UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Holding a Criminal Term
Grand Jury Sworn in on November 16, 2009

UNITED STATES OF AMERICA,	:	**CRIMINAL NO. _____**
	:	
Plaintiff,	:	**GRAND JURY ORIGINAL**
	:	
	:	**UNDER SEAL**
	:	
	:	**VIOLATIONS:**
	:	
	:	**18 U.S.C. § 371 (Count 1);**
v.	:	**Conspiracy to Violate the Foreign**
	:	**Corrupt Practices Act**
	:	
	:	**15 U.S.C. § 78dd-2 (Count 2);**
	:	**Foreign Corrupt Practices Act Violation**
SAUL MISHKIN,	:	
	:	**18 U.S.C. § 1956(h) (Count 3);**
Defendant.	:	**Conspiracy to Commit Money**
	:	**Laundering**
	:	
	:	**18 U.S.C. § 2;**
	:	**Aiding and Abetting and**
	:	**Causing an Act to be Done**
	:	
	:	**18 U.S.C. § 982;**
	:	**Forfeiture**
	:	
	:	
	:	
_____	:	

INDICTMENT

The Grand Jury charges that at all times material to this Indictment:

INTRODUCTION

1. The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, *et seq*. ("FCPA"), prohibited certain classes of persons and entities from making payments to foreign government officials to assist in obtaining or retaining business. Specifically, the FCPA prohibited the willful use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to a foreign official for the purpose of assisting in the obtaining or retaining of business.

2. SAUL MISHKIN ("MISHKIN") was a resident of the United States and, as such, was a "domestic concern" as that term was defined in the FCPA. 15 U.S.C. § 78dd-2(h)(1). MISHKIN was the owner and Chief Executive Officer of Company A, a Florida company headquartered in Aventura, Florida, that sold law enforcement and military equipment. As a company that maintained its principal place of business in the United States, and that was organized under the laws of a state of the United States, Company A was a "domestic concern" as that term was defined in the FCPA. 15 U.S.C. § 78dd-2(h)(1).

3. Individual 1 was the former Vice President of International Sales for a company that manufactured and supplied law enforcement and military equipment to law enforcement and military customers around the world and was a business associate of MISHKIN.

4. Undercover Agent 1 ("UA-1") was an undercover Special Agent with the Federal Bureau of Investigation ("FBI") posing as a representative of the Minister of Defense of a country in Africa ("Country A").

5. Undercover Agent 2 ("UA-2") was an undercover Special Agent with the FBI posing as a procurement officer for Country A's Ministry of Defense who purportedly reported directly to the Minister of Defense.

COUNT 1
(Conspiracy to Violate the Foreign Corrupt Practices Act)

6. Paragraphs 1 through 5 of the Indictment are realleged and incorporated by reference as if fully set forth herein.

7. From in or about May 2009, through in or about December 2009, in the District of Columbia, and elsewhere, the defendant,

SAUL MISHKIN,

and others known and unknown to the Grand Jury, did unlawfully, willfully, and knowingly conspire, confederate and agree together and with each other and others to commit offenses against the United States, that is, to willfully use the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and the authorization of the payment of any money, and offer, give, promise to give, and authorizing of the giving of anything of value to any foreign official and any person, while knowing that a portion of such money or thing of value will be offered, given, promised, directly or indirectly, to any foreign official for purposes of: (i) influencing the acts and decisions of such foreign official in his official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities thereof, in order to assist MISHKIN, Company A, and their conspirators in obtaining and retaining business, in violation of the FCPA, Title 15, United States Code, Section 78dd-2(a).

Object of the Conspiracy

8. The object of the conspiracy was for SAUL MISHKIN and his conspirators to unlawfully enrich themselves by making corrupt payments and attempting to make corrupt payments to foreign officials for the purpose of obtaining and retaining lucrative business opportunities.

