
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

FERDI MURAT GUL,
a/k/a "Fred Gull"

: Honorable Joseph A. Dickson
:
:
: Mag. No. 15-6715
:
: **CRIMINAL COMPLAINT**

I, Matthew Grossman, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations, and that this Complaint is based on the following facts:

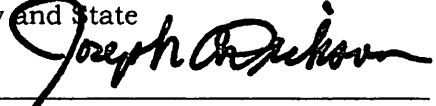
SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

Matthew Grossman, Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me and subscribed in my presence,

December 1, 2015
Date
Honorable Joseph A. Dickson
United States Magistrate Judge
Name and Title of Judicial Officer

at Newark, New Jersey
City and State

Signature of Judicial Officer

ATTACHMENT A

COUNT ONE

(Wire Fraud Conspiracy)

From at least as early as October 2010 through in or about June 2015, in Passaic County, in the District of New Jersey, and elsewhere, the defendant

**FERDI MURAT GUL,
a/k/a "Fred Gull"**

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud the U.S. Department of Defense, and to obtain money and property from the U.S. Department of Defense by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce to New Jersey, certain writings, signs, signals, and sounds, namely the e-mail communications and wire transfers described in Attachment B, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1349.

COUNT TWO

(Conspiracy to Violate the Arms Export Control Act)

From at least as early as October 2010 through in or about June 2015, in the District of New Jersey, and elsewhere, the defendant

**FERDI MURAT GUL,
a/k/a "Fred Gull"**

did knowingly and intentionally conspire and agree with others to willfully export and cause to be exported from the United States to Turkey defense articles on the United States Munitions List, Title 22, Code of Federal Regulations, 121.1, without having first obtained from the United States Department of State, Directorate of Defense Trade Controls, a license or other written approval for such exports, contrary to Title 22, United States Code, Sections 2778(b)(2) & 2778(c) and Title 22, Code of Federal Regulations, Sections 120, et seq.

In furtherance of the conspiracy, and to effect the illegal objects thereof, one or more of the conspirators knowingly performed one or more overt acts, as described in Attachment B, in the District of New Jersey.

In violation of Title 18, United States Code, Section 371.

COUNTS THREE THROUGH SEVEN

(Arms Export Control Act Violations)

On or about the dates listed in the table below, in Passaic County, in the District of New Jersey, and elsewhere, defendant

**FERDI MURAT GUL,
a/k/a "Fred Gull"**

did knowingly and willfully export from the United States to Turkey defense articles on the United States Munitions List, Title 22, Code of Federal Regulations, Section 121.1, namely the items listed in the table below, without having first obtained from the United States Department of State, Directorate of Defense Trade Controls, a license for such export.

| Count | Approximate Date | Description of Article | USML Category |
|--------------|-------------------------|---|----------------------|
| Three | May 10, 2012 | Housing Assembly – MER and TER, Drawing Number 67J45266 | IV(i); VIII(i) |
| Four | May 10, 2012 | Launcher, Rail Assembly, Drawing Number 82A5052B0225 | IV(i) |
| Five | July 21, 2012 | Support, Drawing Number 3193160 | IV(i) |
| Six | March 30, 2013 | Leaf Site and Grab, NSN 1010-01-453-5387 | II(j) |
| Seven | July 1, 2013 | Cylinder Assembly, Recoil, Drawing Number 7329949; and, Pin Retaining Recoil Cylinder, Drawing Number 7131261 | II(k) |

In violation of Title 22, United States Code, Section 2778(b)(2) & 2778(c), Title 22, Code of Federal Regulations, Section 120, et seq., and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Matthew Grossman, am a Special Agent with the U.S. Department of Homeland Security, Homeland Security Investigations ("HSI"). I have knowledge of the facts set forth below as a result of my participation in this investigation as well as from my review of reports from, and discussions with, other law enforcement personnel. Where statements of others are related herein, they are related in substance and in part. Because this complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

Background

The Defendant and Co-Conspirators

1. FERDI MURAT GUL a/k/a "Fred Gull" (hereinafter, "GUL"), is a citizen and resident of Turkey. GUL is the principal owner, chief executive officer, and general manager of two companies located in the United States, including: (a) Bright Machinery Manufacturing Group, Inc. ("BMM"), a defense contracting company located in Paterson, New Jersey; and (b) FMG Machinery Group ("FMG"), a purported manufacturing company with addresses in Paterson, New Jersey and Long Island City, New York.¹ GUL also maintains an ownership interest in HFMG Insaat ("HFMG"), a manufacturing company located in Turkey.
2. CC-1 is a naturalized U.S. citizen who was born in Turkey. According to documents obtained during this investigation, CC-1 is identified as BMM's production manager.
3. CC-2 is a naturalized U.S. citizen who was born in Turkey. According to documents obtained during this investigation, CC-2 is identified as BMM's sales and purchasing manager, and is responsible for handling the company's government sales, commercial sales, and purchasing activities.

¹ FMG's New York address is a vacant storefront with no ongoing business operations. FMG's address in Paterson, NJ is the same physical location as BMM.

Summary of the Investigation

4. An investigation conducted by HSI and the U.S. Department of Defense, Office of Inspector General, Defense Criminal Investigative Service ("DCIS"), has revealed that over approximately the last five years, BMM has fraudulently obtained hundreds of contracts with the U.S. Department of Defense ("DoD") by falsely claiming that the military parts BMM contracted to produce would be manufactured in the United States, rather than overseas. In order to perpetrate this illegal scheme, GUL, CC-1, and CC-2 (collectively, the "Defendants")² conspired to defraud the DoD and to violate the Arms Export Control Act. From October 2010 through June 2015, the total value of the contracts awarded to BMM by virtue of the Defendants' fraudulent scheme was approximately \$7,300,000 (U.S.).

