

Introduction

1. During the times material to this Indictment:
 - a. The defendant YOUNG & RUBICAM, INC. was a New York corporation engaged in the advertising and marketing business on a world wide basis and constituted a "domestic concern" within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.
 - b. The defendant ARTHUR R. KLEIN was an executive vice-president of YOUNG & RUBICAM, INC. and an "officer, employee [and] agent" of a domestic concern within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.
 - c. The defendant THOMAS SPANGENBERG was a vice-president and account executive of YOUNG & RUBICAM, INC. and an "officer, employee [and] agent" of a domestic concern within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.
 - d. The Jamaica Tourist Board was an agency and instrumentality of the Government of Jamaica responsible for the promotion and development of the tourism industry on the Island of Jamaica.
 - e. Eric Anthony Abrahams, also known as Anthony Abrahams and Tony Abrahams, was the Minister of Tourism of the Government of Jamaica and a "foreign official" within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.
 - f. Arnold Foote, Jr. also known as Junior Foote, was a prominent Jamaican citizen with close political ties to the Jamaican Labor Party and to the Administration of Prime Minister Edward Seaga. Foote served as executive chairman of Martin's Travel, an instrumentality of the Government of Jamaica, and he also acted in an official capacity on behalf of the Minister of Tourism and the Jamaica Tourist Board as an advisor to the Government of Jamaica with respect to tourism, advertising and public relations matters, including the selection and retention of an advertising agency for the Jamaica Tourist Board. Foote constituted a "foreign official" within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.
 - g. Steven M. McKenna was a budget manager and later a senior vice-president and director of business affairs of YOUNG & RUBICAM, INC. and an "officer,

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**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

UNITED STATES OF AMERICA,
Plaintiff,

v.

YOUNG & RUBICAM, INC., ARTHUR R. KLEIN,
THOMAS SPANGENBERG, ARNOLD FOOTE, JR.,
ERIC ANTHONY ABRAHAMS,
STEVEN M. McKENNA
Defendants.

CRIMINAL NO. _____

Violations: 18 U.S.C. §371 (Conspiracy to Violate the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2(a)(1) and (a)(3)); 18 U.S.C. §§1962(c) and 2 (RICO); 18 U.S.C. §1623 (perjury).

INDICTMENT

The Grand Jury charges:

COUNT ONE
(Conspiracy)

employee [and] agent" of a domestic concern within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.

- h. Edward J. Daley was an account executive of YOUNG & RUBICAM, INC. and an "employee [and] agent" of a domestic concern within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2.
- i. Robert Lowell Moore, Jr., hereinafter known as Robin Moore, was a well known author, residing in Westport, Connecticut, who had longstanding ties to the Island of Jamaica and was a close friend of Arnold Foote, Jr. and Jamaican Prime Minister Edward Seaga.
- j. Frederick W. Sturges was a resident of Rowayton, Connecticut and an associate of Robin Moore and Arnold Foote, Jr.

The Conspiracy

2. From in or about October, 1980 up to and including the date of this Indictment, in the District of Connecticut and elsewhere, YOUNG & RUBICAM, INC., ARTHUR R. KLEIN, and THOMAS SPANGENBERG, the defendants, did knowingly, willfully and unlawfully, combine, conspire, confederate and agree together with each other and with diverse other persons both known and unknown to the Grand Jury, to commit the following offenses against the United States:

- a. To make use of the mails and other means and instrumentalities of interstate and foreign commerce corruptly in furtherance of the offer, payment, promise to pay and authorization of the payment of money, and the offer, gift and promise to give other things of value to Arnold Foote, Jr. and Eric Anthony Abrahams for the purpose of —
 - (i) influencing the decisions made by Arnold Foote, Jr. and Eric Anthony Abrahams in their official capacities with respect to the selection and retention of an advertising agency for the Jamaica Tourist Board, and
 - (ii) inducing Arnold Foote, Jr. and Eric Anthony Abrahams to use their influence with the Jamaica Tourist Board to affect and influence the decisions of the Board with respect to the selection and retention of an advertising agency,

in order to assist YOUNG & RUBICAM, INC. in obtaining and retaining business with the Jamaica Tourist

Board, in violation of 15 U.S.C. §78dd-2(a)(1).

- b. To make use of the mails and other means and instrumentalities of interstate and foreign commerce corruptly in furtherance of the offer, payment, promise to pay and authorization of the payment of money to Arnold Foote, Jr., while knowing and having reason to know that a portion of such monies would be offered, given and promised, directly and indirectly, to Eric Anthony Abrahams for the purpose of —
 - (i) influencing decisions made by Eric Anthony Abrahams in his official capacity with respect to the selection and retention of an advertising agency for the Jamaica Tourist Board, and
 - (ii) inducing Eric Anthony Abrahams to use his influence with the Jamaica Tourist Board to affect and influence the decisions of the Board with respect to the selection and retention of an advertising agency,

in order to assist YOUNG & RUBICAM, INC. in obtaining and retaining business with the Jamaica Tourist Board, in violation of 15 U.S.C. §78dd-2(a)(3).

Means and Methods

3. It was part of the conspiracy that the conspirators would and did endeavor to influence and cause the Jamaica Tourist Board to appoint and retain the defendant YOUNG & RUBICAM, INC. as the advertising agency for the Board.

4. It was a further part of the conspiracy that, in return for being appointed and retained as the advertising agency for the Jamaica Tourist Board, the defendant YOUNG & RUBICAM, INC., acting by and through the defendants ARTHUR R. KLEIN and THOMAS SPANGENBERG, as well as Steven M. McKenna, Edward J. Daley, Robin Moore and Frederick W. Sturges, and others, would and did arrange for and pay kickbacks to Arnold Foote, Jr. and, through Foote, to Eric Anthony Abrahams.

