

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

HERBERT B. STEINDLER,
RAMI DOTAN and
HAROLD KATZ

Defendants

Criminal No. CR 1 94-29
March 17, 1994

INDICTMENT

18 U.S.C. § 371
18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 1956
18 U.S.C. § 1957
15 U.S.C. § 78dd-1
15 U.S.C. § 78m
15 U.S.C. § 78ff
18 U.S.C. § 1001
18 U.S.C. § 2
18 U.S.C. § 982

The Grand Jury charges that:

COUNT 1
(Conspiracy)

At times relevant to this Indictment:

A. Introduction

1. As set forth herein, from approximately 1984 through 1990, the defendants conspired to divert and launder approximately \$11 million from contracts between General Electric Company (General Electric) and the government of Israel (Israel). These contracts

were for sales of engines for Israeli Air Force (IAF) F-16 jet fighters and maintenance equipment and services for the engines, all financed by the U.S. government with foreign military aid funds. Two defendants effected the diversions for their personal benefit and agreed to share the proceeds equally. The third defendant laundered the diverted funds through European bank accounts.

The Defendants

2. Defendant HERBERT B. STEINDLER (STEINDLER) was employed by General Electric at the General Electric Aircraft Engines facility in Evendale, Ohio, in the Southern District of Ohio. General Electric developed, manufactured, and sold aircraft engines and related products and services. STEINDLER was an international sales manager, and his responsibilities included negotiating and supervising sales to Israel. STEINDLER is a citizen of the United States, and during the relevant period, he resided within the Southern District of Ohio.

3. Defendant RAMI DOTAN (DOTAN) was an IAF officer who at various relevant times held the ranks of Lieutenant Colonel, Colonel, and Brigadier General. Among other duties, he oversaw for the IAF the purchase and maintenance of the IAF's aircraft engines. DOTAN is a citizen and resident of Israel.

4. Defendant HAROLD KATZ (KATZ) was an attorney in private practice in Israel. He is a citizen of both the United States and Israel and has resided in Israel since approximately 1972.

The Contracts

5. On or about August 10, 1984, General Electric and Israel entered into Contract No. 500/40492-125, an "Integrated Logistical Support" contract (the ILS contract), under which General Electric was to supply tools, equipment, testing facilities, and training to maintain General Electric engines used in IAF F-16 jet fighters. The total value of the ILS contract (including options) exceeded \$100 million. General Electric subcontracted work to be performed in Israel to Ingbir Engineering and Maintenance Company (Ingbir Engineering), of Tel Aviv, Israel, which was owned by Yoram Ingbir (Ingbir).

6. On or about May 31, 1988, General Electric and Israel entered into Contract No. 1296 (the F110 contract), under which General Electric was to provide seventy-five F110-GE-100 engines for IAF F-16 jet fighters, or, at Israel's option, a new engine model then under development, the F110-GE-100A. The total value of the F110 contract (including the option to acquire the F110-GE-100A engine) exceeded \$200 million. On or about July 11, 1988, Israel exercised its option to acquire the F110-GE-100A engine.

U.S. Government Funding for the Contracts

7. Israel obtained financing for the ILS and F110 contracts from the U.S. government's loans and grants to Israel under what is currently known as the Foreign Military Financing (FMF) Program. Congress appropriated the funds for this program, which was administered by the Defense Security Assistance Agency (DSAA), an agency of the U.S. Department of Defense.

8. Israel procured military equipment and services from American contractors through its Ministry of Defense Mission in New York, New York (MODNY). In the transactions described herein, Israel, through MODNY, purchased jet aircraft engines and related equipment and services directly from General Electric. MODNY paid General Electric with its own funds and then requested and obtained reimbursement from DSAA for MODNY's payments to General Electric.

9. In connection with its requests for reimbursement from DSAA, MODNY submitted letters (MODNY certifications) certifying, among other things, that the payments were for products or services that had actually been received or rendered. The MODNY certifications were based, in material part, on invoices and other documents submitted to MODNY by General Electric.

10. In addition, in connection with the F110 contract, DSAA required Israel to submit certification forms (contractor certifications), completed and executed by General Electric, which contained representations concerning the disposition of FMF funds and certified that these funds were used appropriately.

B. The Conspiracy and Its Objects

11. From approximately 1984, and continuing there-

after until approximately 1990, the exact dates being unknown to the Grand Jury, in the Southern District of Ohio and elsewhere, STEINDLER, DOTAN, and KATZ knowingly and willfully conspired and agreed together and with each other to commit offenses against the United States as follows:

- a. STEINDLER and DOTAN conspired to devise a scheme and artifice to defraud DSAA and obtain money by means of false and fraudulent representations, and, for the purpose of executing such scheme and artifice, cause matters and things to be delivered by mail according to the direction thereon, in violation of Title 18, U.S.C., §§ 1341 and 2.
- b. STEINDLER and DOTAN conspired to devise a scheme and artifice to defraud DSAA and obtain money by means of false and fraudulent representations, and, for the purpose of executing such scheme and artifice, cause to be transmitted by means of wire in interstate and foreign commerce writings, signs, signals, and sounds, in violation of Title 18, U.S.C., §§ 1343 and 2.
- c. STEINDLER, DOTAN, and KATZ conspired to conduct financial transactions, which involved the proceeds of specified unlawful activities, that is, violations of 18 U.S.C. §§ 1341 and 1343, knowing that the financial transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, U.S. Code, §§ 1956(a)(1)-(B)(i) and 2.

C. Manner and Means of the Conspiracy

The charged conspiracy was accomplished by the following means, among others, and in the following manner:

Diversions from the U.S. Government-Funded ILS Contract

12. It was a part of the conspiracy that STEIND-

LER and DOTAN formulated a plan to divert funds intended for work under the ILS contract which entailed the following: (a) inducing General Electric to select a particular Israeli firm — Ingbir Engineering — to perform all subcontract work in Israel, knowing that its owner, Ingbir, would cooperate with the scheme; (b) arranging for General Electric to make payments intended for Ingbir Engineering to GSK Management Consultants, Inc. (GSK), a New Jersey corporation, which acted as Ingbir Engineering's agent in the United States and which was owned by a friend and business associate of STEINDLER's, Gary S. Klein (Klein); (c) causing Klein to forward to Ingbir Engineering only a portion of the General Electric payments and, with Ingbir's acquiescence, to hold the remaining funds in the United States pending further instructions; and (d) having Klein transmit the remaining funds to European bank accounts set up for the benefit of STEINDLER and DOTAN. This plan was implemented in the manner and through the means described below in ¶¶ 13 through 22, and a total of approximately \$3.7 million was diverted.

13. It was a further part of the conspiracy that DOTAN, with STEINDLER's assistance, directed General Electric employees to engage Ingbir Engineering for all subcontract work in Israel under the ILS contract.

14. It was a further part of the conspiracy that STEINDLER directed Klein to form GSK to serve as Ingbir Engineering's purported agent in connection with subcontract work under the ILS contract. Klein became the president, a director, and sole owner of GSK, which he operated from his home in Matawan, New Jersey.

15. It was a further part of the conspiracy that STEINDLER arranged for GSK to serve as a subcontractor of General Electric for the purpose of acting as Ingbir Engineering's agent in the transactions between Ingbir and General Electric, and that STEINDLER thereby caused General Electric to issue purchase orders to GSK for subcontract work under the ILS contract, GSK to issue invoices to General Electric for this work, GSK to receive payments from General Electric, and GSK to transmit a portion of the payments to Ingbir.

16. It was a further part of the conspiracy that STEINDLER and DOTAN caused General Electric to pay a total of approximately \$27.5 million to GSK, pursuant to GSK's invoices, for purported subcontract work under the ILS contract by Ingbir Engineering.

17. It was a further part of the conspiracy that, pursuant to instructions he received from Ingbir, Klein transmitted approximately \$23.8 million of the \$27.5 million to Ingbir's personal and business bank accounts.

