

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

UNITED STATES OF AMERICA

v.

GEORGE V. MORTON

)
) CRIMINAL NO. 3-90-061-H
) 18 U.S.C. §371; Conspiracy
)
)
)

FACTUAL RESUME

Between June 1989 and February 1990, George V. Morton was the Canadian agent of Eagle Bus Manufacturing, Inc. [Eagle], of Brownsville, Texas, a subsidiary of Greyhound Lines, Inc. [Greyhound], a publicly-held corporation with its principal offices in Dallas, Texas. In July 1989 a purchase order for 11 buses to be manufactured by Eagle was issued by the Saskatchewan Transportation Company [STC], a Canadian Crown corporation located in Regina in the Province of Saskatchewan, Canada. The purchase price of the buses was to be approximately U.S. \$2.77 million.

In August 1989, Morton met with Darrell W.T. Lowry, a Vice-President of STC, who told him that a payment of Canadian \$50,000. would be necessary in order for Eagle to ensure that the bus contract would be approved by STC's Board of Directors. Morton, whose compensation from Eagle was dependent upon the transaction being completed, agreed to attempt to obtain Eagle's agreement to make the requested payment. Thereafter, on August 1, 1989, Morton travelled from his home in Peterborough, Ontario, via Dallas-Fort

Worth International Airport in the Northern District of Texas to Brownsville, Texas by commercial aircraft for the purpose of conveying Lowry's request for a payment. In Brownsville, Morton met with Eagle's President, John Blondeck, and with Vernon R. Tull, a Vice-President of Eagle. At the meeting, it was agreed that the requested payment would be made. Following the meeting, and after Morton returned to Canada, he travelled to Regina, Saskatchewan, in the company of Tull, and met with Lowry to discuss the manner in which the payment would be made.

On August 15, 1989, Lowry caused an STC check in the amount of Canadian \$52,000. to be issued to a company owned by Morton. Morton deposited the check in his bank in Peterborough, Ontario, obtained a bank draft payable to himself in the amount of Canadian \$50,000. and, on August 23, 1989, he presented the bank draft at the Main Branch of the Royal Bank of Canada in Regina and obtained 50 Canadian \$1,000. denomination bills. Morton went from the bank to the Regina office of STC and delivered the bills to Donald Castle, the President of STC.

Thereafter, Castle and Lowry returned the bills in the \$1,000. denomination to Morton for the reason that they were traceable within the Canadian banking system. They requested that Morton convert them into bills of Canadian \$100 denomination, which he did between October 25 and November 27, 1989. Morton thereafter gave these bills to Castle and Lowry.

Since payment by STC to Eagle ~~buses~~⁹ was to be made through another Canadian corporation, Ontario Bus Industries, Inc. [OBI],

which was acting as Eagle's agent, it was necessary that OBI be led to believe that STC's payment should be Canadian \$50,000. less than the original purchase price for the buses. Since, on STC's books, the Canadian \$52,000 paid to Morton's company was reflected as a credit vis-a-vis the sales price of the Eagle buses, STC required an offset or credit to the full amount of the purchase price for the buses. This was accomplished through the notification to OBI by a letter from Eagle dated October 23, 1989, ~~and signed~~ ^{dictated} by Morton, that a "volume discount" had been granted to STC in the amount of U.S. \$43,940. OBI had no knowledge that the discount was bogus and had been arranged only to conceal from STC the payment to Morton's company, which funded the bribe payment, and to falsify the books and records maintained by Eagle and Greyhound.

Respectfully submitted,

MARVIN COLLINS
United States Attorney

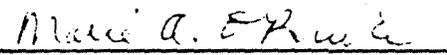
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