Manner and Means of the Conspiracy

9. The manner and means by which SAUL MISHKIN and his conspirators accomplished the object of the conspiracy, included, but were not limited to, the following:

a. MISHKIN would participate in discussions in which Individual 1 said that a friend of his, who was a self-employed sales agent, was tasked by Country A's Minister of Defense with obtaining various defense articles for outfitting Country A's Presidential Guard and that Individual 1 was brokering the deal. In reality, the self-employed sales agent was UA-1.

b. MISHKIN would obtain and attempt to obtain business for Company A and himself by making corrupt payments to UA-1 in connection with a deal to supply goods to the Ministry of Defense of Country A.

c. MISHKIN would agree to pay UA-1 a 20% "commission" in connection with two contracts to sell riot control suits to the Ministry of Defense of Country A, knowing that half of the "commission" was intended to be paid as a bribe to the Minister of Defense of Country A and half was intended to be split between Individual 1 and UA-1 as a fee for their corrupt services.

d. MISHKIN would agree to inflate by 20% the true price of the riot control

suits he would sell to the Ministry of Defense of Country A for the purpose of concealing the 20% "commission" being paid to UA-1.

e. MISHKIN would agree to create two price quotations, with one quotation representing the true cost of the riot control suits and the second, inflated quotation representing the true cost of the riot control suits plus the 20% "commission."

f. MISHKIN would agree to pay a "commission" into UA-1's bank account in the United States in connection with a "test sale" of goods to the Ministry of Defense of Country A ("Phase One"), knowing that half of the "commission" was intended to be paid outside the United States as a bribe to the Minister of Defense of Country A, for the purposes of obtaining the test sale contract and winning a second, larger contract to supply additional goods to the Ministry of Defense of Country A ("Phase Two").

g. MISHKIN would agree to pay a "commission" to UA-1 in the United States in connection with the Phase Two contract, knowing that approximately half of the "commission" was intended to be paid outside the United States as a bribe to the Minister of Defense of Country A, for the purpose of obtaining the second contract.

h. After MISHKIN received payment in connection with Phase One but before he had sent the "commission" to UA-1 or the goods to Country A, MISHKIN would tell Individual 1 that he could not participate in the deal because he had been advised by his attorney that the deal could violate the laws of the United States.

i. MISHKIN would suggest proceeding with the Country A deal by selling the riot control suits originally intended for Country A to Individual 1's company, knowing that Individual 1 would then sell the riot control suits to the Ministry of Defense of Country A, that a

commission would be paid in connection with the sale, and that a portion of the "commission" would be paid to the Minister of Defense of Country A.

j. Individual 1 would send MISHKIN a purchase order for the Phase One and Phase Two riot control suits and MISHKIN would sell the suits to Individual 1's company, knowing that Individual 1 would resell those suits to Country A, that a commission would be paid in connection with the sale, and that a portion of the "commission" would be paid to the Minister of Defense of Country A.

k. MISHKIN would attempt to obtain additional business for Company A and himself by proposing to Individual 1 that MISHKIN sell Ready to Eat Meal kits ("MREs") to Country A in connection with Phase Two of the deal, in addition to the riot control suits he had agreed to sell through Individual 1's company in Phase Two. Individual 1 would agree that MISHKIN could sell MREs in connection with Phase Two, but that MISHKIN would have to do so pursuant to the original deal structure, i.e., MISHKIN would have to sell the goods directly to Country A's Ministry of Defense and MISHKIN would have to pay the 20% "commission" to UA-1.

l. MISHKIN would agree to sell the MRE's to Country A's Ministry of Defense using the original deal structure, notwithstanding the fact that MISHKIN previously had been advised by his attorney that such a deal could violate the laws of the United States, and would agree to create two price quotations, with one quotation representing the true cost of the MREs and the second, inflated quotation representing the true cost of the MREs plus the 20% commission.

Overt Acts

10. Within the District of Columbia, and elsewhere, in furtherance of the above described conspiracy and in order to carry out the object thereof, SAUL MISHKIN and others known and unknown to the Grand Jury, committed the following overt acts, among others:

a. On or about May 15, 2009, MISHKIN had a telephone conversation with Individual 1 and UA-1 during which Individual 1 and UA-1 explained that the Country A Presidential Guard "deal" would be worth a total of approximately $15 million, would involve several suppliers, and would proceed in two phases: Phase One would involve a "test sale" of defense articles for Country A's Presidential Guard, and Phase Two would involve the sale of a larger quantity of those articles to outfit the rest of the Presidential Guard.

b. On or about May 15, 2009, during the telephone conversation with Individual 1 and UA-1, MISHKIN agreed to proceed with the Country A deal, after being told that in order to win the Country A business, Company A would need to add a 20% "commission" to the invoices it sent to UA-1 in connection with the Phase One and Phase Two deals, half of which would be paid to Country A's Minister of Defense and half of which would be kicked back in the form of a commission split between Individual 1 and UA-1 as a fee for their corrupt services. MISHKIN further agreed to proceed with the Phase One deal knowing that the purpose of the Phase One deal was to show Country A's Minister of Defense that the Minister of Defense would personally receive a 10% "commission" on the deal.

