

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

| | | |
|--------------------------|---|-------------------|
| UNITED STATES OF AMERICA | § | |
| | § | No. 5:22-CR-00013 |
| v. | § | JUDGES RWS-JBB |
| | § | |
| JOHN MARK LEVERITT II | § | |
| A/K/A "MARK LEVERITT" | § | |

FACTUAL BASIS

I, the defendant, John "Mark" Leveritt II, committed the conduct described in Count One of the Information, which charges a violation of 15 U.S.C. § 1, conspiracy to restrain trade through bid rigging. I am pleading guilty in this case because I am in fact guilty of the violation alleged. I have had an opportunity to consult with an attorney, and I am satisfied with the advice and counsel I have received. I am pleading guilty because I believe it is in my own strategic best interest based on all the facts known to me, which I have shared with my attorney. I have reviewed the elements of the offense with my attorney. I agree that each element is satisfied in this case. Additionally, I have reviewed with my attorney the sentencing stipulations in my Plea Agreement; I agree that each stipulation accurately reflects my conduct. I further agree that the following Factual Basis is true and correct:

Overview of the Conspiracy:

During the “relevant period”, beginning at least in or around May 2013, and continuing through at least in or around April 2018, I provided contracting services for the government, with a particular focus on vehicle parts and refurbishment. Firms that I led, directed, managed, or otherwise controlled, served as both prime contractors and subcontractors on United States Military contracts for the Red River Army Depot (RRAD) in Texarkana, Texas and the U.S. Army Contracting Command in Warren, Michigan. While my roles with these companies varied, during relevant times, I was the owner of JML Logistics, and, at times, I also led, in whole or in part; directed, in whole or in part; managed, in whole or in part; and/or submitted bids or caused to be submitted bids on behalf of, the following business entities: HP LogIT, Kamlo, Texarkana Parts & Logistics, White’s Paint Blast, and Badger Truck Center.

I knowingly entered into an agreement with COCONSPIRATOR 1, and others, to restrain trade by submitting coordinated, non-competitive, and complementary bids on certain government contracts. The purpose and effect of this agreement was to rig bids and give the false impression of competition in order to obtain and secure government contracts and receive payment thereof.

In addition, in order to obtain access to certain government contracts reserved for qualifying small businesses or qualifying businesses owned and operated by certain categories of minority, disadvantaged, or disabled persons (*i.e.* “set aside contracts”), I placed bids on behalf of Kamlo for certain government contracts, knowing that, for certain contracts, the work for said contracts could not and would not be performed by Kamlo, but would instead, be performed by other entities. In order to place these bids, I knowingly made the materially false representation to the federal government that I was an employee of Kamlo, specifically a “Jobs Manager” or “Sales Manager”, when I was not, in fact, ever employed by Kamlo. Despite not being a paid employee of Kamlo, the owner of Kamlo granted me authority and permission to represent myself as an agent of Kamlo, and to submit bids to the government on Kamlo’s behalf.

During the relevant period, and during the performance of the contracts affected by my conduct, Kamlo represented itself to be eligible for certain set aside contracts as a Service Disable Veteran Owned Small Business (SDVOSB).

COCONSPIRATOR 1 is an acquaintance of mine. Our relationship allowed us to engage in the conduct described herein.

During the course of my conduct in the conspiracy, I knowingly agreed and conspired to rig at least seven different bids for government contracts. I

understand that each of these rigged bids constitutes an overt act performed in furtherance of the conspiracy. The details, and some of the factual circumstances, of these rigged bids are summarized below.

Rigged Bid 1:

On or about May 15, 2013, the RRAD issued a solicitation for contract number W911-RQ-13-D-0016, for the refurbishment of add-on armor kits for Heavy Expanded Mobility Tactical Truck (HEMTT) vehicles and certain related work. The contract was completely set aside for businesses that qualified as SDVOSBs. I submitted a non-competitive bid on behalf of Kamlo, affirmatively representing myself to be a Jobs Manager for that company. In fact, (1) I had no intention of winning this bid; (2) I knew I was not employed by Kamlo; and (3) I placed this bid after having coordinated with COCONSPIRATOR 1 with the knowledge that my bid would be higher than a bid placed by COCONSPIRATOR 1 for the firm HP LogIT. The bid I placed was for a total of \$ 12.425 million. The winning bid placed by COCONSPIRATOR 1 was for a total of \$ 10.2 million. HP LogIT was paid a total of \$ 6,546,422.25. Payments for this contract were made to HP LogIT by the government up to and through on or about January 18, 2018.