5. It was a further part of the conspiracy that the aforesaid kickbacks and the manner in which they were paid would and did cause the Jamaica Tourist Board to make unnecessary and excessive expenditures for advertising services and deprived the Board of economically material information in its business dealings with the defendant YOUNG & RUBICAM, INC.

6. It was a further part of the conspiracy that Robin Moore and Frederick W. Sturges would and did act as middlemen and "go betweens" for the communication of infor-

mation and monies between and among the conspirators, and that certain kickback payments would be and were funneled through bank accounts established and controlled by them.

7. It was a further part of the conspiracy that, in order to disguise and conceal their unlawful activities, the conspirators would and did cause the defendant YOUNG & RUBICAM, INC. to enter into a contract with Ad Ventures, Ltd., a Cayman Island Corporation created for the purposes of funneling kickbacks to Arnold Foote, Jr. and Eric Anthony Abrahams and affording YOUNG & RUBICAM, INC. an ostensibly legitimate reason for making such payments.

8. It was a further part of the conspiracy that, when Frederick W. Sturges threatened to expose their unlawful activities, the remaining conspirators would and did endeavor to buy his silence.

9. It was a further part of the conspiracy that, when kickback payments inadvertently came to the attention of Noel C. Mignott, New York Regional Manager of the Jamaica Tourist Board, the conspirators made preparations to make payments to him to buy his silence.

10. It was a further part of the conspiracy that the conspirators would and did employ various other means and devices to conceal and cover up their unlawful activities, including making false statements to government investigators, testifying falsely before the Grand Jury, making some kickback payments in cash and others to a Cayman Islands bank account so as to make the tracing of funds more difficult, and causing the defendant YOUNG & RUBICAM, INC. to fail to reflect the kickback payments on reports it filed with the Department of Justice pursuant to the Foreign Agents Registration Act, 22 U.S.C. §611 *et seq.*

Overt Acts

In furtherance of the conspiracy the following overt acts, among others, were committed in the District of Connecticut and elsewhere:

11. In or about October, 1980, the exact date being unknown to the Grand Jury but subsequent to his appointment as Minister of Tourism for Jamaica, Eric Anthony Abrahams summoned an executive of the advertising agency which then held the Jamaica Tourist Board account and demanded to know the process by which kickbacks had been paid to officials in the prior Manley Administration. When informed by this executive that no kickbacks had been paid in the prior Administration, Abrahams stated that "things may be different in the new Administration," or words to that effect.

12. In or about and between approximately December 26, 1980 and January 10, 1981, the exact dates being unknown to the Grand Jury, at a meeting at the Kingston, Jamaica home of Eric Anthony Abrahams attended by Abrahams, Arnold Foote, Jr., Robin Moore and Frederick W. Sturges, Abrahams charged Foote with the task of obtaining a large New York City advertising agency to provide services for the Jamaica Tourist Board and Foote accepted this assignment.

13. During the period from January through March, 1981, Arnold Foote, Jr., Robin Moore and Frederick W. Sturges visited several New York City advertising agencies, including YOUNG & RUBICAM, INC., and discussed with each of them the prospect of providing advertising services for the Jamaica Tourist Board.

14. At one or more meetings held at the New York City offices of YOUNG & RUBICAM, INC. during the period from January through March, 1981, the exact dates being unknown to the Grand Jury, Arnold Foote, Jr., Robin Moore and Frederick W. Sturges informed ARTHUR R. KLEIN, THOMAS SPANGENBERG and others that Foote was an advisor to the Jamaican Minister of Tourism and that, in return for receiving some type of financial consideration, Foote would use his position and influence to assist YOUNG & RUBICAM, INC. in obtaining the Jamaica Tourist Board account.

15. On or about March 28, 1981, Frederick W. Sturges placed a telephone call, at the direction of Arnold Foote, Jr., to Lowe Marschalk, Inc., an advertising agency which was a competitor of YOUNG & RUBICAM, INC. for the Jamaica Tourist Board account, for the purpose of informing Lowe Marschalk that a decision had been made to award the account to YOUNG & RUBICAM, INC., and therefore that Lowe Marschalk's scheduled presentation had been cancelled.

16. On or about March 28, 1981, Robin Moore held a party at his home in Westport, Connecticut, to which he invited various officials of the Jamaican Government, including Eric Anthony Abrahams and Arnold Foote, Jr., and representatives of YOUNG & RUBICAM, INC., including ARTHUR R. KLEIN and THOMAS SPANGENBERG.

17. On or about April 3, 1981, YOUNG & RUBICAM, INC. and two competing advertising agencies made final presentations in Jamaica before members of the Jamaica Tourist Board and others. After YOUNG & RUBICAM, INC.'s presentation, ARTHUR R. KLEIN was called away by a co-conspirator for the purpose of discussing the payment of kickbacks to Arnold Foote, Jr. and Eric Anthony Abrahams through an "advertising agency" to be controlled

by Foote. A few minutes later, YOUNG & RUBICAM, INC. was awarded the account.

18. On or about April 6, 1981, YOUNG & RUBICAM, INC. executed a written contract to serve as the advertising agency for the Jamaica Tourist Board.

19. On or about April 9, 1981, ARTHUR R. KLEIN, Arnold Foote, Jr., Robin Moore and Frederick W. Sturges met at the offices of YOUNG & RUBICAM, INC. in New York City to discuss further the method by which the kickback payments would be made.

20. On or about and between April 20, 1981 and April 28, 1981, ARTHUR R. KLEIN, acting on behalf of YOUNG & RUBICAM, INC., and Frederick W. Sturges, acting on behalf of "Advertising and Marketing — Jamaica, Ltd. 1981," a nonfunctioning entity controlled by Arnold Foote, Jr., executed a contract, effective April 6, 1981, the purpose of which was to disguise kickback payments made to Foote and, through Foote, to Eric Anthony Abrahams.