18. It was a further part of the conspiracy that Klein held the remaining approximately \$3.7 million in bank and investment company accounts in GSK's name pending receipt of instructions on the disposition of these funds.

19. It was a further part of the conspiracy that STEINDLER and DOTAN arranged for Klein to receive instructions to transmit these funds to European bank accounts, and in most cases, the instructions were transmitted through letters STEINDLER and DOTAN created which were purportedly from an Israeli national named Marc Boas (Boas) who in fact did not sign these documents and did not participate in creating them.

20. It was a further part of the conspiracy that, pursuant to these instructions, Klein transferred approximately \$3.3 million from the United States to a bank account in the Netherlands opened by Boas at DOTAN's direction and bank accounts in Belgium and Germany opened by KATZ for the personal benefit of STEINDLER and DOTAN.

21. It was a further part of the conspiracy that STEINDLER created a purported contract between GSK and Ingbir as a "cover story" to explain GSK's retention of such a large portion of the General Electric payments rather than forwarding this money to Ingbir. Specifically, the contract provided for a fee for GSK which was not actually paid to GSK. Instead, approximately this amount of money was diverted for STEINDLER's and DOTAN's personal use.

22. It was a further part of the conspiracy that STEINDLER and DOTAN concealed from DSAA the

diversion of funds from the ILS contract by causing the submission of invoices to MODNY and the submission of requests for reimbursement and MODNY certifications to DSAA which omitted any disclosure of the diversion and made it appear that all of the payments under the contract were for legitimate work.

Diversions from the U.S. Government-Funded F110 Contract

23. It was a further part of the conspiracy that STEINDLER and DOTAN formulated a plan to divert funds from the F110 contract which entailed the following: (a) fabricating a sham agreement under which General Electric would provide funding for the IAF's flight tests of the engine to be sold under that contract, while, unknown to STEINDLER's fellow General Electric employees, the IAF would flight test the engine without financial assistance from General Electric; (b) arranging for General Electric to pay the flight test funds to GSK; and (c) instructing Klein to transmit substantially all of these funds to European bank accounts set up for the personal benefit of STEINDLER and DOTAN. This plan was implemented in the manner and through the means described below in ¶¶ 24 through 32, and a total of almost \$8 million was diverted.

24. It was a further part of the conspiracy that STEINDLER signed a contractor certification in connection with the request for approval for FMF funding for the F110 contract and caused the submission of this document to MODNY and ultimately to DSAA, and this document concealed the diversion of funds in that, among other things, it falsely represented that there were no undisclosed agreements concerning the contract and that no improper payments had been or would be made to Israeli officials to secure the contract.

25. It was a further part of the conspiracy that, during the negotiation of the F110 contract, STEINDLER advised other General Electric employees that he had negotiated with DOTAN an unwritten agreement whereby General Electric would provide funding for flight tests of the F110-GE-100A engine to be sold under that contract, but this funding agreement was not disclosed to DSAA, and furthermore, unknown to these employees, the funding agreement was a sham

and the IAF would be conducting the flight test without financial assistance from General Electric.

26. It was a further part of the conspiracy that STEINDLER arranged for GSK to be selected by General Electric as the subcontractor through which General Electric would provide funding to the IAF for the flight tests.

27. It was a further part of the conspiracy that STEINDLER and DOTAN caused General Electric to pay to GSK a total of approximately \$7.875 million pursuant to GSK's invoices.

28. It was a further part of the conspiracy that STEINDLER created and caused to be created false documents purporting to show that the approximately \$7.875 million paid to GSK represented funding for flight tests, including a statement of work purporting to describe the flight test-related services to be provided under the subcontract to GSK, a schedule of "milestones" purporting to describe the stages of this work, a draft contract between General Electric and GSK, General Electric's purchase orders to GSK and GSK's invoices to General Electric for the flight tests.

29. It was a further part of the conspiracy that STEINDLER and DOTAN arranged for Klein to receive instructions to transmit the funds paid to GSK to European bank accounts, again through letters purportedly from Boas which were actually created by STEINDLER and DOTAN.

30. It was a further part of the conspiracy that, pursuant to these instructions, Klein transferred approximately \$7.4 million from the United States to the bank accounts in Belgium and Germany previously opened by KATZ for the personal benefit of STEINDLER and DOTAN.

31. It was a further part of the conspiracy that STEINDLER caused the following so that General Electric would recover the \$7.875 million when the engines were sold to Israel, with the result that the cost of the purported flight test payments would eventually be passed through to the program which reimbursed Israel for its payments for the engines:

- a. During the negotiation of the F110 contract, STEINDLER directed that the cost of the flight test funding be set at \$105,000 per engine and that this figure be incorporated in internal General Electric projections for sales of this engine. The projections were prepared by a General Electric employee, working under STEINDLER's direction, to ensure that selling the engine at a particular price yielded sufficient revenues to cover all costs associated with the sales, including the cost of the flight test payments, while also yielding an acceptable profit for General Electric.
- b. When the engines were delivered, General Electric submitted to MODNY invoices which charged prices which included the above-described flight test cost, and MODNY was reimbursed by the U.S. government, under the FMF Program, for MODNY's payments of these invoices.

32. It was a further part of the conspiracy that STEINDLER and DOTAN concealed the diversion from DSAA by causing the submission of invoices to MODNY and requests for reimbursement and MODNY certifications to DSAA which made it appear that all of the payments under the F110 contract were for the engines sold under that contract when in reality a portion of these payments covered the cost of the flight test payments that were diverted for STEINDLER's and DOTAN's personal use.

Money Laundering through European Bank Accounts

33. It was a further part of the conspiracy that KATZ, personally and with the assistance of his daughter and a friend acting at his direction, retransferred most of the funds diverted from the ILS and F110 contracts from the Belgian and German bank accounts discussed above to Swiss bank accounts opened by KATZ for the personal benefit of STEINDLER and DOTAN.

34. It was a further part of the conspiracy that the funds diverted from the ILS and F110 contracts were laundered through the following methods:

- a. The bank accounts in the Netherlands, Belgium, Germany and Switzerland used to hold and

transmit the funds on STEINDLER's and DOTAN's behalf were not in the names of the true owners of the funds in those accounts; rather, in many cases, the accounts had fictitious names (including the names of purported Panamanian corporations) or were in the names of real individuals acting at DOTAN's or KATZ's behest.

- b. The diverted funds were never transmitted directly from American bank accounts to Swiss bank accounts. In most cases, KATZ arranged for the funds to be converted into cash in German currency (Deutsche marks) at banks in Konstanz, Germany, located near the German-Swiss border, and then transported to Swiss banks in nearby Zurich, Switzerland. In the remaining cases, KATZ arranged for the funds to be transmitted by check or wire transfer to bank accounts in the name of a friend of KATZ's and then retransmitted to the Swiss accounts.

35. It was a further part of the conspiracy that STEINDLER concealed the existence of the European bank accounts discussed above by falsely representing in his personal federal income tax returns that he did not have an interest in or signature or other authority over a financial account in a foreign country, while in fact, he had an interest in the European bank accounts involved in the money laundering transactions, and he had signature authority over at least three of these accounts.

Further Efforts to Conceal the Scheme

36. It was a further part of the conspiracy that STEINDLER caused the alteration and creation of correspondence in General Electric's internal files which helped conceal DOTAN's role in Ingbir's selection as a subcontractor under the ILS contract.

37. It was a further part of the conspiracy that, when questioned by a General Electric in-house attorney concerning the flight test payments to GSK, STEINDLER falsely represented to this attorney that the payments were legitimate funding for a flight test program.

38. It was a further part of the conspiracy that

STEINDLER and DOTAN falsely advised various General Electric employees that a security leak had occurred concerning the F110 contract, that DOTAN was threatening to cancel this contract, and that ongoing efforts to obtain information about the flight test payments and other transactions endangered the security of the program.

