

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

JOHN BLONDEK; VERNON R. TULL;
DONALD CASTLE; DARRELL W. T. LOWRY

INDICTMENT

18 USC 371

Conspiracy

(1 COUNT)

A true bill,

Dallas

Welbert Adams
Foreman

Filed in open court this ____ day of _____,
A.D. 19____

Clerk

WARRANT TO ISSUE FOR DEFENDANT BLONDEK
DEFENDANTS TULL; CASTLE and LOWRY ON BOND
Bail, \$ _____

A. J. Fish

UNITED STATES DISTRICT JUDGE

MAGISTRATE'S COMPLAINT NO. 3-90-49-M as to
VERNON R. TULL; DONALD CASTLE; DARRELL W. T. LOWRY

Dist 3/15
ORIGINAL

U. S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
MAR 15 1990
NANCY DOHERTY, CLERK
By *Gloria Schneider*
Deputy

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS

DALLAS DIVISION

UNITED STATES OF AMERICA

v.

JOHN BLONDEK,
VERNON R. TULL,
DONALD CASTLE, and
DARRELL W.T. LOWRY

CR. 3 - 90 - 062 - H 4
CRIMINAL NO.

The Grand Jury charges that:

A. Introduction

At all times material to this Indictment:

1. Eagle Bus Manufacturing, Inc. [Eagle] was a corporation engaged in the manufacture and sale of buses and maintained its place of business in Brownsville, Texas. Eagle was a subsidiary of Greyhound Lines, Inc. [Greyhound], a corporation which has its principal offices in Dallas, Texas.

2. Saskatchewan Transit Company [STC] was a corporation owned by the government of the Province of Saskatchewan, Canada, and operated a bus transportation system in that Province.

3. The Foreign Corrupt Practices Act of 1977 [FCPA], as amended, 15 U.S.C. § 78dd, et seq., was enacted by the Congress for the purpose of making it unlawful to make payments to foreign government officials to obtain or retain business.

4. Greyhound Lines, Inc., the parent corporation of Eagle, was an issuer as that term is used in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1(d)(1).

5. The Defendant JOHN BLONDEK resided in Rancho Viejo, Texas, and was the president of Eagle until September 1989. The defendant BLONDEK was an employee of an issuer as that term is used in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1(a).

6. The Defendant VERNON R. TULL resided in Harlingen, Texas, and was a vice-president of Eagle responsible for marketing. The defendant TULL was an employee of an issuer as that term is used in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1(a).

7. Defendant DARRELL W.T. LOWRY, a Canadian national residing in Regina, Saskatchewan, was the vice-president of STC. As an officer of STC, an instrumentality of the Saskatchewan provincial government, he was a foreign official as that term is defined in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1(f)(1).

8. Defendant DONALD CASTLE, a Canadian national residing in Regina, Saskatchewan, was the president of STC. As an officer of STC, he was a foreign official as that term is defined in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1(f)(1).

B. The Conspiracy

Beginning in or about July 1989 and continuing through February 1990, in the Northern District of Texas and elsewhere, the defendants BLONDEK, TULL, CASTLE and LOWRY did unlawfully,

willfully and knowingly combine, conspire and confederate with other divers persons known and unknown to the Grand Jury to violate the Foreign Corrupt Practices Act of 1977 by the use of the mails and of means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of money, that is, Canadian \$50,000, to officials of the Government of the Province of Saskatchewan, Canada, that is, to the defendants DONALD CASTLE and DARRELL W.T. LOWRY, both of whom were foreign officials as that term is used in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1(a), for the purpose of influencing the acts and decisions of said foreign officials in their official capacities; inducing said foreign officials to do or omit to do acts in violation of their lawful duty; and inducing said foreign officials to use their influence with the Saskatchewan Transportation Company, a wholly-owned instrumentality of the government of the Province of Saskatchewan, Canada, to affect and influence the acts and decisions of the STC in order to assist the defendants and their coconspirators in obtaining and retaining business for and directing business to Eagle Bus Manufacturing, Inc. in violation of Title 15, United States Code, Sections 78dd-1(a)(1) and (3); and 78ff(c)(2).

C. Means and Methods of the Conspiracy

The charged conspiracy was accomplished by the following means and methods and in the following manner:

1. It was part of the conspiracy that the defendants LOWRY

and CASTLE would and did request from Eagle the payment of money, in the sum of approximately two percent of the purchase price of 11 buses to be purchased by STC from Eagle, in order to ensure that Eagle received a contract for the sale of the buses.

2. It was a further part of the conspiracy that the defendants BLONDEK and TULL, and others known and unknown to the Grand Jury, would and did offer, promise and agree to pay, and authorize the payment of money to the defendants CASTLE and LOWRY, both officials of the government of the Province of Saskatchewan, Canada, in order for Eagle to obtain and retain a contract to sell eleven (11) buses to STC, an instrumentality of the Saskatchewan government.