21. Between approximately May 7, 1981 and May 19, 1981, the exact dates being unknown to the Grand Jury, Arnold Foote, Jr. and Frederick W. Sturges travelled to Grand Cayman Island, British West Indies, where they met with Don DeCordova in order to incorporate Ad Ventures, Ltd. and to establish a bank account in that name, the purpose of said account being to conceal more effectively kickback payments by taking advantage of the Cayman Islands' bank secrecy laws.

22. On or about and between June 12, 1981 and June 24, 1981, Arnold Foote, Jr., acting on behalf of Ad Ventures, Ltd., executed a superceding contract with YOUNG & RUBICAM, INC., effective as of April 6, 1981, the purpose of said contract being to disguise and conceal more effectively the kickback payments to be made to Arnold Foote, Jr. and, through Foote, to Eric Anthony Abrahams.

23. On or about June 24, 1981, THOMAS SPANGENBERG met with Arnold Foote, Jr. at Robin Moore's New York City apartment, where he gave Foote a YOUNG & RUBICAM, INC. check in the amount of \$15,600.00, drawn on its account at Chase Manhattan Bank, New York City and made payable to Ad Ventures, Ltd.

24. On or about June 25, 1981, Robin Moore caused the check referred to in paragraph 23 to be deposited to the account of Lowell Associates, Inc., a corporation he controlled, at the Citytrust Bank in Norwalk, Connecticut.

25. On or about July 2, 1981, Robin Moore issued to Frederick W. Sturges a Lowell Associates, Inc. check in the

amount of \$10,000.00.

26. Between September 1, 1981 and September 18, 1981, the exact date being unknown to the Grand Jury, YOUNG & RUBICAM, INC. gave a check in the amount of \$15,600.00, drawn on its account at Chase Manhattan Bank, New York City and made payable to Ad Ventures, Ltd., to Robin Moore, who caused said check to be deposited to the account of Lowell Associates, Inc. at Citytrust Bank, Norwalk, Connecticut.

27. On or about September 16, 1981, ARTHUR R. KLEIN executed under oath and caused to be filed with the U.S. Department of Justice, pursuant to the Foreign Agents Registration Act, a Registration Statement for YOUNG & RUBICAM, INC., which was false in that it failed to disclose the disbursement of monies and other things of value to Ad Ventures, Ltd., Arnold Foote, Jr. and Eric Anthony Abrahams.

28. On or about September 24, 1981, Arnold Foote, Jr. travelled from Jamaica to New York City to obtain a total of \$20,000.00 in kickback payments from both YOUNG & RUBICAM, INC. and Robin Moore, for Eric Anthony Abrahams.

29. On or about September 24, 1981, Robin Moore caused a Lowell Associates, Inc. check in the amount of \$500.00 to be cashed, and he gave the proceeds of this check to Arnold Foote, Jr.

30. On or about September 25, 1981, YOUNG & RUBICAM, INC. issued a check drawn on its account at Chase Manhattan Bank, New York City, in the amount of \$15,600.00 and made payable to Ad Ventures, Ltd., and delivered this check to Arnold Foote, Jr. in New York City.

31. On or about September 26, 1981, Robin Moore travelled from Westport, Connecticut to Queens, New York to deliver to Arnold Foote, Jr. a \$5,000.00 check payable to Foote and drawn on the account of Lowell Associates, Inc. at Citytrust Bank, Norwalk, Connecticut.

32. On or about November 12, 1981, YOUNG & RUBICAM, INC. wired \$46,800.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

33. On or about January 8, 1982, ARTHUR R. KLEIN made and caused to be made an interstate telephone call in an attempt to discuss with Robin Moore, who was in Dallas, Texas at the time, Frederick W. Sturges' threat to expose the kickback scheme.

34. On or about January 11, 1982, Robin Moore placed an interstate telephone call from Westport, Connecticut to THOMAS SPANGENBERG in New York City, wherein SPANGENBERG advised Moore that Frederick W. Sturges had threatened to expose the conspiracy unless he was reimbursed for certain expenditures he had made in furtherance of the conspiracy.

35. On or about January 11, 1982, Robin Moore met with Frederick W. Sturges at the latter's home in Rowayton, Connecticut in an attempt to resolve Sturges' threatened exposure of the conspiracy.

36. On or about January 12, 1982, Arnold Foote, Jr. and Robin Moore had a telephone conversation in which Moore advised Foote of Sturges' threatened exposure of the conspiracy and Foote indicated he would instruct YOUNG & RUBICAM, INC. to do whatever was necessary to assuage Sturges.

37. On or about January 13, 1982, THOMAS SPANGENBERG placed an interstate telephone call from New York City to Robin Moore in Westport, Connecticut, during which SPANGENBERG advised Moore that YOUNG & RUBICAM, INC. would give him a check representing the balance of kickbacks due to date and that Moore should satisfy Sturges' demands from this money.

38. On or about January 15, 1982, Robin Moore travelled from Westport, Connecticut to the offices of YOUNG & RUBICAM, INC. in New York City, where he met with THOMAS SPANGENBERG and ARTHUR R. KLEIN to discuss Sturges' threatened exposure of the conspiracy and to receive from them a YOUNG & RUBICAM, INC. check in the amount of \$81,104.00 drawn on its account at Chase Manhattan Bank, New York City and made payable to Ad Ventures, Ltd.

39. On or about January 18, 1982, Robin Moore caused the \$81,104.00 YOUNG & RUBICAM, INC. check to be deposited to the account of Lowell Associates, Inc. at Citytrust Bank, Norwalk, Connecticut, and from the proceeds thereof Moore issued a check from the Lowell Associates Citytrust account to Frederick W. Sturges in the amount of \$9,000.00, receiving in return from Sturges a letter in which Sturges disavowed any further claim against Ad Ventures, Ltd.