Rigged Bid 2:

In or around January 2014, I planned to obtain work from the RRAD to furnish certain wire harnesses. In order to obtain this contract, I coordinated

with COCONSPIRATOR 1 and asked him to submit a coordinated, complementary, and non-competitive bid. I sent COCONSPIRATOR 1 the following e-mail.

From: **Mark Leveritt** <mark.leveritt@gmail.com>
Date: Monday, January 27, 2014
Subject: Need a second quote
To: [REDACTED]

[REDACTED]

Would you please send the attached quote to [REDACTED] I need a competitive bid from you so I can close this deal on a few wiring harnesses. His email is below and your quote attached. Please put it on letter head and send him a new email with it attached

[REDACTED]

Thank you sir

Mark

Attached to this e-mail was a fully prepared quote, including pricing of \$4,140, for COCONSPIRATOR 1 to submit. I placed a bid of \$3,000 on behalf of JML Logistics. I, through JML Logistics, was awarded the work for this contract and was paid \$3,000 for the work.

Rigged Bid 3:

On or about May 1, 2014, the RRAD issued a solicitation for contract number W911-RQ-14-P-0068, for the inspection, inventory, refurbishment, and packaging standards of doors for military vehicles known as Family of

Medium Tactical Vehicles (FMTVs), as well as related work. This contract was 100% set aside for qualifying small businesses.

For this bid, I submitted a non-competitive, complementary bid on behalf of Kamlo. I affirmatively represented, under signature, myself as being a Sales Manager for Kamlo, knowing that I was not employed by the company. In fact, I submitted that bid on behalf of Kamlo at the request and direction of COCONSPIRATOR 1, who sent me the below e-mail, which included the price at which COCONSPIRATOR 1 wished me to place my bid.

Mark Leveritt <mark.leveritt@gmail.com>


6/16/2014 9:39:38 PM

Fwd: removal of B armor (UNCLASSIFIED)

Need you to price this at \$1050 each

Sent from my iPhone

Begin forwarded message:

COCONSPIRATOR 1 placed a bid on behalf of HP LogIT for \$950 per unit, \$100 less per unit than what COCONSPIRATOR 1 directed me to bid. HP LogIT, by and through COCONSPIRATOR 1, was awarded the contract, and received a total of \$10,300.66 in payments with the last payment being made on or about September 9, 2015.

Rigged Bid 4:

On or about June 4, 2014, a government employee at the RRAD e-mailed me, COCONSPIRATOR 1, and others regarding an urgent need for the government to test, repair, and ship Battery Powered Motorized Traversing Units (BPMTUS). This solicitation eventually became contract number W911RQ-14-C-0014. The contract involved delivering materials to the Sierra Army Depot, located in Herlong, California. The below is an excerpt of that e-mail.

Classification: UNCLASSIFIED
Caveats: FOUO

RRAD has an urgent requirement to Test, Repair, and Ship Battery Powered Motorized Traversing Unit (BPMTU) Controller Box, Joystick, Motor Drive Assembly and Electrical components. Delivery will be 50 kits delivered to SIAD by August 29, 2014 and 100 kits delivered to SIAD by September 30, 2014. All BPMTU's are located at SIAD and will need to be picked up and returned to SIAD. All work must be done within 100 miles of RRAD and inspections will take place at contractors facility.

You will find the following documents attached: Specific Packaging Requirement, Reporting Spreadsheet, and complete SOW.

If you are interested in quoting on this requirement, please respond via email by Tuesday, June 10th at 8am CST.

If you have any questions please let me know.

V/R

On or about June 9, 2014, COCONSPIRATOR 1 sent e-mails to the government official regarding the above-described solicitation.

COCONSPIRATOR 1's e-mails included a bid proposal with pricing figures for a bid on behalf of HP LogIT. An excerpt of one e-mail is below.

```
>> For a Red River Pick up and Sierra Army Depot delivery it will be $1,148.52 each X 150 kits for a total of $172,278.15
>>
>> For a pick up from Sierra Army Depot and delivery back it will be $1,252.93 each X 150 kits for a total of $187,939.80
>>
>>
>> Any questions please let me know.
>>
>> V/R
>>
```

On that same day, COCONSPIRATOR 1 e-mailed me the pricing used in COCONSPIRATOR 1's bid on behalf of HP LogIT. The e-mail, excerpted below, forwarded the pricing information that had been prepared by a business associate of COCONSPIRATOR 1.

