Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JULY 22, 2013
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FORMER OWNER OF TWO FLORIDA AIRLINE FUEL SUPPLY COMPANIES CHARGED FOR ROLE IN SCHEME TO DEFRAUD ILLINOIS-BASED RYAN INTERNATIONAL AIRLINES

WASHINGTON – A former owner and operator of two Florida-based airline fuel supply service companies made his initial appearance today in the U.S. District Court for the Southern District of Florida in West Palm Beach on charges of participating in a scheme to defraud Illinois-based Ryan International Airlines, the Department of Justice announced.

Sean E. Wagner was arrested on July 19, 2013, in Weston, Fla., on a one-count criminal complaint to commit wire fraud and honest services fraud relating to a scheme to defraud Ryan, a charter airline company based in Rockford, Ill. At today's hearing, the department said that Wagner was arrested after there were indications that he was a flight risk.

The criminal complaint alleges that Wagner participated in a conspiracy to defraud Ryan by making kickback payments to Wayne Kepple, the former vice president of ground operations for Ryan in charge of contracting with providers of goods and services on behalf of the company. In exchange, Kepple awarded business to Wagner's fuel supply service companies. According to the criminal complaint, from at least as early as December 2005 through at least August 2009, Wagner, his companies, and others made kickback payments totaling more than $200,000, in the form of checks, wire transfers, gift cards and cash, to Kepple while working at Ryan.

Ryan provided air passenger and cargo services for corporations, private individuals, and the U.S. government, including the U.S. Department of Defense, the U.S. Department of Homeland Security and the U.S. Marshals Service.

"The Antitrust Division will take enforcement action against those who subvert the competitive process by trading contracts for kickbacks, especially where the U.S. government is being victimized," said Bill Baer, Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "The Antitrust Division will hold accountable those who seek to defraud the government and U.S. taxpayers."

Wagner is charged with one count of conspiracy to commit wire fraud and honest services fraud, which carries a maximum sentence of 20 years in prison and a $250,000 criminal fine for individuals. The maximum fine may be increased to twice the gain derived from the

crime or twice the loss suffered by the victims of the crime, if either amount is greater than the statutory maximum fine.

As a result of this ongoing investigation, four individuals have pleaded guilty to date. Three of the individuals have been ordered to serve sentences ranging from 16 to 24 months in prison and to pay more than $220,000 in restitution. The fourth individual, Wayne Kepple, pleaded guilty and is awaiting sentencing.

This charge is the result of an investigation being conducted by the Antitrust Division's National Criminal Enforcement Section and the U.S. Department of Defense's Office of Inspector General, with assistance from the U.S. Attorney's Office for the Southern District of Florida. Anyone with information concerning anticompetitive conduct in the airline charter services industry is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or visit www.justice.gov/atr/contact/newcase.htm.

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