40. On or about January 19, 1982, Robin Moore caused \$40,000.00 to be transferred from the account of Lowell Associates at Citytrust Bank, Norwalk, Connecticut, to Ad Ventures, Ltd.

41. On or about March 23, 1982, YOUNG & RUBI-

CAM, INC. caused \$36,129.00 to be wired from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

42. On or about June 4, 1982, ARTHUR R. KLEIN executed under oath and caused to be filed with the U.S. Department of Justice, pursuant to the Foreign Agents Registration Act, a Supplemental Statement for YOUNG & RUBICAM, INC., which was false in that it failed to disclose the disbursement of monies and other things of value to Ad Ventures, Ltd., Arnold Foote, Jr. and Eric Anthony Abrahams.

43. On or about June 17, 1982, at the direction of Arnold Foote, Jr., Steven M. McKenna caused YOUNG & RUBICAM, INC. to wire \$1,000.00 in Canadian currency from its account at Chemical Bank, New York City, to the account of Meyer Feldman at the National Bank of Canada, Toronto, Ontario, Canada.

44. On or about June 28, 1982, Steven M. McKenna inadvertently sent three kickback checks, totaling \$167,361.70 and made payable to Ad Ventures, Ltd., to Arnold Foote, Jr., c/o Jamaica Tourist Board, 866 Second Avenue, New York, New York. These three checks came to the attention of Noel C. Mignott, Regional Manager of the New York Office of the Jamaica Tourist Board, who alerted Arnold Foote Jr. to his receipt of the checks.

45. On or about July 7, 1982, Arnold Foote, Jr. caused the three checks referred to in the preceding paragraph to be delivered to him by Noel C. Mignott at a hotel in New York City. Robin Moore was present with Arnold Foote, Jr. when Mignott brought Foote the checks because Moore and Foote wanted to ascertain Mignott's intentions concerning the checks. Later on that date, Foote and Moore discussed obtaining money from YOUNG & RUBICAM, INC. with which to buy Mignott's silence.

46. On or about and between July 9, 1982, and July 13, 1982, Arnold Foote, Jr. caused the three checks referred to in paragraph 44 to be returned to YOUNG & RUBICAM, INC., after which Steven M. McKenna caused said checks to be deposited to YOUNG & RUBICAM's account at Chemical Bank in New York City.

47. Sometime shortly after the events described in paragraph 44, ARTHUR R. KLEIN proposed firing Steven M. McKenna for his error in sending the checks payable to Ad Ventures to the New York office of the Jamaica Tourist Board, but THOMAS SPANGENBERG persuaded KLEIN not to do so.

48. On or about July 15, 1982, Robin Moore and THOMAS SPANGENBERG had a telephone conversation in which SPANGENBERG indicated he would send Moore a \$10,000.00 check to "take care of" Noel C. Mignott. SPANGENBERG and Moore also discussed their concerns about the greediness and unpredictability of Eric Anthony Abrahams.

49. On or about and between approximately July 17, 1982, and January 1, 1983, the exact dates being unknown to the Grand Jury, Robin Moore made several attempts to contact Noel C. Mignott by telephone for the purpose of offering to buy his silence, but Mignott would not accept or return Moore's calls.

50. On or about July 21, 1982, at the offices of YOUNG & RUBICAM, INC. in New York City, Steven M. McKenna gave Robin Moore a \$10,000.00 YOUNG & RUBICAM, INC. check drawn on its account at Chase Manhattan Bank and made payable to Ad Ventures, Ltd., which Moore subsequently deposited to the account of Lowell Associates, Inc. at Citytrust Bank, Norwalk, Connecticut.

51. On or about July 27, 1982, YOUNG & RUBICAM, INC. wired \$157,361.70 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

52. On or about July 28, 1982, YOUNG & RUBICAM, INC. wired \$10,000.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

53. On or about November 18, 1982, ARTHUR R. KLEIN executed under oath and caused to be filed with the U.S. Department of Justice, pursuant to the Foreign Agents Registration Act, a Supplemental Statement for YOUNG & RUBICAM, INC., which was false in that it failed to disclose the disbursement of monies and other things of value to Ad Ventures, Ltd., Arnold Foote, Jr. and Eric Anthony Abrahams.

54. On or about December 21, 1982, at the direction of Arnold Foote, Jr., YOUNG & RUBICAM, INC. wired \$30,000.00 from its account at Chemical Bank, New York City, to the account of Don Vickers at Societe' de Banque Suisse, Geneva, Switzerland.

55. Sometime between January 1982 and August 1984, the exact date being unknown to the Grand Jury, while at a meeting at the Waldorf Astoria Hotel in New York City, Eric Anthony Abrahams complained to Edward J. Daley

about a disparity between the amount of money spent on advertising by the Jamaica Tourist Board and the amount reflected on the YOUNG & RUBICAM billings, upon which the kickback payments were computed.

56. In approximately June 1984, the exact date being unknown to the Grand Jury, while at a meeting in Montego Bay, Jamaica, Eric Anthony Abrahams again complained to THOMAS SPANGENBERG and Edward J. Daley about the amount of kickbacks received in relation to the level of advertising placed by the Jamaica Tourist Board.

57. On or about January 31, 1983, THOMAS SPANGENBERG prepared and distributed a memorandum advising several YOUNG & RUBICAM, INC. employees, including Edward J. Daley and Steven M. McKenna, of a falling out between Eric Anthony Abrahams and Arnold Foote, Jr. over the share of the kickbacks each was to receive.

58. On or about January 21 and March 18, 1983, Cato Johnson, Inc., a subsidiary of YOUNG & RUBICAM, INC., levied charges of \$7,053.76 for the production of "Tony" T-shirts to be used in the parliamentary re-election campaign of Eric Anthony Abrahams, and these charges were subsequently subtracted from the kickback payments owing to Ad Ventures, Ltd.