5. As part of the scheme to fraudulently obtain DoD contracts, GUL routinely submitted electronic bids on DoD databases that contained false representations about the Defendants' purported domestic manufacturing operations. Specifically, GUL falsely submitted quotes to the DoD claiming that BMM would provide "Domestic End Product,"³ (i.e., generally, products made in the United States) when in fact the company relied almost exclusively on GUL's Turkish-based production facilities. GUL falsely claimed in each bid that the relevant military parts would be manufactured by BMM in the United States. In acquiring contracts pursuant to his false bids, GUL routinely and unlawfully exported drawings and technical data,⁴ some of which was subject to U.S. export control laws, in order to secretly manufacture military parts at HFMG in Turkey. The Defendants then fraudulently supplied those foreign-made parts to unwitting DoD customers in the United States.

6. Additionally, the Defendants took substantial measures to conceal their illicit manufacturing activities and ongoing fraud. For example, GUL and CC-2 routinely submitted forged certifications and fabricated information by e-mail to DoD representatives in New Jersey which falsely represented that BMM and its U.S.-based subcontractors performed necessary quality control procedures in their purported domestic manufacture of military parts. CC-1 routinely met

² On December 1, 2015, CC-1 and CC-2 were charged in a two-count criminal complaint (Mag. No. 15-6716) with violations of Title 18, United States Code, Sections 1349 and 371, respectively.

³ "Domestic End Product," in connection with DoD contracts, is defined as an end product manufactured in the United States, if the cost of its components mined, produced, and manufactured in the U.S. exceeds 50% of the cost of all its components.

⁴ "Technical data," as defined by the ITAR, includes "[i]nformation, other than software...which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles..." 22 C.F.R. § 120.10(a). Your Affiant is aware that, generally, the unlicensed and uncontrolled dissemination of technical data, both domestically and internationally, poses significant risk of potential harm to the national security interests of the United States.

with DoD representatives at BMM's New Jersey facility to review and confirm the same false information that had been electronically submitted by GUL and CC-2. Based on the Defendants' false representations, DoD personnel were deceived into authorizing payment to BMM for military parts that were not, in fact, manufactured in the United States, in direct violation of DoD protocol and, in some instances, U.S. export control laws. Additionally, the Defendants' shipping and banking transactions were conducted in a manner to eliminate any direct links between the Defendants' foreign manufacturing process at HFMG and their U.S. based-operations at BMM, as further explained herein.

Relevant Defense Contracting Procedures

7. The DoD contracts with private companies for a variety of equipment and supplies. The Defense Logistics Agency ("DLA"), a component of the DoD, provides worldwide combat logistics support to DoD military customers (including the Army, Navy, Air Force, Marine Corps, and Coast Guard) by supplying the U.S. military with equipment, materials, and services. Requests received from DoD military customers are filled through purchase orders awarded to DoD contractors by the DLA, as explained below.

8. After receiving a request from a DoD military customer, the DLA electronically issues a request for quote ("RFQ"), also referred to as a solicitation. The RFQ specifies various criteria to potential defense contractors, including but not limited to the exact part being sought for purchase, the quantity of parts needed, and the required delivery date for the parts. The RFQ includes other relevant information such as whether the drawings and/or parts are subject to U.S. export-control regulations.

9. The DLA maintains an electronic database known as the "Internet Bid Board System" ("DIBBS"), which is used to issue RFQ's. Contractors seeking to do business with the DoD electronically are required to submit a request for a "Commercial and Government Entity" ("CAGE") code, which is a five-position unique identifier assigned to entities doing business with the federal government. Using the CAGE code, prospective contractors can access DIBBS and submit a quote responsive to a given RFQ. The DLA evaluates these quotes and awards a purchase order – or contract - to the contractor. Like the RFQ, the purchase order specifies the exact part, quantity, delivery date, and other relevant information including, when applicable, export-control warnings.

10. Contractors can obtain technical data and drawings relating to government solicitations through DLA Collaboration Folders (commonly referred to as "cFolders"), which is a secure, electronic database of technical data and drawings. All cFolders users are required to have a DIBBS account. Contractors can access cFolders from DIBBS after determining that a particular solicitation is of interest to them. Technical data and drawings are only available on cFolders during the time of an active solicitation. Once a

contract is awarded, the data is only available to the contract awardee, and no other user can download data after that time.

11. In order to gain access to technical data and drawings that are subject to export control regulations, contractors must first be certified through the U.S./Canada Joint Certification Program ("JCP"). As part of the application process, contractors are required to complete and submit a document known as a Military Critical Technical Data Agreement. Significantly, as a condition of receiving militarily critical technical data, the entity or individual applying for the certification must certify that the individual who will act as the custodian of the data on behalf of the contractor is either a U.S. citizen or a person lawfully admitted into the U.S. for permanent residence status. Further, contractors must acknowledge that they understand U.S. export control laws. Contractors also must agree not to disseminate the drawings and technical data in a manner that would violate those export control laws.

12. Manufacturing companies in foreign countries such as Turkey cannot obtain JCP certification because they are not U.S. or Canadian based contractors.