39. It was a further part of the conspiracy that STEINDLER concealed the existence of the diversion scheme by submitting to General Electric responses to questionnaires seeking information on his outside business interests in which he falsely denied involvement in transactions of the type alleged herein and omitted material information concerning those transactions and by submitting to General Electric certifications representing that he would comply with company policies prohibiting transactions of the type alleged herein.

Division of the Proceeds of the Scheme

40. It was a further part of the conspiracy that STEINDLER and DOTAN agreed that each of them would receive an approximately equal share of the proceeds of their diversion scheme.

41. It was a further part of the conspiracy that KATZ retained for himself a portion of the funds he laundered through the European bank accounts.

D. Overt Acts

42. In order to further the objects and purposes of this conspiracy, the following and other overt acts were committed within the Southern District of Ohio and elsewhere:

Diversions from the U.S. Government-Funded ILS Contract

Engagement of GSK as Ingbir's Purported Agent and Creation of the GSK-Ingbir Contract to Conceal the Diversion of 13-17 percent of General Electric's Payments to GSK

- (1) During the Summer of 1984, STEINDLER telephoned Klein in New Jersey, enlisted him as Ingbir Engineering's purported agent in the transactions between Ingbir and General Electric relating to the ILS contract, and instructed him to form a corporation for this purpose, which eventually came to be known as GSK.
- (2) In or about August 1984, STEINDLER mailed to Klein in New Jersey a draft of a contract between Ingbir Engineering and GSK and instructed Klein to type this document in final form, execute it and send it to Ingbir for his signature. That contract provided for, among other things, a purported fee for GSK of 17 percent of "new or follow-on" business acquired through GSK and a separate fee for GSK of 3 percent of the value of payments received up to a maximum of \$25,000 annually. In reality, however, GSK — and its sole owner Klein — were compensated only in accordance with the 3 percent fee provision, and, as set forth in overt acts 32 through 43, funds in amounts approximating the "new or follow-on" business fee that GSK would have received were diverted instead for STEINDLER's and DOTAN's personal use.
- (3) On or about December 14, 1985, Klein in New Jersey received an amendment to the contract which reduced the fee for "new or follow-on" business from 17 percent to 13 percent.

GSK's Invoices to General Electric for Subcontract Work under the ILS Contract

Overt Acts 4 through 18

On or about the following dates, Klein transmitted from New Jersey to General Electric, in the Southern District of Ohio, the following invoices for purported subcontract work by Ingbir Engineering under the ILS contract:

(Continued on the next page.)

Overt Act No.	Approx. Date(s)	Invoice Nos.	Total Billed to General Electric
(4)	9/19/84 and 11/28/84	09184, 11055	\$150,000.00
(5)	1/21/85	1082, 1083	\$21,683.75
(6)	1/25/85	1094	\$100,000.00
(7)	5/6/85	5025	\$1,771,084.00
(8)	1/28/86	1027, 1028	\$7,794,721.00
(9)	8/29/86	8042, 8043, 8044	\$4,365,682.00
(10)	9/8/86	9006	\$192,755.00
(11)	12/18/86	12023-12027, 12029-12031	\$2,890,291.00
(12)	6/15/87	6015, 6016, 6017	\$1,179,795.00
(13)	12/18/87	12037-12041	\$3,766,601.00
(14)	6/13/88	6006-6013	\$2,191,558.00
(15)	12/21/88	12022	\$596,600.00
(16)	7/7/89	7014	\$575,000.00
(17)	12/13/89	12025	\$596,600.00
(18)	5/7/90	5009	\$1,303,400.00

GSK's Receipt of Payments from General Electric for Invoices for Subcontract Work under the ILS Contract

Overt Acts 19 through 31

-On or about the following-dates, Klein deposited and

caused the deposit of the following payments — totaling approximately \$27.5 million — received from General Electric for the invoices described above, into bank accounts in New Jersey and New York in GSK's name and in the name of a partnership comprised of GSK and Ingbir:

Overt Act No.	Approx. Date	Approx. Amount
(19)	10/2/84	\$100,000.00
(20)	12/26/84	\$50,000.00
(21)	4/24/85	\$121,683.75
(22)	5/30/85	\$1,771,084.00
(23)	2/6/86	\$7,794,721.00
(24)	9/22/86	\$4,558,437.00
(25)	1/12/87	\$2,890,291.00
(26)	6/19/87	\$1,179,795.00

699.137

Overt Act No.	Approx. Date	Approx. Amount
(27)	1/5/88	\$3,766,601.00
(28)	6/27/88	\$1,665,509.00
(29)	1/9/89	\$596,600.00
(30)	7/12/89	\$1,050,999.00
(31)	5/17/90	\$1,900,000.00

Overt Acts 32 through 43

On or about the following dates, Klein and Ingbir caused a portion of the General Electric payments — totaling approximately \$3.7 million — to be set aside in bank and investment company accounts, in GSK's name, pending Klein's receipt of instructions on the

disposition of these funds; as indicated below, the amounts set aside approximated the percentage fee for "new or follow-on" business (which was originally set at 17 percent and reduced to 13 percent after December 1985):

Overt Act No.	Approx. Date(s) Funds Set Aside	Approx. Amount Paid to GSK by General Electric (see Overt Acts 19-31)	Approx. Amount Set Aside in GSK Accounts Pending Further Instructions	Approx. % Set Aside
(32)	between 10/2/84 and 1/7/85	\$100,000.00 \$50,000.00	\$30,000.00	20%
(33)	5/3/85	\$121,683.75	\$24,372.51	20%
(34)	6/6/85	\$1,771,084.00	\$325,884.00	18%
(35)	between 2/10/86 and 4/8/86	\$7,794,721.00	\$1,034,964.00	13%
(36)	9/23/86	\$4,558,437.00	\$567,538.70	13%
(37)	1/13/87	\$2,890,291.00	\$368,435.00	13%
(38)	6/23/87	\$1,179,795.00	\$143,513.50	12%
(39)	1/6/88	\$3,766,601.00	\$458,339.00	12%
(40)	6/28/88	\$1,665,509.00	\$214,800.00	13%
(41)	1/10/89	\$596,600.00	\$102,558.00	17%
(42)	7/14/89	\$1,050,999.00	\$136,573.50	13%
(43)	5/18/90	\$1,900,000.00	\$268,550.00	14%

Transfers of Diverted Funds to Europe

(44) In or about June 1986, Ingbir telephoned Klein in New Jersey and instructed him to deliver \$150,000 to Boas. Until approximately August 1986, Boas held the rank of major in the IAF, serving under DOTAN.

(45) In or about June 1986, Boas, acting on DOTAN's instructions, telephoned Klein in New Jersey and made arrangements to meet Klein at Kennedy International Airport, in New York.

(46) On or about June 17, 1986, Klein met Boas at

Kennedy International Airport and delivered to him a check for \$149,000 and \$1,000 in cash. This was the first of a series of transfers totaling approximately \$3.3 million (*see* overt acts 72-92) through which Klein transferred funds that had been diverted from the ILS contract and set aside in GSK's bank account.

(47) At this meeting on or about June 17, 1986, Boas delivered to Klein a letter, dated June 6, 1986, written on Ingbir Engineering stationery, which purported to authorize Boas to act on behalf of and fulfill Ingbir's responsibilities in matters pertaining and relating to Ingbir Engineering's business, including receiving and making payments on behalf of Ingbir Engineering. The letter was purportedly signed by

Ingbir but was in fact created by DOTAN.

(48) On or about June 19, 1986, acting on DOTAN's instructions, Boas deposited the check received from Klein into a bank account at Rabobank in Amsterdam, the Netherlands, which Boas opened pursuant to DOTAN's prior instructions.