59. On or about February 17, 1983, YOUNG & RUBICAM, INC. wired \$89,758.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

60. On or about and between April 14, 1983, and April 16, 1983, Steven M. McKenna and another employee of YOUNG & RUBICAM, INC. travelled to Miami, Florida, where they met with Arnold Foote, Jr. for the purpose of resolving a question as to the amount of kickbacks due and owing to Foote and Abrahams.

61. On or about April 18, 1983, YOUNG & RUBICAM, INC. wired \$30,000.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

62. On or shortly after May 2, 1983, the exact date being unknown to the Grand Jury, Robin Moore advised THOMAS SPANGENBERG that Frederick W. Sturges was once again threatening to expose the conspiracy and wished to be paid for his continued silence.

63. Some time subsequent to the events described in paragraph 62, THOMAS SPANGENBERG, Robin Moore

and Frederick W. Sturges met at a bar in New York City and had a discussion in which veiled references were made to the amount of money which might be necessary to insure Sturges' silence.

64. On or about May 6, 1983, ARTHUR R. KLEIN executed under oath and caused to be filed with the U.S. Department of Justice, pursuant to the Foreign Agents Registration Act, a Supplemental Statement for YOUNG & RUBICAM, INC., which was false in that it failed to disclose the disbursement of monies and other things of value to Ad Ventures, Ltd., Arnold Foote, Jr. and Eric Anthony Abrahams.

65. Sometime between 1982 and 1986, the exact date being unknown to the Grand Jury, Edward J. Daley reprimanded Steven M. McKenna for risking exposure of the kickback scheme by inadvertently including payments to Ad Ventures, Ltd. in a schedule of disbursements forwarded to Daley for purposes of filings to be submitted by YOUNG & RUBICAM, INC. to the U.S. Department of Justice under the Foreign Agents Registration Act. McKenna acknowledged his error and thereafter caused the Ad Ventures payments to be removed from the disbursements schedule.

66. In and between approximately January and July 1983, the exact dates being unknown to the Grand Jury, an employee of YOUNG & RUBICAM, INC. delivered approximately \$1,000.00 in cash to Arnold Foote, Jr. who was then meeting with Edward J. Daley at the Warwick Hotel in New York City.

67. On or about July 19, 1983, at the direction of Arnold Foote, Jr., YOUNG & RUBICAM, INC. wired \$2,000.00 from its account at Chemical Bank, New York City, to the account of Marion Emma Mills at the National Commercial Banking Corporation of Australia, Ltd., Queensland, Australia.

68. On or about July 19, 1983, YOUNG & RUBICAM, INC. wired \$35,851.24 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

69. On or about October 7, 1983, YOUNG & RUBICAM, INC. wired \$45,363.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

70. On or about January 9, 1984, February 10, 1984, and February 21, 1984, employees of YOUNG & RUBICAM, INC. delivered cash payments of \$2,000.00 on each

occasion to Arnold Foote, Jr. in New York City.

71. On or about January 13, 1984, and February 13, 1984, YOUNG & RUBICAM, INC. levied charges of \$3,825.97 for the production of "Tony" T-shirts to be used in the parliamentary re-election campaign of Eric Anthony Abrahams, and these charges were subsequently subtracted from the kickback payments owing to Ad Ventures, Ltd.

72. In approximately April 1984, the exact date being unknown to the Grand Jury, THOMAS SPANGENBERG and Edward J. Daley met with John Gentles, a former Director of Tourism for the Jamaica Tourist Board, in New York City, at which time SPANGENBERG informed Gentles that YOUNG & RUBICAM, INC. was paying kickbacks to Eric Anthony Abrahams because Abrahams had threatened to transfer the Board's business to another advertising agency if he did not receive such payments.

73. On or about August 3, 1984, YOUNG & RUBICAM, INC. wired \$89,212.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

74. On or about August 15, 1984, YOUNG & RUBICAM, INC. wired \$68,572.81 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

75. On or about February 6, 1985, YOUNG & RUBICAM, INC. wired \$20,000.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

76. On or about May 8, 1985, YOUNG & RUBICAM, INC. wired \$15,000.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

77. On or about June 11, 1985, YOUNG & RUBICAM, INC. wired \$50,732.00 from its account at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies.

78. On or about September 3, 1986, YOUNG & RUBICAM, INC. issued a check in the amount of \$15,000.00 to Ad Ventures, Ltd.

79. On or about September 15, 1986, THOMAS SPAN-

GENBERG falsely stated to special agents of the Internal Revenue Service that he had no knowledge of payments by YOUNG & RUBICAM, INC. to Arnold Foote, Jr. or Eric Anthony Abrahams in connection with the Jamaica Tourist Board account, and that although he had heard of Ad Ventures, Ltd., neither he nor YOUNG & RUBICAM, INC. ever had any dealings with Ad Ventures, Ltd. or Robin Moore.

80. On or about September 29, 1986, Arnold Foote, Jr. falsely stated to a special agent of the Internal Revenue Service that he knew nothing about payments to Jamaican government officials or to a company known as Ad Ventures, Ltd.

81. On or about June 20, 1989, Steven M. McKenna falsely testified before a federal Grand Jury sitting in New Haven, Connecticut, that he had never discussed with other employees of YOUNG & RUBICAM, INC. that YOUNG & RUBICAM, INC. was making payments to Eric Anthony Abrahams or that YOUNG & RUBICAM, INC.'s contract with Ad Ventures, Ltd. was a front for kickback payments.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO (RICO)

The Enterprise

1. The allegations set forth in paragraph 1 of Count One of this Indictment are realleged and incorporated herein by reference.

