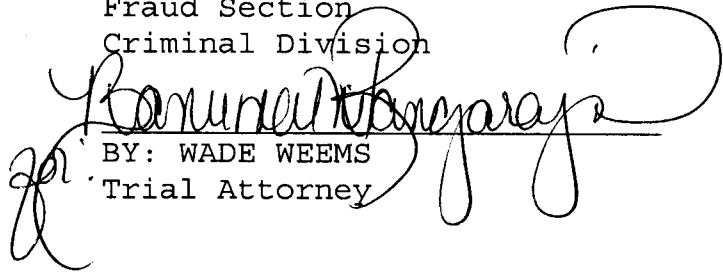
All in accordance with Title 18, United States Code,  
Section 981.

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