Subject: Fwd: HUMVEE Turret Pricing
Body

Sent from my iPhone

Begin forwarded message:

From: [REDACTED]
Date: June 9, 2014 at 1:19:54 PM CDT
To: [REDACTED]
Subject: HUMVEE Turret Pricing

Pricing for qty 150 kits.

| | |
|---|--------------|
| Pick up parts from RRAD and deliver to Sierra: | \$172,278.15 |
| Pick up parts from Sierra Army Depot and deliver to Sierra: | \$187,939.80 |

[REDACTED]

Using the bid pricing provided to me by COCONSPIRATOR 1, on or about June 9, 2014, I supplied a coordinated, non-competitive, complementary bid,

purportedly on behalf of Badger Truck Center, which I priced a few thousand dollars above COCONSPIRATOR 1's bid. An excerpt of my e-mailed bid is below.

```
Thanks for the opportunity. Badger Truck Center proposes the following pricing for 150 units.

Pick up at Red River Army Depot & return completed units to Sierra Army Depot.

1167.72 per unit. Total 150 units 175,158.00

Pick up at Sierra Army Depot & return completed units to Sierra Army Depot.

1273.14 per unit. Total 150 units 190974.00

Thanks

Mark Leveritt
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On or about June 23, 2014, HP LogIT was awarded contract W911RQ-14-C-0014 for the amount of \$187,939.50. HP LogIT was paid the full \$187,939.50, receiving a final payment of \$62,646.50 on or about October 31, 2014.

Rigged Bid 5:

On or about June 18, 2014, the solicitation was released by RRAD for contract W911-RQ-14-0028 for the testing and repair of BPMTUS. On or about June 24, 2014, myself, COCONSPIRATOR 1, and another person filed certification of formation paperwork for an LLC with the Texas Secretary of State for the firm Texarkana Parts & Logistics. In doing so, we became business partners in that company. Nonetheless, CO-CONSPIRATOR 1 and I continued to submit bids against each other on behalf of different firms. On

or about July 8, 2014, a modification was made to the solicitation, which required bidding companies to give additional line-item details about their bids. On or about July 17, 2014, COCONSPIRATOR 1 sent me an e-mail, in which CO-CONSPIRATOR 1 asked me to “take the forward off” and send to the contracting official. That e-mail included, as an attachment, complete pricing information to use in order to place a bid on the contract, with the shipping price per unit detailed as a separate line item, as required by the July 8, 2014 modification. An excerpt of that e-mail, along with excerpts of the attendant attachment, is below.

To: Mark Leveritt <mark.leveritt@gmail.com>
 From: [REDACTED]
 Date/Time - UTC+00:00: 7/17/2014 5:02:11 PM
 (M/d/yyyy)
 Subject: Fwd: Attached Image
 Body: If you get this please take the forward off of it and send it to [REDACTED] If I do t hear from you I will have [REDACTED] send it for you.
 [REDACTED] changed and wanted the shipping broken out. So this is corrected.
 Thanks
 Sent from my iPhone
 Begin forwarded message:

| ITEM NO | SUPPLIES/SERVICES | ESTIMATED QUANTITY | UNIT | UNIT PRICE | ESTIMATED AMOUNT |
|---|--|--------------------|------|------------|------------------|
| 0001 | Test, Repair and shipping of BPMTU FFP Test, Repair and shipping of Program Battery Powered Motorized Traversing Unit (BPMTU) Controller Box, Joystick, Motor Drive Assembly and Electrical components. | 2,394 | Each | \$1,165.- | |
| FOB: Destination PURCHASE REQUEST NUMBER: A5123001280099 | | | | | |

ESTIMATED NET AMT

\$2,789,010.-

| ITEM NO | SUPPLIES/SERVICES | ESTIMATED QUANTITY | UNIT | UNIT PRICE | ESTIMATED AMOUNT |
|---------|--|--------------------|------|-------------------|------------------|
| 0003 | BPMTU SHIPPING FFP Shipping of complete BPMTU Kits to SIAD according to schedule outline in each DO. Shipping will take place each quarter. FOB: Destination PURCHASE REQUEST NUMBER: A5123001280097 | 2,394 | Each | #85.5 | |
| | | | | ESTIMATED NET AMT | #203,490.5 |