2. The defendants, YOUNG & RUBICAM, INC., ARTHUR R. KLEIN, THOMAS SPANGENBERG, ERIC ANTHONY ABRAHAMS and ARNOLD FOOTE, JR., and diverse other persons both known and unknown to the Grand Jury (hereinafter referred to as "the nondefendant participants") constituted an "enterprise" (hereinafter the "Racketeering Enterprise") within the meaning of 18 U.S.C. §1961(4), in that they were a group of individuals and entities associated in fact although not a legal entity.

Conduct of the Enterprise

3. From in or about October 1980 up to and including the date of this Indictment, in the District of Connecticut and elsewhere, YOUNG & RUBICAM, INC., ARTHUR R. KLEIN, THOMAS SPANGENBERG, ERIC ANTHONY ABRAHAMS and ARNOLD FOOTE, JR., the defendants, and the nondefendant participants, being associated with the Racketeering Enterprise as described in paragraph 2 above,

which was engaged in and the activities of which affected interstate and foreign commerce, knowingly, willfully and unlawfully did conduct and participate, directly and indirectly, in the conduct of the affairs of this enterprise through a pattern of racketeering activity within the meaning of 18 U.S.C. §§1961(1) and 1961(5). The pattern of racketeering activity consisted of multiple acts of interstate and foreign travel in aid of racketeering, in violation of 18 U.S.C. §§1952(a) and 2, as more specifically described in paragraphs 2 through 81 of Count One of this Indictment which are realleged and incorporated herein by reference.

Acts of Racketeering — Interstate Travel in Aid of Racketeering

4. On or about the dates and in the locations specified below, in the District of Connecticut and elsewhere, YOUNG & RUBICAM, INC., ARTHUR R. KLEIN, THOMAS SPANGENBERG, ERIC ANTHONY ABRAHAMS and ARNOLD FOOTE, JR., the defendants, and the nondefendant participants, aiding and abetting each other, did commit and cause to be committed the racketeering acts set forth below.

5. The defendants and the nondefendant participants did travel and aid, abet and cause others to travel in interstate and foreign commerce, and did use and aid, abet and cause others to use facilities of interstate and foreign commerce, including telephone and wire communications and the mails, corruptly, with the intent to distribute the proceeds of unlawful bribery activities and to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful bribery activities in violation of the laws of the United States and the State of New York, namely:

I. As to defendants YOUNG & RUBICAM, INC., ARTHUR R. KLEIN and THOMAS SPANGENBERG, and the nondefendant participants:

- a. The offer, payment, promise to pay and authorization of the payment of money, and the offer, gift and promise to give other things of value to ARNOLD FOOTE, JR. and ERIC ANTHONY ABRAHAMS for the purpose of —
 - (i) influencing the decisions made by ARNOLD FOOTE, JR. and ERIC ANTHONY ABRAHAMS in their official capacities with respect to the selection and retention of an advertising agency for the Jamaica Tourist Board, and
 - (ii) inducing ARNOLD FOOTE, JR. and ERIC

ANTHONY ABRAHAMS to use their influence with the Jamaica Tourist Board to affect and influence the decisions of the Board with respect to the selection and retention of an advertising agency,

in order to assist YOUNG & RUBICAM, INC. in obtaining and retaining business with the Jamaica Tourist Board, in violation of 15 U.S.C. §78dd-2(a)(1);

- b. The offer, payment, promise to pay and authorization of the payment of money to ARNOLD FOOTE, JR., while knowing and having reason to know that a portion of such monies would be offered, given and promised, directly and indirectly, to ERIC ANTHONY ABRAHAMS for the purpose of —
- (i) influencing decisions made by ERIC ANTHONY ABRAHAMS in his official capacity with respect to the selection and retention of an advertising agency for the Jamaica Tourist Board, and
 - (ii) inducing ERIC ANTHONY ABRAHAMS to use his influence with the Jamaica Tourist Board to affect and influence the decisions of the Board with respect to the selection and retention of an advertising agency,

in order to assist YOUNG & RUBICAM, INC. in obtaining and retaining business with the Jamaica Tourist Board, in violation of 15 U.S.C. §78dd-2(a)(3);

II. As to defendants YOUNG & RUBICAM, INC., ARTHUR R. KLEIN, THOMAS SPANGENBERG, ERIC ANTHONY ABRAHAMS and ARNOLD FOOTE, JR., and the nondefendant participants:

The conferring and offering and agreeing to confer benefits upon, and the soliciting, accepting and agreeing to accept benefits by ERIC ANTHONY ABRAHAMS and ARNOLD FOOTE, JR., employees, agents and fiduciaries of the Jamaica Tourist Board, without the consent of the Board and with the intent and understanding thereby to influence their conduct in relation to the Board's selection and retention of an advertising agency, in violation of Articles 180.00 and 180.05 of the New York Penal Code,

and thereafter the defendants and nondefendant participants did attempt to and did distribute the proceeds of unlawful bribery activities and did attempt to and did promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful bribery activities, and did aid, abet and cause each other and

others known and unknown to the Grand Jury to attempt to do and do the same, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act One

6A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

6B. On or about April 3, 1981, the defendants ARTHUR R. KLEIN and THOMAS SPANGENBERG and other representatives of YOUNG & RUBICAM, INC. travelled in interstate and foreign commerce from the State of New York to the Island of Jamaica to make a final presentation on behalf of YOUNG & RUBICAM, INC. before the Jamaica Tourist Board and others, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Two

7A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

7B. On or about and between May 7, and May 19, 1981, Frederick W. Sturges travelled in interstate and foreign commerce from the State of Connecticut to the Island of Jamaica where he met ARNOLD FOOTE, JR. and travelled with FOOTE to Grand Cayman Island, British West Indies, to establish a bank account in the name of Ad Ventures, Ltd., in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Three

8A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

8B. On or about and between June 24, and June 25, 1981, Robin Moore travelled in interstate commerce from the State of New York to the State of Connecticut for the purpose of transporting and distributing a kickback payment in the form of a YOUNG & RUBICAM, INC. check in the amount of \$15,600.00 payable to Ad Ventures, Ltd., in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Four