Overt Acts 49 through 71

On or about the following dates, letters, purportedly from Boas but actually created by STEINDLER and DOTAN, were transmitted to Klein in New Jersey; the letters instructed Klein to transfer funds in the approximate amounts indicated below to bank accounts in the countries listed below:

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(49)	7/14/86	Netherlands	\$227,500
(50)	12/8/86	Germany	\$108,227
(51)	12/11/86	Germany	\$112,853
(52)	12/11/86	Belgium	\$217,500
(53)	1/14/87	Germany	\$107,114
(54)	1/14/87	Belgium	\$52,079
(55)	2/11/87	Germany	\$38,246
(56)	2/11/87	Belgium	\$243,118
(57)	3/29/87	Germany	\$72,817
(58)	3/29/87	Belgium	\$212,140
(59)	6/10/87	Germany	\$187,923
(60)	6/10/87	Belgium	\$68,920
(61)	7/10/87	Germany	\$72,817
(62)	8/30/87	Germany	\$87,205
(63)	8/30/87	Belgium	\$21,012
(64)	9/3/87	Germany	\$53,314
(65)	9/10/87	Belgium	\$212,140
(66)	2/14/88	Belgium	\$177,500
(67)	5/13/88	Germany	\$245,000
(68)	12/6/88	Germany	\$221,000

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(69)	1/11/89	Belgium	\$143,003
(70)	9/15/89	Belgium	\$100,000
(71)	8/12/90	Germany	\$185,000

Overt Acts 72 through 92

On or about the following dates, pursuant to the instruction letters, Klein transferred funds from GSK's bank account in Woodbridge, New Jersey, to the account in Boas's name at Rabobank, in the Nether-

lands, and to bank accounts opened by KATZ at Banque du Benelux (which eventually became part of Banque Indosuez) in Brussels, Belgium, and at Deutsche Bank in Konstanz, Germany; the first transfer was effected by check and the rest by wire transfer:

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(72)	7/25/86	Netherlands Rabobank	\$227,500
(73)	12/30/86	Germany Deutsche Bank	\$221,080
(74)	12/30/86	Belgium Banque du Benelux	\$217,500
(75)	2/6/87	Germany Deutsche Bank	\$107,114
(76)	2/6/87	Belgium Banque du Benelux	\$52,079
(77)	3/6/87	Germany Deutsche Bank	\$38,246
(78)	3/6/87	Belgium Banque du Benelux	\$243,118
(79)	4/10/87	Germany Deutsche Bank	\$72,817
(80)	4/10/87	Belgium Banque du Benelux	\$212,140
(81)	6/26/87	Germany Deutsche Bank	\$187,923
(82)	6/26/87	Belgium Banque du Benelux	\$68,920
(83)	11/4/87	Germany Deutsche Bank	\$140,519
(84)	11/4/87	Belgium Banque du Benelux	\$21,012
(85)	12/30/87	Germany Deutsche Bank	\$72,817
(86)	12/30/87	Belgium Banque du Benelux	\$212,140
(87)	2/25/88	Belgium Banque du Benelux	\$177,500
(88)	7/7/88	Germany Deutsche Bank	\$245,000

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(89)	12/29/88	Germany Deutsche Bank	\$221,000
(90)	3/13/89	Belgium Banque Indosuez	\$143,003
(91)	10/13/89	Belgium Banque Indosuez	\$100,000
(92)	9/13/90	Germany Deutsche Bank	\$185,000

Diversions from the U.S. Government-Funded F110 Contract

Purported Agreement under Which General Electric Would and Did Provide Funding for the Flight Tests

(93) Between approximately December 1987 and approximately January 1988, in the Southern District of Ohio, STEINDLER advised other General Electric employees that he had negotiated with DOTAN an agreement in connection with the ongoing negotiation of the F110 contract, whereby General Electric would provide funding to the IAF for flight tests of the F110-GE-100A engine to be sold under that contract. No document describing the terms or other details of this funding agreement was ever prepared. In addition, the funding agreement was never disclosed to DSAA. In reality, the funding agreement was a sham, and, unknown to these other General Electric employees, the IAF did not expect to receive funds from General Electric to finance the flight tests.

Submission of False Contractor Certification to DSAA

(94) On or about September 2, 1988, STEINDLER caused General Electric to transmit from the Southern District of Ohio to MODNY in New York a contractor certification for the F110 contract. This document was submitted for MODNY's use in securing DSAA's approval of FMF funding for the contract. STEINDLER signed the certification, which falsely represented the following: (a) that the entire agreement consisted of the documents listed in the certification and that there were no "other amendments, modifications, side letters, or supplementary agreements"; (b) that no "rebates, gifts or gratuities intended to secure [the contract] or obtain favorable treatment under [the contract] have been given contrary to U.S. law to officers, officials, or employees of the government of

Israel," and that no such payments would be made; and (c) that the certification was "complete and correct." The certification also omitted disclosure of the true disposition of the funds to be paid for the purported flight tests, that is, that the funds were diverted for STEINDLER's and DOTAN's personal use.

Award of the Flight Test Subcontract to GSK

(95) In or about November 1988, STEINDLER telephoned Klein in New Jersey to arrange for GSK to serve as a General Electric subcontractor in providing funding for the flight test program.

(96) In or about October or November 1988, in Evendale, Ohio, STEINDLER instructed a General Electric employee to arrange for General Electric to enter into a subcontract with GSK, under which GSK was to serve as a vehicle for funding the flight tests.

(97) In or about November 1988, in Evendale, Ohio, STEINDLER gave to this General Electric employee handwritten notes which STEINDLER claimed were notes of a conversation between STEINDLER and DOTAN and which purportedly represented the statement of work describing the flight test-related services to be provided under the subcontract to GSK (the statement of work). At STEINDLER's direction these notes were typed and revised.

(98) On or about December 7, 1988, acting at STEINDLER's direction, this General Electric employee transmitted from the Southern District of Ohio to Klein in New Jersey a draft of a contract between General Electric and GSK. This document was prepared by STEINDLER and the General Electric employee. It contained the above-described statement of work and stated that a total of \$7.875 million was

to be disbursed to GSK by General Electric. This figure equaled the above-described \$105,000-per-engine cost (*see* ¶ 31 above) multiplied by the seventy-five engines that would be sold under the final version of the F110 contract. According to the draft contract, this amount was to be paid according to the following payment schedule: \$2.5 million on January 15, 1989; \$1.5 million on March 15, 1989; \$500,000 on July 15, 1989; \$2 million on October 15, 1989; and \$1.375 million on January 15, 1990. Although the payment schedule provided that funds would be paid between early 1989 and early 1990, the flight tests in Israel were not expected to commence until 1990.

(99) On or about January 5, 1989, Klein transmitted, by facsimile, from New Jersey to General Electric, in the Southern District of Ohio, a quotation for a contract to perform services in connection with the flight tests, specifying the price and payment schedule set forth in the draft contract described above.

(100) On or about January 23, 1989, acting at STEINDLER's direction, General Electric employees transmitted from the Southern District of Ohio to Klein in New Jersey, the first of five purchase orders to GSK for services in connection with the flight tests. The first purchase order was for \$2.5 million, covering the first payment under the previously established payment schedule. This purchase order contained a slightly modified version of the statement of work set forth in the draft contract described above.

(101) In or about May 1989, in Evendale, Ohio, STEINDLER drafted a schedule of "milestones" for the flight test payments to GSK, describing stages of purported work on the flight tests. Upon the completion of each milestone, GSK would purportedly be entitled to a progress payment. The payment schedule set by the milestones was identical to the payment schedule set forth in GSK's quotation. The milestones were created in response to questions raised by other General Electric employees about the absence of proper documentation for the transactions and were designed to make it appear that all of the payments to GSK were legitimate payments for a flight test program when in fact substantially all of these funds were being diverted for STEINDLER's and DOTAN's personal use.

(102) In or about May 1989, the schedule of milestones was reviewed in Israel by DOTAN, who assigned dollar values to each stage of GSK's purported flight test work. These milestones were referenced in each of the subsequently issued GSK invoices.