13. Under standard DoD protocol, contracts awarded to manufacturers are subject to a process referred to as an "Origin Inspection." Generally, an Origin Inspection requires that a Defense Contract Management Agency Quality Assurance Representative ("QAR") must visit the contractor to inspect a sampling of parts before a contractor is allowed to ship the parts it manufactured to a given DoD customer. During a QAR's inspection, contractors are typically required to provide all supporting certifications from subcontractors as proof to the DoD that special materials inspection requirements were met, and that any and all testing requirements listed within the contract were properly completed during the manufacturing process. After a QAR's inspection is completed, the contractor is required to enter the shipping quantity of the manufactured item into the DoD's Wide Area Workflow ("WAWF") database. The QAR is then responsible for accessing the WAWF database to confirm that the inspection was completed. Upon that confirmation, payment by the DoD to the contractor is authorized. In certain instances, payment is made by the DoD to the contractor before it actually receives shipment of the respective parts.

The Arms Export Control Act

14. The U.S. Arms Export Control Act, Title 22, United States Code, Section 2778 ("AECA" or the "Act"), authorizes the President to control the export of defense articles and services from the United States. The Act requires every person engaged in the business of exporting defense articles from the United States to obtain a license or other approval from the United States Department of State. 22 U.S.C. § 2778(b)(1)(A)(I). The regulations promulgated pursuant to the Act, known as the International Traffic in Arms Regulations ("ITAR"), define

exporting to include, among other things: “[s]ending or taking a defense article out of the United States in any manner” 22 C.F.R. § 120.17.

15. The ITAR defines a defense article to be any item or technical data designated on the United States Munitions List (“USML”) contained in the regulations. The USML sets forth twenty-one categories of defense articles that are subject to export licensing controls by the United States Department of State’s Directorate of Defense Trade Controls (“DDTC”). 22 C.F.R. § 121.1. Such items are designated within the USML if they are “specifically designed, developed, configured, adopted, or modified for a military application,” do “not have predominant civil applications,” and do “not have performance equivalent....to those of an article or service used for civil applications.’ 22 C.F.R. § 120.3(a).

16. Unless specifically exempted, persons engaged in the export of defense articles, including technical data, covered by the USML must be registered with the DDTC, and must apply for and receive a valid license or other approval to export the defense article from the United States. Moreover, the DDTC maintains records of companies and individuals who have registered with the DDTC and applied for and received export licenses.

The Defendants’ Criminal Activities

17. GUL registered HFMG as a foreign contractor⁵ in the U.S. government’s System for Award Management (“SAM”) database⁶ in August 2006. From in or about 2008 through in or about 2011, DoD records indicate that HFMG was awarded approximately 38 contracts to produce foreign-made goods, with a total value of approximately \$749,910.

18. While HFMG was able to acquire bids as a foreign contractor during that timeframe, it could not legally obtain more lucrative contracts for the domestic manufacture of export-controlled defense articles. Accordingly, in order to maximize profits, and in an effort to obtain access to bids typically unavailable to foreign contractors, GUL and CC-1 established front-companies in the U.S. to fraudulently obtain domestic DoD contracts.

⁵ As a foreign contractor, HFMG was classified as a “non-manufacturer,” which means that the company was permitted to supply “Qualifying Country End Products” (i.e., foreign made products) from Turkey to U.S. vendors. Conversely, HFMG was not authorized to supply U.S. vendors with Domestic End Products. Additionally, in the absence of a license issued by the U.S. Department of State, HFMG was not permitted to access databases containing solicitations for bids on government contracts involving the manufacture of export-controlled defense articles. Similarly, HFMG was not permitted to bid on government contracts which had been reserved – or “set aside” – for small businesses pursuant to guidelines established by the U.S. Small Business Association (“SBA”).

⁶ The SAM database is the vehicle through which government contractors, including DoD contractors, provide the government with corporate contact information, including financial information and corporate leadership.

19. In or about November 2008, as part of this scheme, FMG was incorporated in New York. GUL was listed as the registered agent and the sole managing member for FMG. GUL subsequently opened at least three business bank accounts in the name of FMG at a U.S. bank (the "FMG Accounts"). GUL and CC-1 are the only signatories for the FMG Accounts.

20. In or about August 2010, BMM was incorporated in New Jersey. GUL was listed as the registered agent and the sole managing member for BMM. GUL subsequently opened at least six business bank accounts in the name of BMM at two U.S. banks (the "BMM Accounts"). GUL and CC-1 are the only signatories for the BMM Accounts.⁷

21. Also in or about August 2010, BMM was registered as a domestic contractor in the SAM database. BMM's Paterson, New Jersey address was listed as its physical location and mailing address. According to the SAM database, GUL was listed as BMM's owner, and also as BMM's primary point of contact ("POC"). Under the SAM database entries for both "Electronic Business POC" and "Government Business POC," GUL was listed as the primary POC with a specific contact e-mail address (the "GUL E-mail Account"). Additionally, BMM was assigned a CAGE code so that the company could do business with the DoD electronically.

22. As a Turkish citizen and resident, however, GUL was not permitted to obtain access to export-controlled information on the cFolders database, which access was necessary for GUL's illicit manufacture of military parts overseas. In October 2010, in order to evade this restriction, GUL and CC-1 submitted a Military Critical Technical Data Agreement to the DoD. The document falsely represented that CC-1, as a U.S. citizen, would be the primary "data custodian" for export-controlled information, and that such material would not be disseminated in a manner that would violate U.S. export control laws. Based on these false representations, BMM was granted JCP certification; additionally, GUL and CC-1 were afforded access to the cFolders database. Through this access, GUL and CC-1 created "user accounts" and were each assigned an individual user code.