9A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

9B. On or about and between September 1, and September 18, 1981, Robin Moore transported in interstate commerce from the State of New York to the State of Connecticut a kickback payment in the form of a YOUNG & RUBICAM, INC. check in the amount of \$15,600.00 payable to Ad Ven-

tures, Ltd., in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Five

10A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

10B. On or about September 24, 1981, ARNOLD FOOTE, JR. travelled in interstate and foreign commerce from the Island of Jamaica to the State of New York to obtain a \$20,000.00 kickback payment for ERIC ANTHONY ABRAHAMS, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Six

11A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

11B. On or about September 26, 1981, Robin Moore travelled in interstate commerce from the State of Connecticut to the State of New York to deliver a \$5,000.00 kickback payment to ARNOLD FOOTE, JR. for ERIC ANTHONY ABRAHAMS, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Seven

12A. The allegation of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

12B. [text missing from indictment] . . . Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Eight

13A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

13B. On or about January 8, 1982, ARTHUR R. KLEIN made and caused to be made an interstate telephone call from the State of New York to a place outside the State of New York in an attempt to contact Robin Moore about Frederick W. Sturges' threat to expose the kickback scheme, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Nine

14A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

14B. On or about January 11, 1982, Robin Moore placed an interstate telephone call from the State of Connecticut to

THOMAS SPANGENBERG in the State of New York, to discuss Frederick W. Sturges' threatened exposure of the kickback scheme, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Ten

15A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

15B. On or about January 12, 1982, ARNOLD FOOTE, JR. and Robin Moore had a telephone conversation in interstate and foreign commerce between the Island of Jamaica and the State of Connecticut, wherein Moore and FOOTE discussed possible solutions to Sturges' threatened exposure of the kickback scheme, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Eleven

16A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

16B. On or about January 13, 1982, THOMAS SPANGENBERG placed a telephone call in interstate commerce from the State of New York to the State of Connecticut, during which SPANGENBERG advised Moore that YOUNG & RUBICAM, INC. would give him a check representing the balance of kickback payments due to date and that Moore should satisfy Sturges' demands from this payment, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twelve

17A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

17B. On or about January 15, 1982, Robin Moore traveled in interstate commerce from the State of Connecticut to the State of New York, where he met with THOMAS SPANGENBERG and ARTHUR R. KLEIN to discuss Sturges' threatened exposure of the conspiracy and to receive from them a check in the amount of \$81,104.00 made payable to Ad Ventures, Ltd., in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Thirteen

18A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

18B. On or about March 23, 1982, a \$36,129.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia,

Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Fourteen

19A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

19B. On or about June 17, 1982, a kickback payment of \$1,000.00 in Canadian currency was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Meyer Feldman at the National Bank of Canada, Toronto, Ontario, Canada, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Fifteen

20A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

20B. On or about June 28, 1982, Steven M. McKenna caused to be placed in an authorized depository for mail matter, for the purpose of sending and having delivered by the United States Postal Service, three kickback checks totaling \$167,361.70 and made payable to Ad Ventures, Ltd., said checks inadvertently being addressed to ARNOLD FOOTE, JR., c/o Jamaica Tourist Board, 866 Second Avenue, New York, New York, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Sixteen

21A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

21B. On or about July 7, 1982, ARNOLD FOOTE, JR. travelled in interstate and foreign commerce from the Island of Jamaica to the State of New York for the purpose of retrieving from Noel C. Mignott the three YOUNG & RUBICAM, INC. checks made payable to Ad Ventures, Ltd. which had inadvertently been sent to the New York Office of the Jamaica Tourist Board, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Seventeen

22A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

22B. On or about July 15, 1982, Robin Moore and THOMAS SPANGENBERG had an interstate telephone conversation between the State of New York and the State of Connecticut, in which SPANGENBERG indicated that he would send Moore a \$10,000.00 check for the purpose of

“taking care of” Noel C. Mignott and in which SPANGENBERG and Moore also discussed their concerns about the greediness and unpredictability of ERIC ANTHONY ABRAHAMS, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Eighteen

23A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

23B. On or about July 21, 1982, Robin Moore transported in interstate commerce, from the State of New York to the State of Connecticut, a YOUNG & RUBICAM, INC. check in the amount of \$10,000.00 payable to Ad Ventures, Ltd. in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Nineteen

24A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

24B. On or about July 27, 1982, kickback monies of \$157,361.70 were wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty

25A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

25B. On or about July 28, 1982, kickback monies of \$10,000.00 were wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-One

26A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

26B. On or about December 21, 1982, at the direction of ARNOLD FOOTE, JR., YOUNG & RUBICAM, INC. wired \$30,000.00 from its account at Chemical Bank, New York City, to the account of Don Vickers at Societe' de Banque Suisse, Geneva, Switzerland, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Two

27A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

27B. On or about February 17, 1983, a kickback payment of \$89,758.00 was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Three

28A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

28B. On or about and between April 14, 1983, and April 16, 1983, Steven M. McKenna and another YOUNG & RUBICAM, INC. employee travelled in interstate commerce from a place outside of the State of Florida to the State of Florida to meet with ARNOLD FOOTE, JR. for the purpose of resolving a question as to the amount of kickbacks due and owing to FOOTE and ERIC ANTHONY ABRAHAMS, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Four

29A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

29B. On or about April 18, 1983, a kickback payment of \$30,000.00 was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Five

30A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

30B. On or about July 19, 1983, a \$2,000.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Marion Emma Mills at the National Commercial Banking Corporation of Australia, Ltd., Queensland, Australia, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Six

31A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

31B. On or about July 19, 1983, a \$35,851.24 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Seven

32A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

32B. On or about October 7, 1983, a \$45,363.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Eight

33A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

33B. On or about August 3, 1984, an \$89,212.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Twenty-Nine

34A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

34B. On or about August 15, 1984, a \$68,572.81 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Thirty

35A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

35B. On or about February 6, 1985, a \$20,000.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Thirty-One

36A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

36B. On or about May 8, 1985, a \$15,000.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Thirty-Two

37A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

37B. On or about June 11, 1985, a \$50,732.00 kickback payment was wired from the account of YOUNG & RUBICAM, INC. at Chemical Bank, New York City, to the account of Ad Ventures, Ltd. at the Bank of Nova Scotia, Grand Cayman Island, British West Indies, in violation of 18 U.S.C. §§1952(a) and 2.