c. On or about May 21, 2009, MISHKIN sent an email to Individual 1 and UA-1 attaching a price quotation for Phase One that contained an inflated sales price for the 25 riot control suits MISHKIN agreed to sell through Company A that included the true sales price

plus the 20% "commission" that would be used to pay and facilitate the bribe to Country A's Minister of Defense.

d. On or about June 17, 2009, MISHKIN caused to be sent a wire transfer in the amount of approximately $11,945 from a bank account purported to be controlled by Country A to an Company A bank account for the purpose of funding the purchase of the riot control suits sold by Company A to Country A's Ministry of Defense for Phase One of the scheme.

e. On or about June 24, 2009, MISHKIN sent an email to Individual 1 attaching a price quotation in connection with Phase One that included the true sales price for the 25 riot control suits MISHKIN agreed to sell through Company A.

f. On or about June 25, 2009, MISHKIN sent an email to Individual 1 attaching a letter stating that Company A had reviewed the Country A deal with its outside counsel and that Company A decided it was not in the company's best interest to proceed with the deal.

g. On or about June 25, 2009, MISHKIN spoke with Individual 1 on the telephone and proposed that Company A proceed with the deal, but do so by selling the riot control suits MISHKIN had previously agreed to sell to the Ministry of Defense of Country A to Individual 1's company, knowing that Individual 1's company would then sell the suits to the Ministry of Defense of Country A and pay a 20% "commission" to UA-1 in connection with the sale.

h. On or about June 26, 2009, MISHKIN sent Individual 1 an email stating that Company A had refunded the money it had received in connection with Phase One.

i. On or about July 7, 2009, MISHKIN sent Individual 1 an email attaching

the true price quotation for the sale of 25 riot control suits to Individual 1's company.

j. On or about July 9, 2009, MISHKIN caused to be sent a wire transfer in the amount of approximately $10,095, the true price of the 25 riot control suits, from a bank account purported to be controlled by Individual 1's company to Company A's bank account for the purpose of funding the purchase of the 25 riot control suits sold by Company A to Individual 1's company for resale to Country A's Ministry of Defense.

k. On or about September 9, 2009, MISHKIN sent an email to Individual 1 attaching a price quotation in connection with Phase Two that contained the true sales price for the 92,160 MREs that MISHKIN had agreed to sell directly to Country A's Ministry of Defense in Phase Two.

l. On or about September 10, 2009, MISHKIN sent an email to Individual 1 attaching a price quotation in connection with Phase Two that contained an inflated sales price for the 92,160 MREs that included the true sales price plus the 20% "commission" that would be used to pay and facilitate the bribe to Country A's Minister of Defense.

m. On or about September 12, 2009, MISHKIN sent an email to Individual 1 attaching a price quotation for 1,800 riot control suits for sale to Individual 1's company, knowing that Individual 1's company would then sell the suits to Country A's Ministry of Defense and pay a 20% "commission" to UA-1 in connection with the sale.

n. On or about October 5, 2009, MISHKIN met with Individual 1 and UA-2 at Clyde's, a restaurant in Washington, D.C. At that meeting, UA-2 told MISHKIN that the Minister of Defense was pleased with the riot control suits sent in Phase One and with the "commission" the Minister of Defense had received. UA-2 also told MISHKIN that the Minister

of Defense had given his approval to proceed with Phase Two. MISHKIN reviewed the corrupt purchase agreement for the riot control suits MISHKIN had agreed to sell to Individual 1's company for resale to Country A's Ministry of Defense and accepted two copies of the corrupt purchase agreement for the MREs MISHKIN had agreed to sell to Country A's Ministry of Defense through Company A in Phase Two.

o. On or about October 6, 2009, in Washington, D.C., MISHKIN hand delivered to Individual 1 one original copy of the corrupt purchase agreement for the MREs, which had been executed by MISHKIN**.**

(Conspiracy to Violate the Foreign Corrupt Practices Act, in violation of Title 18, United States Code, Section 371)

COUNT 2
(Foreign Corrupt Practices Act Violation)

11. Paragraphs 1 through 5 and 8 through 10 of the Indictment are realleged and incorporated by reference as if set out in full herein.