3. It was a further part of the conspiracy that the defendants BLONDEK, TULL, CASTLE and LOWRY, and others known and unknown to the grand jury would and did use various methods to conceal the conspiracy in order to insure the continuing existence and success of the conspiracy, including but not limited to:

a. preparing and using false invoices and other documentation;

b. arranging to have an STC check drawn payable to a corporation owned and controlled by a coconspirator and converting the proceeds into Canadian currency; and

c. preparing and mailing to a Canadian corporation assisting Eagle in the export of its buses and receiving payment therefor a letter which falsely stated that a "volume discount" was to be credited to STC.

D. OVERT ACTS

In order to further the objects and purposes of this conspiracy, the defendants BLONDEK, TULL, CASTLE and LOWRY and their coconspirators, known and unknown to the Grand Jury, did commit and cause to be committed the following and other overt acts within the Northern District of Texas and elsewhere:

1. On or about July 21, 1989, a coconspirator travelled from Peterborough, Ontario to Regina, Saskatchewan for the purpose of meeting with the defendant LOWRY.

2. On or about July 27, 1989, in Regina, Saskatchewan, the defendant LOWRY -- on behalf of STC -- and a coconspirator acting as the Canadian agent of Eagle -- prepared a purchase order for eleven (11) Eagle buses.

3. On or about August 1, 1989, a coconspirator travelled from Toronto, Ontario to Harlingen, Texas, by commercial aircraft via the Dallas-Fort Worth International Airport in the Northern District of Texas.

4. On or about August 2, 1989, in Brownsville, Texas, the defendants BLONDEK and TULL met with a coconspirator to discuss the payment of money to officials of STC.

5. On or about August 14, 1989, in Regina, Saskatchewan, the defendants TULL and LOWRY met with a coconspirator in an automobile to discuss the manner in which a payment would be made to STC officials LOWRY and CASTLE.

6. On or about August 15, 1989, in Regina, Saskatchewan, the

defendant LOWRY and his coconspirators, known and unknown to the Grand Jury, caused STC to issue a check in the amount of Canadian \$52,000 payable to a Canadian corporation owned and controlled by a coconspirator.

7. On or about August 17, 1989, in Peterborough, Ontario, a coconspirator deposited the STC Canadian \$52,000 check into Account No. 126-642-8 at the Royal Bank of Canada.

8. On or about August 21, 1989, in Peterborough, Ontario, a coconspirator obtained a bank draft payable to himself in the amount of Canadian \$50,000.

9. On or about August 22, 1989, a coconspirator travelled from Toronto, Ontario to Regina, Saskatchewan by commercial aircraft, carrying the Canadian \$50,000 bank draft payable to himself.

10. On or about August 23, 1989, in Regina, Saskatchewan, a coconspirator cashed a Canadian \$50,000 bank draft at the Main Branch of the Royal Bank of Canada and received 50 Canadian \$1,000 denomination bills.

11. On or about August 23, 1989, in Regina, Saskatchewan, a coconspirator travelled by taxi to the offices of STC.

12. On or about August 23, 1989, in Regina, Saskatchewan, at the offices of STC, a coconspirator met with the President of STC, the defendant CASTLE, and delivered into his hand the 50 Canadian \$1,000 denomination bills he had obtained from the Royal Bank of Canada.

13. In or about October 1989, in Brownsville, Texas, the defendant TULL directed a coconspirator to prepare a letter on the letterhead of Eagle to Ontario Bus Industries, Inc., the Canadian firm which was assisting Eagle in the sale of the 11 buses to STC, falsely stating that STC had been granted a "volume discount" amounting to United States \$43,940.

14. On or about October 24, 1989, in Toronto, Ontario, one of the coconspirators returned to another coconspirator 25 Canadian \$1,000 denomination bills with the instruction to convert these bills into Canadian \$100 denomination bills.

15. On or about October 25, 1989, in Rexdale, Ontario, a coconspirator deposited 25 Canadian \$1,000 denomination bills in a branch of the Royal Bank of Canada, for credit to Account 126-642-8 at the Royal Bank of Canada branch in Peterborough, Ontario.

16. On or about November 6, 1989, in Peterborough, Ontario, a coconspirator withdrew 250 Canadian \$100 denomination bills from the Royal Bank of Canada and delivered the funds to another coconspirator.

17. On or about November 16, 1989, in Peterborough, Ontario, a coconspirator delivered to another coconspirator 25 Canadian \$1,000 denomination bills.

18. On or about November 16, 1989, in Peterborough, Ontario, a coconspirator deposited 25 Canadian \$1,000 denomination bills for Account No. 126-642-8 at the Royal Bank of Canada.

19. On or about November 27, 1989, in Peterborough, Ontario, a coconspirator withdrew Canadian \$25,000 in \$100 denomination


bills from the Royal Bank of Canada.

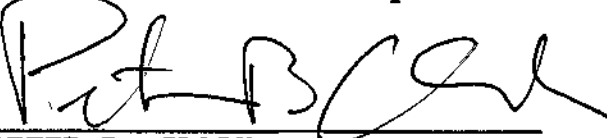
20. On or about November 27, 1989, in Peterborough, Ontario, the sum of Canadian \$25,000 in \$100 denomination bills was given by one coconspirator to another coconspirator.

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

A TRUE BILL.


FOREPERSON


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