23. From October 2010 through June 2015, GUL used his fraudulently obtained personal code to access U.S. government databases, to bid on military contracts, and to download thousands of drawings, some of which were subject to U.S. export control regulations, without obtaining export licenses from the U.S. Department of State (the "DOS"). In fact, records reviewed by law enforcement agents confirm that GUL's personal code was the only BMM-

⁷ DoD electronic payments are processed through the Defense Finance and Accounting Service ("DFAS"). DFAS is the DoD agency responsible for paying contractors for goods and services provided. During the course of the scheme, payments to BMM from the DoD were electronically wired to the BMM bank account.

affiliated code used to access these drawings during this timeframe. Significantly, travel records confirm GUL was not in the United States when the majority of the drawings were downloaded. Drawings and technical data subject to export control laws cannot be provided to manufacturers in Turkey without an export license from the DOS.

24. The DOS has further determined that several of the drawings GUL downloaded while he was abroad were items on the USML, thereby requiring an export license. A review of DOS databases has confirmed that no export licenses were applied for by the Defendants, nor granted to the Defendants, for any of those export-controlled drawings.

25. During the course of this scheme, BMM fraudulently acquired approximately 346 contracts from the DoD for the purported domestic manufacture of military parts. Financial records reviewed during this investigation have confirmed that from in or about 2011 through 2015, GUL and CC-1 transferred approximately \$7 million in unlawfully obtained DoD funds from the BMM Accounts, through the FMG Accounts, to accounts held by GUL and HFMG in Turkey.

26. Specific examples of the Defendants' criminal conduct are detailed in Sections A through F, below.

A. DLA Contract # SPE4A6-13-M-D406

i. On January 17, 2013, GUL used BMM's CAGE code to access the DIBBS system. GUL submitted a bid containing false statements in order to obtain a contract to supply a quantity of parts to DLA known as "Housing, Electrical Rotating Equipment" which aid the control of fuel flow to torpedoes (the "Torpedo Parts").⁸ The bid submitted by GUL falsely stated that BMM, as a U.S. based manufacturer, would provide Domestic End Product. Only U.S. based contractors with JCP certification were eligible to obtain this contract.

ii. On April 4, 2013, based on GUL's false bid to the DoD, BMM was awarded a purchase order to provide a quantity of Torpedo Parts to the DoD.⁹ The contract itself listed BMM at its New Jersey address as the "Contractor," and stated that the item BMM was contracted to produce was subject to export-control regulations.

⁸ The types of torpedoes which utilize the Torpedo Parts include the Mark 54 Lightweight Torpedo and the Mark 48 Advanced Capability (ADCAP) Torpedo. These torpedoes are employed in many classes of U.S. Navy submarines for both anti-submarine and anti-surface warfare.

⁹ The DLA contract number assigned to this purchase order was SPE4A6-13-M-D406.

iii. On July 5, 2013, a DLA representative sent an e-mail to BMM at the GUL E-mail Account to inquire whether expedited delivery would be possible for the Torpedo Parts. On or about July 5, 2013, GUL replied via e-mail and stated, "We are planning to complete manufacturing operations and to have the contract inspected by the end of August 2013."

iv. On August 24, 2013, GUL used the GUL E-mail Account to contact the QAR assigned by DoD to inspect the Torpedo Parts. In this communication, GUL provided the QAR with a number of forged certifications. According to GUL, the certifications were purportedly prepared by three different U.S.-based subcontractors hired by the Defendants to assist BMM. These certifications were intended to deceive the QAR that all necessary tests and processes were utilized by BMM in its domestic manufacture of the Torpedo Parts.

v. On August 28, 2013, the QAR met with CC-1 at BMM's facility in NJ to personally inspect several of the Torpedo Parts. During this meeting, CC-1 further confirmed that all of the necessary testing and processes had been completed in accordance with the forged certifications previously provided by GUL. In reliance upon the false information the QAR received from GUL and CC-1, the QAR approved DoD payment for the Torpedo Parts contract.

vi. On September 3, 2013, government records confirm that Torpedo Parts were delivered by the Defendants to DLA. On September 9, 2013, DoD sent a wire transfer to the BMM Accounts containing partial payment for its services. On September 12, 2013, banking records confirm wire transfers of similar amounts made from the BMM Accounts to the FMG Accounts, and ultimately from the FMG Accounts to the HFMG business bank account in Turkey. Your Affiant has concluded that these banking transactions were intended to conceal the Defendants' ongoing criminal operations by eliminating direct financial links between HFMG in Turkey and BMM in New Jersey.

vii. Subsequent testing by DLA personnel of several Torpedo Parts provided by the Defendants revealed numerous design flaws. In order to confirm the source of the non-conformities, DLA representatives contacted the subcontractors who purportedly prepared the certifications provided by GUL to the QAR. Significantly, as confirmed by Your Affiant, each of the subcontractors stated that the certifications were, in fact, forgeries, and that they had not worked with BMM in the production of the Torpedo Parts, as falsely represented by GUL and CC-1.¹⁰

¹⁰ Your Affiant's review of DoD records during this investigation indicates that DoD has routinely encountered significant problems with the quality of the parts provided by BMM. The records Your Affiant has reviewed include the following: (i) Government Industry Data

B. DLA Contract # SPM7L4-12-M-1687 (Count Three)

i. On May 10, 2012, GUL used BMM's CAGE code to access the DIBBS system. GUL submitted a bid containing false statements in order to obtain a contract to supply DLA with a quantity of parts known as "Housing, Ejector Rack," which are components of bomb ejector racks for the A-10 Thunderbolt II and F-16 Fighting Falcon aircraft (the "Bomb Ejector Parts").¹¹ The false bid submitted by GUL claimed that BMM was a U.S. based manufacturer and that domestic end product would be provided. Only U.S.-based contractors with JCP certification were eligible to obtain this contract.