I did as COCONSPIRATOR 1 asked and submitted this bid to the contracting official, purportedly on behalf of Kamlo, without any intention of winning the contract. The bid was coordinated, complementary, and non-competitive. In turn, COCONSPIRATOR 1, knowing that the bid I submitted would be higher, submitted a bid on behalf of HP LogIT for a total of \$ 2,750,706.00, including shipping. HP LogIT was paid a total of \$ 2,896,956.00, with the last payment being made on or about January 6, 2016.

Rigged Bid 6:

As noted above, myself, COCONSPIRATOR 1, and another person started Texarkana Parts & Logistics as co-owners on or about June 24, 2014. In or around July 2014, the RRAD released a solicitation for contract W911RQ-14-D-0029 for the complete rebuild of M915 and M917 military vehicle cabs and related work. The contract was 100% set aside for qualifying small businesses. I coordinated with COCONSPIRATOR 1 to submit complementary and non-competitive bids. On or about August 8,

2014, I submitted a bid on behalf of Badger Truck Center for \$ 4,813,500. On or about August 11, 2014, COCONSPIRATOR 1 submitted a coordinated bid on behalf of HP LogIT for a total of \$ 5,305,250. On or about September 24, 2014, I was notified, via e-mail, that Badger Truck Center had received the contract and was asked to sign the award paperwork. Badger Truck Center was paid a total of \$ 7,616,495.60 for its work on this contract with payments made through on or about June 16, 2017.

Rigged Bid 7:

In or around January 2017, the government was receiving bid proposals for contract W56HZV-17-D-0034 for the refurbishment of Reusable Metal Containers that the Army needed to store and ship equipment, including military vehicle parts and engines. This contract was designated as a 100% set aside for qualified SDVOSBs. I rigged the bidding process for this contract by causing a bid to be placed for Kamlo, while simultaneously having bid information shared with HP LogIT, knowing HP LogIT would also place a bid. HP LogIT's bid was designed to be, and was in fact, higher than Kamlo's bid, and accordingly Kamlo won the contract.

In order to accomplish this, I directed a person, PERSON 1, to correspond with PERSON 2, who was coordinating on behalf of HP LogIT, to share bidding information, compile Kamlo's bid, and ultimately, submit Kamlo's bid. PERSON 1 and PERSON 2 acted at the direction of myself and

COCONSPIRATOR 1. On January 12, 2017, I received the below e-mail from PERSON 1, which included information related to the bidding process for contract W56HZV-17-D-0034.

To: Mark Leveritt <mark.leveritt@gmail.com>
From: [REDACTED]
Date/Time - UTC+00:00 (M/d/yyyy): 1/12/2017 6:43:18 PM
Subject: Container bid & support sheets
Body: Attached is for the container bid due Monday 1/16/17 -- [REDACTED] JML Logistics 470 Chippendale Dr. Rockwall, TX 75032 1-414-581-0154

PERSON 1 coordinated with PERSON 2. This enabled Kamlo and HP LogIT to submit coordinated, non-competitive, and complementary bids. On January 17, 2017, PERSON 2 shared HP LogIT's bidding information with PERSON 1, through the below e-mail.

To: [REDACTED]
From: [REDACTED]
Date/Time - UTC+00:00 (M/d/yyyy): 1/17/2017 3:58:19 PM
Subject: HPLogIT Bid
Body: Good morning! Attached is HP's bid.
Thanks,
[REDACTED]
HPLogIT Management, LLC
[REDACTED]

In addition, I worked with PERSON 1 to furnish the government with additional, follow up information in order to secure Kamlo's winning of the

bid. PERSON 1 and I exchanged the below e-mails related to this bidding process.

To: Mark Leveritt <mark.leveritt@gmail.com>
 From: [REDACTED]
 Date/Time - UTC+00:00 (M/d/yyyy): 1/23/2017 2:32:05 PM
 Subject: Container admendment & info
 Body: Attached is what needs to be signed and written. -- [REDACTED] JML Logistics 470 Chippendale Dr. Rockwall, TX 75032 [REDACTED]

To: Mark Leveritt <mark.leveritt@gmail.com>
 From: [REDACTED]
 Date/Time - UTC+00:00 (M/d/yyyy): 1/25/2017 2:52:33 PM
 Subject: Letter for container bid
 Body: Attached is what I will be sending with the revised spreadsheet for KAMLO. Just get me the prior contract numbers so I can finish and we'll be all set. Thanks, [REDACTED] JML Logistics 470 Chippendale Dr. Rockwall, TX 75032 [REDACTED]