12. On or about the dates set forth below, in the District of Columbia, and elsewhere, the defendant,

SAUL MISHKIN,

and others known and unknown to the Grand Jury, willfully made use of, and aided, abetted, and caused others to make use of, the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and the authorization of the payment of any money, and offer, gift, promise to give, and authorization of the giving of anything of value to any person, while knowing that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to a foreign official for the purposes of: (i) influencing the acts and decisions of such foreign official in his official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities thereof, in order to assist MISHKIN, Company A, and their conspirators in obtaining and retaining business in violation of the FCPA as follows:

Count	On or About Date	Means and Instrumentalities of Interstate Commerce
2	10/5/2009	Travel from outside Washington, D.C., to Washington, D.C., for the purpose of meeting with Individual 1 and UA-2 at Clyde's to discuss the corrupt Country A deal

(Foreign Corrupt Practices Act Violations and Aiding and Abetting and Causing an Act to be Done, in violation of Title 15, United States Code, Section 78dd-2(a), and Title 18, United States Code, Section 2)

COUNT 3
(Conspiracy to Commit Money Laundering)

13. Paragraphs 1 through 5 and 8 through 10 of the Indictment are realleged and incorporated by reference as if set out in full herein.

14. From in or about May 2009, through in or about December 2009, in the District of Columbia, and elsewhere, defendant,

SAUL MISHKIN,

and others known and unknown to the Grand Jury, did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, and agree with each other and with other persons, known and unknown to the Grand Jury, to commit offenses against the United States in violation of Title 18 United States Code, Sections 1956 and 1957 as follows:

a. to transport, transmit, and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(A);

b. to conduct and attempt to conduct a financial transaction involving property represented to be the proceeds of specified unlawful activity, or property used to conduct or facilitate specified unlawful activity, with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(3)(A); and

c. to knowingly engage in a monetary transaction by, through and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from specified unlawful activity, in violation of Title 18, United States Code, Section 1957.

It is further alleged that the specified unlawful activity referred to above is a violation of the FCPA, Title 15, United States Code, Section 78dd-2(a).

(Conspiracy to Commit Money Laundering, in violation of Title 18, United States Code, Section 1956(h))

FORFEITURE

15. The violations alleged in Counts 1-3 of this Indictment are realleged and incorporated by reference herein for the purpose of alleging forfeiture to the United States of America pursuant to Title 18, United States Code, Sections 981 and 982(a)(1), and Title 28, United States Code, Section 2461(c).

16. As a result of the FCPA offenses alleged in Counts 1-2 of this Indictment (the "FCPA offenses"), SAUL MISHKIN shall, upon conviction of such offenses, forfeit to the United States all property, real and personal, which constitutes or is derived from proceeds traceable to the FCPA offenses, wherever located, and in whatever name held, including, but not limited to a sum of money equal to the amount of proceeds obtained as a result of the FCPA Offenses, in violation of Title 15, United States Code, Section 78dd-2(a), and Title 18, United States Code, Section 371. By virtue of the offenses charged in Counts 1-2 of the Indictment, any and all interest that the defendant has in the property constituting, or derived from, proceeds obtained directly or indirectly, as a result of such offenses is vested in the United States and hereby forfeited to the United States pursuant to Title 18, United States Code, Section 981, in conjunction with Title 28, United States Code, Section 2461(c).

17. As a result of the money laundering offense alleged in Count 3 of this Indictment, SAUL MISHKIN shall forfeit to the United States any property, real or personal, involved in, or traceable to such property involved in money laundering, in violation of Title 18, United States Code, Sections 1956 and 1957, including but not limited to the sum of money

equal to the total amount of property involved in, or traceable to property involved in those violations. By virtue of the commission of the felony offense charged in Count 3 of this Indictment, any and all interest that the defendant has in the property involved in, or traceable to property involved in money laundering is vested in the United States and hereby forfeited to the United States pursuant to Title 18, United States Code, Section 982(a)(1).

18. In the event that any property described above as being subject to forfeiture, as a result of any act or omission by the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to or deposited with a third person;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982, to seek forfeiture of any other property of the defendant up to the value of the above described property in paragraph 18(a)-(e).

(Forfeiture, Title 18, United States Code, Sections 981 and 982(a)(1), and Title 28, United States Code, Section 2461(c))

A TRUE BILL

_____

FOREPERSON

_____/s/_____
STEVEN A. TYRRELL
Chief
Fraud Section, Criminal Division

_____/s/_____
HANK BOND WALTHER
Assistant Chief
LAURA N. PERKINS
Trial Attorney

_____/s/_____
CHANNING D. PHILLIPS
Acting United States Attorney
In and For the District of Columbia

_____/s/_____
MATTHEW C. SOLOMON
Assistant United States Attorney