ii. In connection with his false bid, GUL used his fraudulently obtained personal code to download technical drawings¹² from the cFolders database which were necessary for the manufacture and production of the Bomb Ejector Parts. The DLA contract contained warnings stating that the Bomb Ejector Parts were defense articles subject to the ITAR and AECA regulations and licensing restrictions. A review of law enforcement and open source databases has confirmed that GUL was not in the United States when those drawings were downloaded.

iii. Based on GUL's false bid to the DoD, on or about June 13, 2012, BMM was awarded a purchase order to provide a quantity of Bomb Ejector Parts for DLA.¹³ The contract itself listed BMM at its New Jersey

Exchange Program ("GIDEP") records, through which one DoD component may notify other DoD components that certain parts are defective and should be removed from the supply chain; and (2) Product Quality Deficiency Reports ("PQDRs"), which document deficiencies detected in new government property. Specifically, from in or about March 2013 through in or about April 2014, at least fourteen (14) BMM contracts were found to have been non-conforming in some way. In Your Affiant's experience, a large volume of defective parts produced by a given manufacturer is indicative of the company's general absence of quality and workmanship throughout the supply chain, which is common when parts are unlawfully manufactured outside the U.S. without the implementation of proper testing requirements. The value of the contracts for the afore-mentioned failed parts attributable to BMM exceeds \$350,000; of course, this figure excludes repair and replacement costs, and does not account for any potential harm or difficulties encountered by U.S. military personnel who may ultimately use a non-conforming part.

¹¹ The A-10 Thunderbolt II is generally described as a fixed-wing aircraft designed and used by the U.S. Air Force for close air support, forward air control, and ground attack purposes. The F-16 Fighting Falcon is generally described as a single engine, multi-role fighter aircraft, also used by the U.S. Air Force.

¹² The relevant technical drawing is specifically identified as Drawing Number 67J45266.

¹³ The DLA contract number assigned to this purchase order was SPM7L4-12-M-1687. The contract contained, in part, the following export control warnings: "This item is a 'defense article' as defined in and subject to the International Traffic in Arms Regulations (22 C.F.R. 120-30) and the Arms Export Control Act (22 U.S.C.A. 2778-2799...this item has technical data that is subject to export-control regulations..."

address as the "Contractor," and stated that the item BMM was contracted to produce was subject to export-control regulations.

iv. On January 29, 2013, and May 15, 2014, GUL used the GUL E-mail Address to contact the QAR assigned by DoD to inspect the Bomb Ejector Parts. In these communications, GUL provided the QAR with forged certifications purportedly prepared by several U.S.-based subcontractors hired by the Defendants to assist BMM. These certifications were intended to deceive the QAR that all necessary tests and processes were utilized by BMM in its domestic manufacture of the Bomb Ejector Parts.

v. Subsequent to his receipt of the certifications from GUL, the QAR met with CC-1 at BMM's facility in New Jersey to personally inspect several samples of the Bomb Ejector Parts. During these meetings, CC-1 further confirmed that all of the necessary testing and processes had been completed during the manufacturing process of the Bomb Ejector Parts, in accordance with the forged certifications previously provided by GUL. In reliance upon the false information the QAR received from GUL and CC-1, the QAR ultimately approved DoD payment to BMM for the Bomb Ejector Parts contract.

vi. On May 27, 2014, in anticipation of the completion of the contract by BMM, the DoD sent a wire transfer to the BMM Accounts as payment for its alleged services. On May 29, 2014, banking records confirm wire transfers of similar amounts made from the BMM Accounts to the FMG Accounts, and ultimately from the FMG Accounts to the HFMG business bank account in Turkey. Your Affiant has concluded that these banking transactions were intended to conceal the Defendants' ongoing criminal operations by eliminating direct financial links between HFMG in Turkey and BMM in New Jersey.

vii. On or about June 24, 2014, agents with the United States Department of Homeland Security, Customs and Border Protection ("CBP"), lawfully searched the contents of an inbound shipment sent from HFMG in Turkey. The shipment contained dozens of Bomb Ejector Parts manufactured and shipped by HFMG pursuant to the DLA contract, several of which were engraved with BMM's assigned CAGE code. Additionally, an invoice included within the shipping records falsely indicated that the Bomb Ejector Parts were sold by HFMG to FMG, rather than to the DoD. In fact, there was no reference in any of the invoice or shipping documents to the DoD or to the DLA contract. Your Affiant's review of these documents, as well as other records, invoices, and shipments seized in connection with this investigation indicates that the Defendants' shipping practice in this instance was intended to obscure any direct links between the Defendants' foreign manufacturing operations at HFMG and their U.S. based operations at BMM.

viii. By letter dated October 22, 2015, the DOS confirmed that the technical drawings necessary to manufacture the Bomb Ejector Parts, which were initially downloaded by GUL on May 10, 2012, are designated as defense articles on the USML. GUL did not obtain an export license from the DOS for the export of those drawings, and was not permitted to manufacture the Bomb Ejector Parts outside the U.S.

ix. Additionally, Your Affiant has confirmed that the U.S. based subcontractor certifications provided by the Defendants to the QAR were, in fact, forgeries, and that the subcontractors did not work with BMM in the production of the Bomb Ejector Parts, as falsely alleged by GUL and CC-1.