GSK's Receipt of Payments from General Electric and Diversion of Most of These Funds to European Banks Overt Acts 103 through 108

On or about the following dates, Klein transmitted by U.S. mail from New Jersey to General Electric in the Southern District of Ohio the following invoices for purported GSK services in connection with the flight tests:

Overt Act No.	Approx. Date	Approx. Amount
(103)	2/15/89	\$2,500,000
(104)	3/24/89	\$1,500,000
(105)	5/24/89 (amended second invoice)	\$1,500,000
(106)	7/24/89	\$500,000
(107)	10/10/89	\$2,000,000
(108)	1/15/90	\$1,375,000

Overt Acts 109 through 113

On or about the following dates, Klein caused General Electric to deposit into GSK's bank account in

New Jersey, by wire transfer, the following payments of the invoices described above, totaling approximately \$7.875 million:

Overt Act No.	Approx. Date	Approx. Amount
(109)	2/23/89	\$2,500,000
(110)	7/6/89	\$1,500,000
(111)	8/1/89	\$500,000
(112)	10/24/89	\$2,000,000
(113)	1/31/90	\$1,375,000

Overt Acts 114 through 122

On or about the following dates, the following letters, again purportedly from Boas but actually created by STEINDLER and DOTAN, were trans-

mitted to Klein in New Jersey, instructing Klein to transfer funds in the approximate amounts indicated below to bank accounts in the countries listed below:

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(114)	2/27/89	Belgium	\$600,000
(115)	2/27/89	Germany	\$825,000
(116)	2/28/89	Germany	\$725,000
(117)	3/27/89	Germany Belgium	\$1,550,000 \$600,000
(118)	7/5/89	Belgium	\$1,500,000
(119)	7/29/89	Belgium	\$500,000
(120)	9/13/89	Belgium	\$2,000,000
(121)	10/15/89	Belgium	\$2,000,000
(122)	1/14/90	Belgium	\$1,275,000

Overt Acts 123 through 127

On or about the following dates, Klein, pursuant to the instruction letters, wire transferred a total of approximately \$7.4 million from GSK's bank account

in Woodbridge, New Jersey, to accounts at Banque Indosuez (formerly Banque du Benelux) in Brussels, Belgium, and Deutsche Bank in Konstanz, Germany:

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(123)	3/23/89	Belgium Banque Indosuez	\$600,000
(124)	6/5/89	Germany Deutsche Bank	\$1,550,000

Overt Act No.	Approx. Date	Location of Account	Approx. Amount
(125)	9/18/89	Belgium Banque Indosuez	\$2,000,000
(126)	11/27/89	Belgium Banque Indosuez	\$2,000,000
(127)	3/7/90	Belgium Banque Indosuez	\$1,275,000

The Money Laundering Transactions in Europe Using Conversions to Cash and Other Concealment Devices

Transfers from Belgium and Germany to Swiss Bank Accounts Involving KATZ's Daughter and a Friend of KATZ

December 1987 Trip

(128) In or about December 1987, KATZ directed his daughter to travel to Europe and effect the transfers of funds described in overt acts 129 through 132. The funds involved in these transfers had previously been diverted from the ILS contract and transferred from GSK to the bank accounts KATZ had opened in Belgium and Germany.

(129) On or about December 9 and 10, 1987, KATZ's daughter transferred, by check, approximately \$844,868.48 from the account at Banque du Benelux in Belgium to the account at Deutsche Bank in Konstanz, Germany.

(130) On or about December 10, 1987, KATZ's daughter opened a bank account at Credit Suisse, in Zurich, Switzerland, in the name of Bandera Holding Inc. (Bandera), a purported Panamanian corporation.

(131) On or about December 10, 1987, KATZ's daughter transferred approximately 495,000 Deutsche marks (DM) in cash from the account at Deutsche Bank in Konstanz, Germany, to nearby Zurich, Switzerland, by personally transporting the cash across the German-Swiss border and depositing it into two bank accounts: (a) the Bandera account, into which most of these funds were deposited; and (b) a bank account at Banque Indosuez called "Hal," over which only KATZ had signature authority, into which approximately

\$49,584.80 of the funds withdrawn from Deutsche Bank were deposited.

(132) On or about December 11, 1987, KATZ's daughter transferred approximately 762,000 DM in cash from the account at Deutsche Bank in Konstanz, Germany, to Zurich, Switzerland, again by personally transporting the cash across the German-Swiss border and depositing all or most of it into the Bandera account at Credit Suisse.

February 1988 Trip

(133) In or about February 1988, KATZ again directed his daughter to travel to Europe and effect the transfers of funds described in overt acts 134 through 136. As in the December 1987 transfers, the funds involved in these transfers had previously been diverted from the ILS contract and transferred from GSK to the bank accounts KATZ had opened in Belgium and Germany.

(134) On or about February 22, 1988, KATZ's daughter transferred, by check, approximately \$210,000 from the account at Banque du Benelux in Belgium to a bank account at Credit Suisse in Zurich, Switzerland, in the name of a friend of KATZ's.

(135) On or about February 22, 1988, KATZ's friend retransferred approximately \$208,500 from his Credit Suisse account to the Bandera account at the same bank.

(136) On or about February 24, 1988, KATZ's daughter transferred approximately 1,546,420.80 DM in cash from the account at Deutsche Bank in Konstanz, Germany, to Switzerland, again by personally transporting the cash across the border and depositing

all or most of it into the Bandera account at Credit Suisse.

December 1988 Trip

(137) In or about December 1988, KATZ and his friend who was involved in the previous transfers traveled to Europe to effect the transfers of funds described in overt acts 138 through 143. The funds involved in these transfers had previously been diverted from the ILS contract.

(138) In or about December 1988, KATZ opened a bank account, over which both DOTAN and STEINDLER had signature authority, at Handelsbank in Zurich, Switzerland. The account was in the name of Kingstree Finance Corp. (Kingstree), a purported Panamanian corporation. This Handelsbank account was the first of three Kingstree accounts eventually opened by KATZ, each at a different Zurich bank. The accounts were opened for the benefit of STEINDLER and DOTAN, who had agreed that each would own approximately half of the funds in these accounts.

(139) On or about December 2, 1988, KATZ caused two checks to be drawn on the Bandera account at Credit Suisse, for 1,466,000 DM and \$950,000, payable to KATZ's friend. The total amount transferred through the two checks approximated the total of the deposits of diverted funds into the Bandera account described in overt acts 131, 132, 135 and 136.

(140) On or about December 2, 1988, KATZ's friend deposited the checks into his account at Credit Suisse in Zurich, Switzerland.

(141) On or about December 2, 1988, following KATZ's instructions, KATZ's friend wire transferred these funds from his Credit Suisse account to the Kingstree account at Handelsbank.

(142) Also during the December 1988 trip, on or

about December 1, 1988, KATZ wire transferred approximately \$425,000 from the account at Banque du Benelux in Belgium to KATZ's friend's bank account at Credit Suisse in Zurich.

(143) On or about December 1, 1988, following KATZ's instructions, KATZ's friend wire transferred these funds to bank accounts in the name of "Tradebar SA," in Belgium and Israel. DOTAN used the "Tradebar SA" name to hold various of his assets under a nominee name, including bank accounts and an apartment DOTAN owned in Tel Aviv, Israel.

July 1989 Trip

(144) In or about July 1989, KATZ and KATZ's friend again traveled to Europe to effect the funds transfers described in overt acts 145 and 146. The funds involved in these transfers were derived from both the diversions from the ILS contract and from the flight test payments.

(145) On or about July 7, 1989, KATZ transferred approximately 1,865,000 DM from the account at Deutsche Bank in Konstanz, Germany, to KATZ's friend's bank account at a bank called Sparkasse Konstanz in Konstanz, Germany.

(146) On or about July 7, 1989, KATZ's friend wire transferred approximately 1,855,500 DM from his Sparkasse Konstanz account to the Kingstree account at Handelsbank in Zurich, Switzerland.