In order to provide the government with the needed information, PERSON 1 continued to coordinate with PERSON 2, including through the below e-mail.

To: [REDACTED]
 From: [REDACTED]
 Date/Time - UTC+00:00 (M/d/yyyy): 1/25/2017 4:53:34 PM
 Subject: container quote
 Body: Hi [REDACTED] Can you please resend the container bid that Mark had you send to me before? I can't seem to find mine and I need to put it on a different spreadsheet for the gov't. Thanks, [REDACTED] JML Logistics 470 Chippendale Dr. Rockwall, TX 75032 [REDACTED]

As designed, Kamlo submitted a bid to the government of \$ 877,200, while HP LogIT submitted a higher bid of \$ 902,955. Kamlo was awarded the contract, and ultimately received a total \$ 479,500 worth of payments, with the last payment being made on or about April 30, 2018. Kamlo did not complete the full terms of contract.

Government Employees:

At times during the conspiracy, government officials at the RRAD inquired about whether second bids could be placed on certain contracts by companies such as KAMLO. Upon receiving this inquiry, at times, I took steps to procure a second bid. During and before the relevant period, I also provided donations, items, and services of financial value to certain government employees working at the RRAD. For instance, I provided Government Employee 1 with: tickets to a 2011 World Series game in Arlington, Texas; tickets to two college football games; two expense-paid family vacations to Las Vegas, which included flights, hotel fare, meals, etc.; donations to youth sports teams coached by Government Employee 1; and approximately 100 meals at restaurants.

Volume of Commerce:

Based on the above, I agree that the volume of commerce attributable to me for sentencing purposes is **\$ 8,098,995.60**. The below chart details the calculations relied upon for the purpose of this plea.

| BID | COMPANY | TOTAL PAYMENTS | COCONSPIRATOR 1 VALUE | LEVERITT VALUE |
|---------------|----------|-------------------------|------------------------|------------------------|
| 1 | HP LogIT | \$ 6,546,422.25 | \$ 6,546,422.25 | |
| 2 | JML | \$ 3,000.00 | | \$ 3,000.00 |
| 3 | HP LogIT | \$ 10,300.66 | \$ 10,300.66 | |
| 4 | HP LogIT | \$ 187,939.50 | \$ 187,939.50 | |
| 5 | HP LogIT | \$ 2,896,956.00 | \$ 2,896,956.00 | |
| 6 | Badger | \$ 7,616,495.60 | | \$ 7,616,495.60 |
| 7 | Kamlo | \$ 479,500.00 | | \$ 479,500.00 |
| TOTALS | | \$ 17,740,614.01 | \$ 9,641,618.41 | \$ 8,098,995.60 |

Interstate Commerce:


I acknowledge that this conspiracy, and my personal conduct in support of said conspiracy, were within the flow of, and substantially affected, interstate trade and commerce, because, among other reasons, the business activities of the relevant firms involved in the conspiracy, and the contracting work performed by said firms, were within the flow of, and substantially affected, interstate trade and commerce. During the relevant period, the equipment and supplies necessary to perform work on the government contracts discussed above, as well as payments for work performed, often traveled in and affected interstate commerce.

Signature and Stipulation:

I hereby stipulate that these facts are true and correct. I accept these facts as the uncontested facts of this case. I acknowledge that my conduct as

described above constitutes a violation of the charged offense. I further acknowledge that the above does not detail, in comprehensive fashion, each and every act in furtherance of the commission of the crime, rather, it constitutes only a limited summary of some of the facts that I acknowledge the government would prove at any trial.

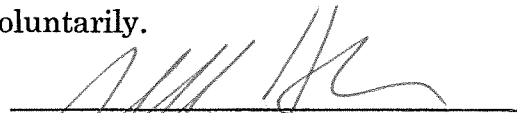
5-6-22
Date



JOHN MARK LEVERITT II
Defendant

I have reviewed this Factual Basis with the defendant. Based on these discussions, I am satisfied that he understands the terms and effect of the Factual Basis and that he has signed it voluntarily.

5-6-22
Date



JEFF HARRELSON
Attorney for Defendant