C. DLA Contract # SPM7L4-13-M-1634 (Count Four)

i. On or about February 20, 2013, GUL used BMM's CAGE code to access the DIBBS system. GUL submitted a bid containing false statements in order to obtain a contract to supply DLA with a quantity of parts known as "Launcher, Rail Assembly," which are components of the MK 155 Mine Clearance Launcher (the "Launcher Parts").¹⁴ The false bid submitted by GUL claimed that BMM was a U.S. based manufacturer and that domestic end product would be provided. Only U.S.-based contractors with JCP certification were eligible to obtain this contract.

ii. In connection with his false bid, GUL used his fraudulently obtained personal code to download technical drawings from the cFolders database which were necessary for the manufacture and production of the Launcher Parts.¹⁵ The DLA contract contained warnings stating that the Launcher Parts were defense articles subject to the ITAR and AECA regulations and licensing restrictions. A review of law enforcement and open source databases has confirmed that GUL was not in the United States when those drawings were downloaded.

iii. Based on GUL's false bid to the DoD, on or about March 19, 2013, BMM was awarded a purchase order to provide a quantity of Launcher Parts for DLA.¹⁶ The contract itself listed BMM at the New Jersey Address as the "Contractor," and stated that the item BMM was contracted to produce was subject to export-control regulations.

¹⁴ The MK155 Mine Clearance Launcher is part of the Mark 2 Mod Mine Clearance System used by U.S. military forces, and is designed to clear a lane through a minefield during a breaching operation.

¹⁵ The relevant technical drawing is specifically identified as Drawing Number 82A5052B0225.

¹⁶ The DLA contract number assigned to this purchase order was SPM7L4-13-M-1634. The contract contained, in part, the following export control warnings: "This item is a 'defense article' as defined in and subject to the International Traffic in Arms Regulations (22 C.F.R. 120-30) and the Arms Export Control Act (22 U.S.C.A. 2778-2799...this item has technical data some or all of which is subject to export-control regulations..."

iv. On or about November 4, 2013, GUL used the GUL E-mail Account to send the QAR false certifications from numerous subcontractors, which were intended to deceive the QAR about the materials, workmanship, and testing protocols utilized by BMM and its subcontractors while purportedly manufacturing the Launcher Parts in the United States.

v. On or about November 6, 2013, the QAR met with CC-1 at BMM's facility in New Jersey to personally inspect a sample of the Launcher Parts. During this meeting, CC-1 further confirmed that all of the necessary testing and processes for the manufacture of the Launcher Parts had been completed in accordance with the forged certifications previously provided by GUL. In reliance upon the false information the QAR received from GUL and CC-1, the QAR ultimately approved DoD payment to BMM for the Launcher Parts contract.

vi. On or about November 6, 2013, in anticipation of the completion of the contract by BMM, the DoD sent a wire transfer to the BMM Accounts in the amount of \$9,984.00, as payment for its alleged services. Banking records confirm subsequent wire transfers of similar amounts made from the BMM Accounts to the FMG Accounts, and ultimately from the FMG Accounts to the HFMD business bank account in Turkey. Your Affiant has concluded that these banking transactions were intended to conceal the Defendants' ongoing criminal operations by eliminating direct financial links between HFMD in Turkey and BMM in New Jersey.

vii. Documents retrieved pursuant to court-authorized search warrants of various e-mail accounts confirm that the Defendants initially shipped a package containing Launcher Parts from HFMD in Turkey to FMG in New Jersey on or about September 21, 2013. The Launcher Parts were then shipped from BMM's New Jersey location to DLA following the QAR's inspection. Your Affiant's review of these documents, as well as other records, invoices, and shipments seized in connection with this investigation indicates that the Defendants' shipping practice in this instance was intended to obscure any direct links between the Defendants' foreign manufacturing operations at HFMD and their U.S. based operations at BMM.

viii. By letters dated August 19, 2015, and October 22, 2015, respectively, the DOS confirmed that the technical drawings necessary to manufacture the Launcher Parts, which were downloaded by GUL on May 10, 2012, are designated as defense articles on the USML. GUL did not obtain an export license from the DOS for the export of those drawings, and was not permitted to manufacture the Launcher Parts outside the U.S.

ix. Additionally, Your Affiant has confirmed that the U.S. based subcontractor certifications provided by the Defendants to the QAR were, in fact, forgeries, and that the subcontractors did not work with BMM in the production of the Launcher Parts, as falsely alleged by GUL and CC-1.

D. DLA Contract # SPM7L4-13-M-0976 (Count Five)

i. On January 12, 2013, GUL used BMM's CAGE code to access the DIBBS system. GUL submitted a bid containing false statements in order to obtain a contract to supply DLA with a quantity of parts known as "Base, Cannon, Support," which are components of the MK 137 Automated Launch of Expendables System (the "Support Parts").¹⁷ The false bid submitted by GUL claimed that BMM was a U.S. based manufacturer and that domestic end product would be provided. Only U.S.-based contractors with JCP certification were eligible to obtain this contract.

ii. In connection with his false bid, GUL used his fraudulently obtained personal code to download technical drawings from the cFolders database which were necessary for the manufacture and production of the Support Parts.¹⁸ Those drawings contain warnings stating that the export of the drawings to places outside the United States is restricted by the AECA. A review of law enforcement and open source databases has confirmed that GUL was not in the United States when those drawings were downloaded.

iii. Based on GUL's false bid to the DoD, on January 17, 2013, BMM was awarded a purchase order to provide a quantity of Support Parts for DLA.¹⁹ The contract itself listed BMM at its New Jersey address as the "Contractor," and stated that the item BMM was contracted to produce was subject to export-control regulations.

iv. On January 21, 2014, GUL used the GUL E-mail Account to send the QAR false certifications from numerous subcontractors, which were intended to deceive the QAR about the materials, workmanship, and testing protocols utilized by BMM and its subcontractors while purportedly manufacturing the Support Parts in the United States.

v. On or about January 24, 2014, the QAR met with CC-1 at BMM's facility in New Jersey to personally inspect a sample of the Support Parts. During this meeting, CC-1 further confirmed that all of the necessary

¹⁷ The MK 137 Automated Launch of Expendables ("ALEX") System is a countermeasure system used by the U.S. Navy to protect naval assets through the use of predetermined decoy launch tactics.