Additional Transfers from Belgium to Germany

Overt Acts 147 through 153

On or about the following dates, KATZ caused the following wire transfers from the account in Belgium at Banque Indosuez (formerly known as Banque du Benelux) to the account at Deutsche Bank in Konstanz, Germany, previously opened by KATZ:

Overt Act No.	Approx. Date	Approx. Amount
(147)	1/16/89	\$114,850.00
(148)	3/14/89	\$142,853.11
(149)	3/24/89	\$559,843.83
(150)	10/10/89	\$1,700,000.00

Overt Act No.	Approx. Date	Approx. Amount
(151)	11/16/89	\$200,000.00
(152)	12/18/89	\$2,000,000.00
(153)	3/13/90	\$1,273,070.53

The funds involved in these transfers had previously been diverted from the ILS contract and through the flight test payments. These funds had previously been transferred from GSK directly to the Belgian account or, in a few cases, first to Boas's account at Rabobank, in the Netherlands (*see* overt acts 48 and 49), and then retransferred to the Belgian account. The funds were transferred from Belgium to Germany in order to consolidate the funds in Konstanz, located near the German-Swiss border, in preparation for the conversion of these funds into cash and the transportation of this cash

into Switzerland for deposit into Swiss bank accounts.

Additional Transfers of Cash across the German-Swiss Border

Overt Acts 154 through 165

On or about the following dates, KATZ effected the following funds transfers by withdrawing cash (in Deutsche marks) from accounts he had opened at two banks in Konstanz, Germany, and soon thereafter depositing approximately the same amount of cash into bank accounts in nearby Zurich, Switzerland:

Withdrawals from German Accounts		Deposits into Swiss Accounts	
Overt Act No.	Approx. Date	Approx. Amount (Deutsche Marks) and Location of Account(s)	Approx. Amount (Deutsche Marks) and Location of Account(s)
(154)	1/19/89	111,330.00 DM Deutsche Bank	92,220.00 DM Kingstree account at Handelsbank
(155)	4/27/89	460,000.00 DM Deutsche Bank	83,866.25 DM Kingstree account at Handelsbank \$185,000.00 DM "Car" account at Banque Indosuez, over which KATZ and DOTAN had signature authority \$190,000.00 DM "Hal" account at Banque Indosuez
(156)	4/28/89	655,000.00 DM Deutsche Bank	653,560.00 DM Kingstree account at Handelsbank
(157)	8/9/89	1,417,145.62 DM Deutsche Bank	1,413,600.00 DM Kingstree account at Handelsbank
(158)	10/23/89	2,000,000.00 DM Deutsche Bank	1,608,240.00 DM Kingstree account at Handelsbank
(159)	12/22/89	700,000.00 DM Deutsche Bank	698,460.00 DM Kingstree account at Handelsbank

Overt Act No.	Approx. Date	Approx. Amount (Deutsche Marks) and Location of Account(s)	Approx. Amount (Deutsche Marks) and Location of Account(s)
(160)	2/21/90	450,000.00 DM Deutsche Bank	448,110.00 DM Kingstree account at Handelsbank
(161)	4/18/90	400,000.00 DM Deutsche Bank 300,000.00 DM Bank für Gemeinwirtschaft	700,000.00 DM Account at Union Bank of Switzerland in KATZ's name
(162)	5/28/90	500,000.00 DM Deutsche Bank 450,000.00 DM Bank für Gemeinwirtschaft	500,000.00 DM 450,000.00 DM Kingstree account at Ellis AG
(163)	6/28/90	650,000.00 DM Deutsche Bank 450,000.00 DM Bank für Gemeinwirtschaft	1,100,000.00 DM Kingstree account at Ellis AG
(164)	8/28/90	500,000.00 DM Deutsche Bank 400,000.00 DM Bank für Gemeinwirtschaft	900,000.00 DM Kingstree account at Ellis AG
(165)	9/25/90	200,000.00 DM Deutsche Bank 200,000.00 Bank für Gemeinwirtschaft	400,000.00 DM Kingstree account at Union Bank of Switzerland

The funds involved in these transfers had previously been diverted from the ILS contract and through the flight test payments and had been transferred from Belgium to Germany (*see* overt acts 147 through 153) or directly from GSK to Germany. All of these funds were initially deposited into the Deutsche Bank account, and then KATZ transferred a portion of those funds to his account at Bank für Gemeinwirtschaft pending their retransfer to Switzerland.

Dotan's Will

(166) DOTAN prepared a handwritten will, dated March 5, 1989, which appointed KATZ and another individual as executors and which stated that STEINDLER owned one-half of the funds in the above-described bank accounts in Belgium and Germany and in the bank accounts in Kingstree's name.

All in violation of Title 18, U.S.C., § 371.

COUNTS 2 through 17 (Mail Fraud)

43. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 42 of this Indictment as though set forth in full herein.

44. From approximately 1984, and continuing thereafter until approximately 1990, the exact dates being unknown to the Grand Jury, in the Southern District of Ohio and elsewhere, STEINDLER and DOTAN knowingly and willfully devised and intended to devise a scheme and artifice to defraud DSAA of its right to control expenditures of FMF funds and to ensure that these expenditures comply with its legal

and policy requirements, and to obtain money, that is approximately \$11 million, by means of false and fraudulent representations; and on or about the dates set forth below, for the purpose of executing such

scheme and artifice, caused the following matters and things to be delivered by mail according to the direction thereon, from GSK in New Jersey to General Electric in the Southern District of Ohio:

Count	Approx. Date	Description of Mailing
		Invoices for Subcontract Work under ILS Contract
2	8/29/86	GSK's invoices (nos. 8042, 8043 and 8044) in the aggregate amount of \$4,365,682
3	9/8/86	GSK's invoice (no. 9006) in the amount of \$192,755
4	12/18/86	GSK's invoices (nos. 12023-12027 and 12029-12031) in the aggregate amount of \$2,890,291
5	6/15/87	GSK's invoices (nos. 6015, 6016 and 6017) in the aggregate amount of \$1,179,795
6	12/18/87	GSK's invoices (nos. 12037-12041) in the aggregate amount of \$3,766,601
7	6/13/88	GSK's invoices (nos. 6006-6013) in the aggregate amount of \$2,191,558
8	12/21/88	GSK's invoice (no. 12022) in the amount of \$596,600
9	7/7/89	GSK's invoice (no. 7014) in the amount of \$575,000
10	12/13/89	GSK's invoice (no. 12025) in the amount of \$596,600
11	5/7/90	GSK's invoice (no. 5009) in the amount of \$1,303,400
		Invoices for Flight Test Work
12	2/15/89	GSK's invoice in the amount of \$2,500,000
13	3/24/89	GSK's invoice in the amount of \$1,500,000
14	5/24/89	GSK's invoice in the amount of \$1,500,000 (amended second invoice)
15	7/24/89	GSK's invoice in the amount of \$500,000
16	10/10/89	GSK's invoice in the amount of \$2,000,000
17	1/15/90	GSK's invoice in the amount of \$1,375,000

All in violation of Title 18, U.S.C., §§ 1341 and 2.

COUNTS 18 through 23
(Wire Fraud)

45. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 42 of this Indictment as though set forth in full herein.