Racketeering Act Thirty-Three

38A. The allegations of paragraphs 4 and 5 of this Count are realleged and incorporated herein by reference.

38B. In or about September, 1986, the exact date being unknown to the Grand Jury, ARNOLD FOOTE, JR. transported and caused to be transported in interstate and foreign commerce, from the State of New York to Grand Cayman Island, British West Indies, a YOUNG & RUBICAM, INC. check in the amount of \$15,000.00 payable to Ad Ventures, Ltd., in violation of 18 U.S.C. §§1952(a) and 2.

All in violation of Title 18, United States Code, Sections 1962(c) and 2.

FORFEITURES

39. The allegations of paragraphs 1 through 38 of Count Two of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeitures pursuant to the provisions of 18 U.S.C. §§1963(a)(1) and (a)(3).

40. The defendants YOUNG & RUBICAM, INC., ARTHUR R. KLEIN, THOMAS SPANGENBERG, ERIC ANTHONY ABRAHAMS and ARNOLD FOOTE, JR., and the nondefendant participants have acquired and maintained interests from violation of 18 U.S.C. §1962(c), and have money and property that constitutes and is derived from

proceeds which the defendants obtained, directly and indirectly, from racketeering activity in violation of 18 U.S.C. §1962(c), thereby making all such interests, money and property, wherever located and in whatever names held, subject to forfeiture to the United States as of the date of commission of the acts giving rise to the violation of 18 U.S.C. §1962(c).

41. The interests of the defendant YOUNG & RUBICAM, INC., subject to forfeiture to the United States include:

- a. All monies and gross proceeds received by YOUNG & RUBICAM, INC. pursuant to its contract with the Jamaica Tourist Board and by virtue of services rendered as the advertising agency for the Jamaica Tourist Board, said monies amounting to approximately 3.75 million dollars (\$3,750,000.00); and
- b. all assets, interests and investments of any kind, wherever located and in whatever names held, purchased or obtained with the monies and gross proceeds set forth in paragraph (a) above.

42. The interests of the defendants ARNOLD FOOTE, JR. and ERIC ANTHONY ABRAHAMS subject to forfeiture to the United States include:

- a. All monies and gross proceeds, specified in this Indictment, paid to them, to Ad Ventures, Ltd. and to third parties at their direction by YOUNG & RUBICAM, INC.; and
- b. all assets, interests and investments of whatever kind, wherever located and in whatever names held, purchased or obtained with the monies and proceeds set forth in paragraph (a) above.

In violation of Title 18, United States Code, Section 1963(a)(1) and (a)(3).

COUNT THREE

(Perjury)

1. On or about June 20, 1989, in the District of Connecticut, STEVEN M. McKENNA, the defendant, while testifying under oath in a proceeding before a duly empaneled and sworn United States Grand Jury in and for the District of Connecticut, knowingly did make a false material declaration as set forth below.

2. At the time and place aforesaid the Grand Jury was conducting an investigation of alleged violations of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2, and other

provisions of federal law, including conspiracy and racketeering, by, among others, certain officers and employees of Young & Rubicam, Inc. and certain officials of the Government of Jamaica.

3. It was a matter material to said Grand Jury investigation to determine whether any officers or employees of Young & Rubicam, Inc. knew or believed that Young & Rubicam, Inc. had made payments to Eric Anthony Abrahams, also known as Anthony Abrahams and Tony Abrahams, the Minister of Tourism of the Government of Jamaica, and whether any officers or employees of Young & Rubicam, Inc. knew or believed that the contract between Young & Rubicam, Inc. and Ad Ventures, Ltd. was a front designed to conceal the payment of kickbacks.

4. At the time and place aforesaid, STEVEN M. McKENNA, the defendant, while under oath, did knowingly declare before said Grand Jury with respect to the aforesaid material matters, as follows:

Q. I want to make sure its absolutely clear, and I want to remind you, Mr. McKenna, you are under oath.

No one from Young & Rubicam has ever confirmed to you or admitted to you either directly or indirectly that in fact they were aware that payments went to Anthony Abrahams?

A. No one has ever said to me or confirmed that there were payments to Anthony Abrahams.

Q. And has anyone from Young & Rubicam ever said to you directly or in so many words that they were aware that this contract with Ad Ventures was really just a front for payments to be made, for kickback payments to be made?

A. No. Never said.

* * *

Q. Did you ever have any discussions with Edward Daley about this contract being questionable or about payments being made to Eric Abrahams?

A. No.

5. The aforesaid testimony of STEVEN M. McKENNA, as he then well knew and believed, was false in that STEVEN M. McKENNA had been told by other employees of Young & Rubicam, Inc., including Edward J. Daley, that payments went to and were made to Eric Anthony Abrahams and that the "contract" between Young & Rubicam, Inc. and Ad Ventures, Ltd. was a front for kickback payments.

In violation of Title 18, United States Code, Section 1623.

A TRUE BILL

FOREPERSON

STANLEY A. TWARDY, JR.
UNITED STATES ATTORNEY

ROBERT J. LYNN
ASSISTANT UNITED STATES ATTORNEY

ROBERT W. WERNER
ASSISTANT UNITED STATES ATTORNEY