¹⁸ The relevant technical drawing is specifically identified as Drawing Number 3193160. The diagram contains the following statement: "Export Control Warning: Warning. This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C. Sec 2751 et seq.) or Executive Order 12470. Violations of these export laws are subject to severe criminal penalties..."

¹⁹ The DLA contract number assigned to this purchase order was SPM7L4-13-M-0976. The contract contained, in part, the following export control warnings: "This item is a 'defense article' as defined in and subject to the International Traffic in Arms Regulations (22 C.F.R. 120-30) and the Arms Export Control Act (22 U.S.C.A. 2778-2799...this item has technical data some or all of which is subject to export-control regulations..."

testing and processes for the manufacture of the Support Parts had been completed in accordance with the forged certifications previously provided by GUL. In reliance upon the false information the QAR received from GUL and CC-1, the QAR ultimately approved DoD payment to BMM for the Support Parts contract.

vi. Documents obtained pursuant to court-authorized search warrants of various e-mail accounts confirm that the Defendants shipped a package containing Support Parts from HFMG in Turkey to FMG in New Jersey on or about January 23, 2014. Your Affiant's review of these documents, as well as other records, invoices, and shipments seized in connection with this investigation indicates that the Defendants' shipping practice in this instance was intended to obscure any direct links between the Defendants' foreign manufacturing operations at HFMG and their U.S. based operations at BMM.

vii. On or about January 28, 2014, in anticipation of the receipt of the Support Parts, the DoD sent a wire transfer to the BMM Accounts in the amount of \$36,709.20 as payment for its alleged services. Shortly thereafter, banking records confirm wire transfers made from the BMM Accounts to the FMG Accounts, and ultimately from the FMG Accounts to the HFMG business bank account in Turkey. Your Affiant has concluded that these banking transactions were intended to conceal the Defendants' ongoing criminal operations by eliminating direct financial links between HFMG in Turkey and BMM in New Jersey.

viii. By letter dated October 22, 2015, the DOS confirmed that the technical drawings necessary to manufacture the Support Parts, which were initially downloaded by GUL on July 21, 2012, are designated as defense articles on the USML. GUL did not obtain an export license from the DOS for the export of those drawings, and was not permitted to manufacture the Support Parts outside the U.S.

ix. Additionally, Your Affiant has confirmed that the U.S. based subcontractor certifications provided by the Defendants to the QAR were, in fact, forgeries, and that the subcontractors did not work with BMM in the production of the Support Parts, as falsely alleged by GUL and CC-1.

E. DLA Contract # SPM7L4-13-M-1974 (Count Six)

i. On or about April 5, 2013, GUL used BMM's CAGE code to access the DIBBS system. GUL submitted a bid containing false statements in order to obtain a contract to supply DLA with a quantity of parts known as "Leaf Sight and Grab" and "Seal Assembly," which are components of the M203 Grenade Launcher system (the "Grenade Parts").²⁰ The false bid submitted by

²⁰ The M203 Grenade Launcher is an anti-personnel weapon system generally used by U.S. military forces for close fire support against various targets. This weapon system is equipped

GUL claimed that BMM was a U.S. based manufacturer and that domestic end product would be provided. Only U.S.-based contractors with JCP certification were eligible to obtain this contract.

ii. Travel records reviewed during this investigation confirm that GUL arrived in the U.S. from Turkey on March 22, 2013. In connection with his false bid, on or about March 26, 2013, GUL used his fraudulently obtained personal code to download technical drawings from the cFolders database which were necessary for the manufacture and production of the Grenade Parts.²¹ The DLA contract contained warnings stating that the Grenade Parts were defense articles subject to ITAR and AECA regulations and licensing restrictions. GUL subsequently departed the U.S. for Turkey on March 30, 2013.

iii. Based on GUL's false bid to the DoD, on or about April 24, 2013, BMM was awarded a purchase order to provide a quantity of Grenade Parts for DLA.²² The contract itself listed BMM at its New Jersey address as the "Contractor," and stated that the item BMM was contracted to produce was subject to export-control regulations.

iv. On or about December 27, 2013, GUL used the GUL E-mail Account to send the QAR false certifications from numerous subcontractors, which were intended to deceive the QAR about the materials, workmanship, and testing protocols utilized by BMM and its subcontractors while purportedly manufacturing the Grenade Parts in the United States.

v. On September 24, 2014, the QAR met with CC-1 at BMM's facility in New Jersey to personally inspect a sample of the Grenade Parts. During this meeting, CC-1 further confirmed that all of the necessary testing and processes for the manufacture of the Grenade Parts had been completed in accordance with the forged certifications previously provided by GUL. Additionally, CC-1 falsely represented that the entire quantity of parts for the contract were presently located at BMM's New Jersey facility, packaged, and ready for shipment to the DoD. In reliance upon the false information the QAR received from GUL and CC-1, the QAR approved DoD payment for the Grenade Parts contract.

with a variety of components, including the launcher, adaptors for attachment to assault rifles, and leaf sites which can be used with the rifle's front site post.

²¹ The relevant technical drawing is specifically identified as Drawing Number 12598117. The National Stock Number, or "NSN," for the "Leaf Site and Grab" is 1010-01-453-5387.