46. From approximately 1984, and continuing

thereafter until approximately 1990, the exact dates being unknown to the Grand Jury, in the Southern District of Ohio and elsewhere, STEINDLER and DOTAN knowingly and willfully devised and intended to devise a scheme and artifice to defraud DSAA of its right to control expenditures of FMF funds and to ensure that these expenditures comply with its legal

and policy requirements, and to obtain money, that is approximately \$11 million, by means of false and fraudulent representations; and on or about the dates set forth below, for the purpose of executing such scheme and artifice, caused to be transmitted by means of wire in interstate and foreign commerce the following writings, signs, signals and sounds:

Count	Approx. Date	Description of Wire Communication
18	12/18/87	transmission from GSK in New Jersey to General Electric in Ohio, by facsimile, of GSK's invoices (nos. 12037-12041) for subcontract work under the ILS contract in the aggregate amount of \$3,766,601
19	6/13/88	transmission from GSK in New Jersey to General Electric in Ohio, by facsimile, of GSK's invoices (nos. 6006-6013) for subcontract work under the ILS contract in the aggregate amount of \$2,191,558
20	12/21/88	transmission from GSK in New Jersey to General Electric in Ohio, by facsimile, of GSK's invoice (no. 12022) for subcontract work under the ILS contract in the amount of \$596,600
21	1/5/89	transmission from GSK in New Jersey to General Electric in Ohio, by facsimile, of GSK's quotation for flight tests
22	12/13/89	transmission from GSK in New Jersey to General Electric in Ohio, facsimile, of GSK's invoice (no. 12025) for subcontract work under the ILS contract in the amount of \$596,600
23	8/5/90	STEINDLER'S transmission by facsimile from General Electric in Ohio to Tel Aviv, Israel, of a copy of a letter concerning Ingbir's selection as a subcontractor which purported to be dated November 10, 1989

All in violation of Title 18, U.S.C., §§ 1343 and 2.

COUNTS 24 through 48
(Money Laundering)

47. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 46 of this Indictment as though set forth in full herein.

48. On or about the dates set forth below, in the Southern District of Ohio and elsewhere, STEINDLER, DOTAN, and KATZ conducted and caused the

conducting of financial transactions affecting interstate and foreign commerce, that is, the following wire transfers from an account in GSK's name at a bank in Woodbridge, New Jersey, which involved the proceeds of specified unlawful activities, that is, violations of 18 U.S.C. §§ 1341 and 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity:

Count	Approx. Date	Destination	Approx. Amount
Funds Diverted from the ILS Contract			
24	12/30/86	Germany	\$221,080
25	12/30/86	Belgium	\$217,500
26	2/6/87	Germany	\$107,114
27	2/6/87	Belgium	\$52,079
28	3/6/87	Germany	\$38,246
29	3/6/87	Belgium	\$243,118
30	4/10/87	Germany	\$72,817
31	4/10/87	Belgium	\$212,140
32	6/26/87	Germany	\$187,923
33	6/26/87	Belgium	\$68,920
34	11/4/87	Germany	\$140,519
35	11/4/87	Belgium	\$21,012
36	12/30/87	Germany	\$72,817
37	12/30/87	Belgium	\$212,140
38	2/25/88	Belgium	\$177,500
39	7/7/88	Germany	\$245,000
40	12/29/88	Germany	\$221,000
41	3/13/89	Belgium	\$143,003
42	10/13/89	Belgium	\$100,000
43	9/13/90	Germany	\$185,000
Funds Diverted through the Flight Test Payment			
44	3/23/89	Belgium	\$600,000
45	6/5/89	Germany	\$1,500,000
46	9/18/89	Belgium	\$2,000,000
47	11/27/89	Belgium	\$2,000,000
48	3/7/90	Belgium	\$1,275,000

All in violation of Title 18, U.S.C., §§ 1956(a)-(1)(B)(i) and 2.

**COUNTS 49 through 76
(Money Laundering)**

49. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 46 of this Indictment as though set forth in full herein.

50. On or about the dates set forth below, in the Southern District of Ohio and elsewhere, STEIND-

LER, DOTAN, and KATZ conducted and caused the conducting of the following financial transactions affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activities, that is, violations of 18 U.S.C. §§ 1341 and 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity:

Count	Approx. Date(s)	Description of Transaction
49	12/9/87	transfer of approximately \$844,868.48 from Belgium to Germany
50	12/10/87	transfer of approximately 495,000.00 DM from Germany to Switzerland
51	12/11/87	transfer of approximately 762,000.00 DM from Germany to Switzerland
52	2/22/87	transfer of approximately 210,000.00 from Belgium to Switzerland
53	2/24/88	transfer of approximately 1,546,420.80 DM from Germany to Switzerland
54	12/1/88	transfer of approximately 425,000.00 from Belgium to Switzerland
55	12/2/88	transfer of approximately 1,466,000.00 DM and \$950,000.00 from the Bandera account at Credit Suisse, Zurich, Switzerland, to the Kingtree account at Handelsbank, Zurich, Switzerland
56	1/16/89	transfer of approximately \$114,850.00 from Belgium to Germany
57	1/19/89	transfer of approximately 92,220.00 DM from Germany to Switzerland
58	3/14/89	transfer of approximately \$142,853.11 from Belgium to Germany
59	3/24/89	transfer of approximately \$599,843.83 from Belgium to Germany
60	4/27/89	transfer of approximately 83,866.25 DM, 185,000.00 DM and 190,000.00 DM from Germany to Switzerland
61	4/28/89	transfer of approximately 653,560.00 DM from Germany to Switzerland
62	7/7/89	transfer of approximately 1,855,500.00 DM from Germany to Switzerland
63	8/9/89	transfer of approximately 1,413,600.00 DM from Germany to Switzerland
64	10/10/89	transfer of approximately \$1,700,000.00 from Belgium to Germany
65	10/23/89	transfer of approximately 1,608,240.00 DM from Germany to Switzerland
66	11/16/89	transfer of approximately \$200,000.00 from Belgium to Germany
67	12/18/89	transfer of approximately \$2,000,000.00 from Belgium to Germany
68	12/22/89	transfer of approximately 698,460.00 DM from Germany to Switzerland
69	2/21/90	transfer of approximately 448,110.00 DM from Germany to Switzerland
70	3/13/90	transfer of approximately \$1,273,070.53 from Belgium to Germany
71	4/18/90	transfer of approximately 700,000.00 DM from Germany to Switzerland
72	5/28/90	transfer of approximately 500,000.00 DM and 450,000.00 DM from Germany to Switzerland
73	6/28/90	transfer of approximately 1,100,000.00 DM from Germany to Switzerland
74	7/4/90 and 7/17/90	transfer, pursuant to STEINDLER's written instructions to Handelsbank dated May 8, 1990, of approximately 9,952,352.30 DM and \$624,492.90 from the Kingtree account at Handelsbank to a bank account in the name of "Topaz Treuhand AG" at Bank Oppenheim Pierson, located in Zurich, Switzerland, in which the funds were temporarily held pending their retransfer to the Kingtree account at Ellis AG soon thereafter.
75	8/28/90	transfer of approximately 900,000.00 DM from Germany to Switzerland
76	9/25/90	transfer of approximately 400,000.00 DM from Germany to Switzerland

All in violation of Title 18, U.S.C., §§ 1956(a)-(1)(B)(i), 1956(f) and 2.

contained in ¶¶ 1 through 10 and 12 through 46 of this indictment as though set forth in full herein.

COUNTS 77 through 80
(Money Laundering)

51. The Grand Jury realleges all of the allegations

52. On or about the following dates, in the Southern District of Ohio and elsewhere, STEINDLER knowingly engaged and caused another to engage in monetary transactions, affecting interstate and foreign

commerce, in criminally derived property of a value greater than \$10,000, that is, the following deposits, withdrawals, transfers, and exchanges of funds and

monetary instruments, such property having been derived from specified unlawful activities, that is, violations of 18 U.S.C. §§ 1341 and 1343:

Count	Approx. Date(s)	Description of Transaction
77	6/23/89	transfer of approximately \$175,150 from the Kingstree account at Handelsbank to a bank account called "Rome" at Banque Indosuez in Zurich, Switzerland, over which STEINDLER and members of his family had signature authority
78	6/26/89	transfer of approximately \$250,000 from the Kingstree account at Handelsbank to the "Rome" bank account
79	7/20/90	withdrawal of the equivalent in Italian lira of approximately \$30,000 from the "Rome" account, all or most of which was used for remodeling and furnishings for an apartment in Rome, Italy
80	10/3/90	withdrawal of the equivalent in Italian lira of approximately \$17,730.50 from the "Rome" account, all or most of which was used for remodeling and furnishings for an apartment in Rome, Italy

All in violation of Title 18, U.S.C., §§ 1957 and 2.