²² The DLA contract number assigned to this purchase order was SPM7L4-13-M-1974. The contract contained, in part, the following export control warnings: "This item is a 'defense article' as defined in and subject to the International Traffic in Arms Regulations (22 C.F.R. 120-30) and the Arms Export Control Act (22 U.S.C.A. 2778-2799...this item has technical data some or all of which is subject to export-control regulations..."

vi. Shortly thereafter, in anticipation of the completion of the contract by BMM, the DoD sent a wire transfer in the amount of \$121,419.00 to the BMM Accounts as payment for its alleged services. Banking records confirm subsequent wire transfers of similar amounts made from the BMM Accounts to the FMG Accounts, and ultimately from the FMG Accounts to the HFMG business bank account in Turkey. Your Affiant has concluded that these banking transactions were intended to conceal the Defendants' ongoing criminal operations by eliminating direct financial links between HFMG in Turkey and BMM in New Jersey.

vii. On or about September 26, 2014, the Defendants shipped the actual Grenade Parts from HFMG in Turkey via air cargo to FMG in New Jersey. The shipment contained a detailed commercial invoice and packing list, which indicated that the cargo contained 900 "leaf site and grab" units, and 138 "seal assembly" units (*i.e.*, the Grenade Parts). CC-2 was the listed recipient of the shipment at FMG's New Jersey address. However, the cargo was first routed through a United Parcel Service ("UPS") facility in Louisville, Kentucky, prior to its ultimate destination at FMG. CBP officials at the UPS facility subsequently conducted a routine border search of the shipment, whereupon the Grenade Parts were discovered.

xiii. By letter dated October 28, 2015, the DOS confirmed that the Grenade Parts are designated as defense articles on the USML. The Defendants did not obtain a license from the DOS for the export or temporary import of these items, and were not permitted to manufacture the Grenade Parts outside the U.S.

ix. Additionally, Your Affiant has confirmed that the U.S. based subcontractor certifications provided by the Defendants to the QAR were, in fact, forgeries, and that the U.S. subcontractors did not work with BMM in the production of the Grenade Parts, as falsely alleged by GUL and CC-1.

F. DLA Contract # SPM7L4-14-M-0157 (Count Seven)

i. On or about September 27, 2013, GUL used BMM's CAGE code to access the DIBBS system. GUL submitted a bid containing false statements in order to obtain a contract to supply DLA with a quantity of parts known as "Cylinder, Recoil," which are components of the AC 130H Gunship's 40mm cannon weapon system (the "Cannon Parts").²³ The false bid submitted by GUL claimed that BMM was a U.S. based manufacturer and that domestic end product would be provided. Only U.S.-based contractors with JCP certification were eligible to obtain this contract.

²³ The AC 130 gunship is a fixed-wing, ground attack and close air support gunship used by the U.S. Air Force. The armament utilized by the AC 130 includes the USAF 40 mm gun (generally described as a multi-purpose auto cannon).

ii. In connection with his false bid, GUL used his fraudulently obtained personal code to download technical drawings from the cFolders database which were necessary for the manufacture and production of the Cannon Parts.²⁴ Those drawings contain warnings stating that the export of the drawings to places outside the United States is restricted by the AECA. A review of law enforcement and open source databases has confirmed that GUL was not in the United States when those drawings were downloaded.

iii. Based on GUL's false bid to the DoD, on or about October 30, 2013, BMM was awarded a purchase order to provide a quantity of Cannon Parts for DLA.²⁵ The contract itself listed BMM at its New Jersey address as the "Contractor," and stated that the item BMM was contracted to produce was subject to export-control regulations.

iv. On or about October 1, 2014, GUL used the GUL E-mail Account to send the QAR false certifications from numerous subcontractors, which were intended to deceive the QAR about the materials, workmanship, and testing protocols utilized by BMM and its subcontractors while purportedly manufacturing the Cannon Parts in the United States.

v. On February 19, 2015, the QAR met with CC-1 at BMM's facility in New Jersey to personally inspect a sample of the Cannon Parts. During this meeting, CC-1 further confirmed that all of the necessary testing and processes for the manufacture of the Cannon Parts had been completed in accordance with the forged certifications previously provided by GUL.

vii. According to documents obtained pursuant to court-authorized search warrants of various e-mail accounts, the Defendants shipped a package containing Cannon Parts from HFMG in Turkey to FMG in New Jersey on or about July 24, 2014. Your Affiant's review of these documents, as well as other records, invoices, and shipments seized in connection with this investigation indicates that the Defendants' shipping practice in this instance was intended to obscure any direct links between the Defendants' foreign manufacturing operations at HFMG and their U.S. based operations at BMM.

viii. By letter dated August 18, 2015, the DOS confirmed that the technical drawings necessary to manufacture the Cannon Parts, which were downloaded by GUL on July 1, 2013, are designated as defense articles on the USML. GUL did not obtain an export license from the DOS for the export of

²⁴ The relevant technical drawings are specifically identified as Drawing Numbers 7329949 and 7131261. Each diagram contains the following statement: "Export Control Warning: Warning. This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C. Sec 2751 *et seq.*) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App 2401, *et seq.* Violations of these export laws are subject to severe criminal penalties..."

²⁵ The DLA contract number assigned to this purchase order was SPM7L4-13-M-0157.

those drawings, and was not permitted to manufacture the Cannon Parts outside the U.S.

ix. Additionally, Your Affiant has confirmed that the U.S. based subcontractor certifications provided by the Defendants to the QAR were, in fact, forgeries, and that the subcontractors did not work with BMM in the production of the Cannon Parts, as falsely alleged by GUL and CC-1.