COUNTS 81 through 86
(Bribery of a Foreign Official)

53. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 42 of this Indictment as though set forth in full herein.

54. General Electric was an issuer as that term is defined in the Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. § 78dd-1(a). STEINDLER was an employee of an issuer (General Electric) as that term is defined in 15 U.S.C. § 78dd-1(a). DOTAN was a foreign official as that term is defined in 15 U.S.C. § 78dd-1(f)(1).

On or about the dates set forth below, in the South-

ern District of Ohio and elsewhere, STEINDLER knowingly and willfully used and caused the use of the mails — through which invoices were sent from GSK in New Jersey to General Electric in the Southern District of Ohio — corruptly in furtherance of an offer, payment, promise to pay and authorization of the payment of money, that is, a portion of the \$7.875 million that General Electric paid for flight tests of the F110-GE-100A engine model, to persons, that is, Klein, KATZ and others, while knowing that a portion of such money would be offered, given, or promised, directly or indirectly, to DOTAN, for purposes of inducing DOTAN to use his influence with an instrumentality of a foreign government to affect and influence acts and decisions of such instrumentality in order to assist General Electric in obtaining and retaining business with the government of Israel, and directing business to General Electric, for the provision of aircraft engines and related products and services:

Count	Approx. Date(s)	Description of Transaction
81	2/15/89	GSK's invoice in the amount of \$2,500,000
82	3/24/89	GSK's invoice in the amount of \$1,500,000
83	5/24/89	GSK's invoice in the amount of \$1,500,000 (amended second invoice)

Count	Approx. Date(s)	Description of Transaction
84	7/24/89	GSK's invoice in the amount of \$500,000
85	10/10/89	GSK's invoice in the amount of \$2,000,000
86	1/15/90	GSK's invoice in the amount of \$1,375,000

All in violation of Title 15, U.S.C., §§ 78dd-1(a)(3)-(B) and 78ff(c)(2)(B); and Title 18, U.S.C., § 2.

COUNT 87
(False Books and Records)

55. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 42 of this Indictment as though set forth in full herein.

56. Between on or about February 15, 1989, and on or about January 15, 1990, in the Southern District of Ohio and elsewhere, STEINDLER and DOTAN knowingly and willfully falsified or caused to be falsified books, records, and accounts of General Electric, which had a class of securities registered pursuant to Title 15, U.S.C., § 781, to wit:

False GSK Invoices Sent to General Electric for Purported Flight Test Work

Approx. Date	Invoice
2/15/89	GSK's invoice in the amount of \$2,500,000
3/24/89	GSK's invoice in the amount of \$1,500,000
5/24/89	GSK's invoice in the amount of \$1,500,000 (amended second invoice)
7/24/89	GSK's invoice in the amount of \$500,000
10/10/89	GSK's invoice in the amount of \$2,000,000
1/15/90	GSK's invoice in the amount of \$1,375,000

All in violation of Title 15, U.S.C., §§ 78m(b)(5) and 78ff(a); and Title 18, U.S.C., § 2.

COUNT 88
(False and Fictitious Statements)

57. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10 and 12 through 42 of this Indictment as though set forth in full herein.

58. On or about September 2, 1988, in the Southern District of Ohio and elsewhere, STEINDLER knowingly and willfully made and caused to be made false and fictitious material statements and representa-

tions, in a matter within the jurisdiction of DSAA, an agency of the United States, concerning the diversion of funds for a purported flight test program to European bank accounts for the personal use and benefit of STEINDLER and DOTAN and the purported agreement by General Electric to provide funding for flight tests of the F110-GE-100A jet aircraft engine, through the creation and submission to DSAA of a contractor certification, which STEINDLER then knew falsely omitted disclosure to DSAA of the true disposition of the funds to be paid for the purported flight tests and falsely represented that: (a) there were no "other amendments, modifications, side letters, or supplementary agreements" to the contract; (b) that no "rebates,

gifts or gratuities intended to secure [the contract] or obtain favorable treatment under [the contract] have been given contrary to U.S. law to officers, officials, or employees of the government of Israel” and that no such payments would be made, when, in fact, the above-described diversions of funds entailed, in part, improper payments to DOTAN; and (c) the certification was “complete and correct.”

All in violation of Title 18, U.S.C., §§ 1001 and 2.

COUNT 89
(Forfeiture)

59. The Grand Jury realleges all of the allegations contained in ¶¶ 1 through 10, 12 through 50 of this Indictment as though set forth in full herein.

60. As a result of the offenses alleged in Counts 24 through 76, STEINDLER, DOTAN, and KATZ shall forfeit to the United States all property, real and personal, involved in the offenses and all property traceable to such property, as to which property the defendants are jointly and severally liable, including but not limited to:

a. \$8,074,003 in U.S. currency and all interest and proceeds traceable thereto, in that such sum in aggregate is property which was involved in the aforesaid offenses or is property traceable to such property, in violation of Title 18, U.S.C., §§ 1956 and 982(a)(1), less any of these funds that were previously recovered by the United States.

b. Personal property listed below:

- (1) all funds that are or were on deposit in account number [REDACTED] in the name of “Rome” at Banque Indosuez, Zurich, Switzerland;
- (2) all funds that are or were on deposit in account number [REDACTED] in the name of “Kingstree Finance Corp.” at Union Bank of Switzerland, Zurich, Switzerland; and
- (3) all funds that are or were on deposit in account number [REDACTED] in the name of “Hal” at Banque Indosuez, Zurich, Switzerland.

61. If any of the property described above in (a) and (b) in the preceding paragraph as being subject to forfeiture, as a result of any act or omission of any 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, U.S.C., § 982(b)(1)(A), incorporating Title 21, U.S.C., § 853(p), to seek forfeiture of any other property of said defendants up to the value of \$8,074,003, less the amount of these funds that were previously recovered by the United States, including but not limited to the following substitute assets:

- (1) the funds in account number [REDACTED] in STEINDLER’s name at Merrill Lynch, Pierce, Fenner & Smith, Inc.;
- (2) the funds in account number [REDACTED] in the name of Concetta S. Steindler at Merrill Lynch, Pierce, Fenner & Smith, Inc.;
- (3) the funds in account number [REDACTED] in the name of Herbert and Concetta Steindler at Merrill Lynch, Pierce, Fenner & Smith, Inc.;
- (4) the property at [REDACTED], Melbourne Beach, Florida, titled in the name of Concetta Spinetti Steindler;
- (5) the cooperative apartment at [REDACTED] [REDACTED] Rome, Italy, titled in the name of Concetta Spinetti Steindler;
- (6) all funds in the following accounts in the name of Concetta Spinetti Steindler at Banco di Sicilia, in Rome, Italy: [REDACTED], [REDACTED], and [REDACTED];
- (7) all funds that are or were on deposit in account number [REDACTED] in the name of

- "Rome" at Banque Indosuez, Zurich, Switzerland;
- (8) all funds that are or were on deposit in account number [REDACTED] in the name of "Kingstree Finance Corp." at Union Bank of Switzerland, Zurich, Switzerland; and
- (10) all funds that are or were on deposit in account number [REDACTED] in the name of "Hal" at Banque Indosuez, Zurich, Switzerland.

All in violation of Title 18, U.S.C., §§ 982(a)(1) and 982(b)(1)(A), incorporating Title 21, U.S.C., § 853.

A TRUE BILL

Foreperson/s/

Edmund A. Sargus, Jr./s/
U.S. Attorney, Southern District of Ohio

Theodore S. Greenberg
Chief, Money Laundering Section
Criminal Division, Department of Justice

Gerald E. McDowell
Chief, Fraud Section
Criminal Division, Department of Justice

By: Thomas A. Colthurst/s/
Trial Attorney, Money Laundering Section

By: James A. Baker /s/
Trial Attorney, Fraud Section

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