

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO.14CR316
)	
TIMOTHY BEBUS,)	
)	
Defendant.)	

STATEMENT OF FACTS

Were this case to go to trial, the United States would prove by admissible evidence and beyond a reasonable doubt the following:

1. From in and around December 2012 through in and around August 2013 in the Eastern District of Virginia and elsewhere, the defendant, TIMOTHY BEBUS, did unlawfully, knowingly, and intentionally combine, conspire, confederate, and agree with public officials and other persons known and unknown to the United States to commit offenses against the United States: that is to directly and indirectly, corruptly give, offer and promise things of value to public officials, with the intent to influence the public officials in the performance of their official acts, in violation of Title 18, United States Code, Sections 201(b)(1) and 371.

Background (Army National Guard)

2. The Army National Guard (ARNG) is part of the National Guard of the United States. The ARNG is divided into 54 units stationed in each of the 50 states and territories of Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia. With the consent of the appropriate state or territorial governors, members or units in the ARNG may be appointed to be federally recognized armed forces members in the active or inactive service of

the United States. Therefore, members of the ARNG can serve under either state or federal orders. The ARNG headquarters is located in Arlington, Virginia, within the Eastern District of Virginia.

3. The Department of Defense (DOD) provides federal funds to the ARNG for advertising and sponsorships. In turn, the ARNG, acting through the National Guard Bureau (NGB), provides a portion of this money to enter into contracts with businesses to promote the National Guard in recruitment efforts. Members of the ARNG who participate in the awarding of these contracts are public officials.

Defendant's Background

4. The defendant served in the United States Army from 1990 through 1997, and in the Army National Guard from 1997 through 2011. Upon retirement, the defendant worked for a company called RedPeg Marketing (RedPeg). In his position with RedPeg, he was responsible for obtaining and maintaining advertising and marketing contracts with the National Guard. In October 2011, the defendant left RedPeg in order to start his own company, Mil-Team Consulting and Solutions, LLC (Mil-Team), where the defendant served as the Chief Executive Officer and President of the company. Mil-Team was a program management firm that obtained advertising and marketing contracts from the NGB in order to promote the National Guard's recruitment and retention efforts.

Bribery Scheme

5. In order to obtain contracts with the NGB, the defendant engaged in a scheme in which he provided money and other items of value to National Guard officials so that they would steer marketing and advertising National Guard contracts to Mil-Team. In order to facilitate this scheme, the defendant worked in concert with former National Guard members and others to

gain access to current National Guard officials who had the ability to award or steer contracts to his business, Mil-Team.

6. In furtherance of his scheme to obtain contracts from the NGB, the defendant enlisted the help of individuals who owned businesses covered under the Small Business Administration's 8(a) program. The 8(a) program is designed to help disadvantaged businesses. By using these 8(a) companies, the defendant was able to fraudulently obtain contracts that would have otherwise been awarded to disadvantaged businesses. As part of this fraud, the 8(a) business obtained the contracts, representing that they would perform a substantial amount of work on them. The defendant then directed Mil-Team employees to perform the contract work, under the guise of working for the 8(a) company that the contract was awarded to. Mil-Team and its employees performed nearly all of the work and received most of the proceeds from these contracts. The defendant paid substantial amounts of money to these 8(a) company in exchange for their participation in his scheme.

7. In December 2012, during the course of and in furtherance of the conspiracy, the defendant and a current official of the National Guard (referred to hereinafter as "Guard Official A") entered into an arrangement where Guard Official A would recommend awarding a contract to Mil-Team. In exchange for awarding the contract, Guard Official A was to receive a percentage of the commission from this deal.

8. In and around the Spring of 2013, the defendant and another former member of the National Guard agreed with each other to pay a current National Guard official (referred to hereinafter as "Guard Official B") a bribe in the form of home improvement work in exchange for Guard Official B performing official acts to award the contract to Mil-Team.

9. In and around May 2013, the defendant entered into an arrangement with a current Guard official (referred to hereinafter as "Guard Official C") in which the defendant agreed to pay for Guard Official C's monthly boat payments in exchange for Guard Official C steering a contract to Mil-Team. This contract was not awarded to Mil-Team, and no boat payments were ever made by the defendant.

10. In and around March of 2013, the defendant met with a Sgt. First Class with the National Guard, working in the NGB's marketing section (referred to hereinafter as "Guard Official D"). Guard Official D also held the position of Contracting Officer's Representative and in his official capacity had the ability to select and recommend vendors for direct award contracts. The defendant and Guard Official D discussed the upcoming Action Sports contract, which was to be a multimillion dollar contract designed to promote the National Guard in its recruiting and retention efforts through the sponsorship of various extreme sporting events. The defendant knew that Guard Official D was a high level decision maker and had the power to ensure that contracts were awarded to the firms that Guard Official D recommended.

11. In an effort to obtain the Action Sports contract and future contracts with the National Guard, the defendant agreed to pay Guard Official D \$30,000 in exchange for an official act, namely, recommending that the Action Sports contract be awarded to the defendant. The defendant and Guard Official D agreed that the bribe would be paid after the Action Sports contract was paid to Mil-Team.

12. In and around July 2013, the NGB awarded the \$3,600,000 Action Sports Contract to the 8(a) company that the defendant had arranged to use as a pass-through for the purpose of obtaining the contract on behalf of his company, Mil-Team. The use of the pass-through 8(a)

company was intended to defraud the government. The defendant expected that his company, Mil-Team, would benefit approximately \$375,000 from this contract.

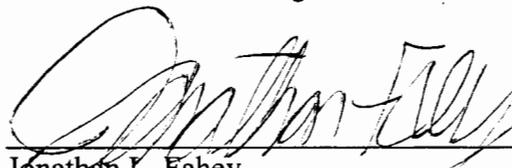
13. On or about August 7, 2013, the defendant received approximately \$2,400,000 as the initial installment on the Action Sports contract. On or about August 12, 2013, in Arlington, Virginia, the defendant paid Guard Official D \$6000 in cash as payment for awarding the Action Sports contract to Mil-Team. On or about August 15, 2013, the defendant paid the remaining \$24,000. The defendant had the check issued in the name of another individual in order to conceal the bribery scheme.

14. The acts taken by the defendant in furtherance of the offense charged in this case, including the acts described above, were done willfully, knowingly, and with the specific intent to violate the law. The defendant acknowledges that the foregoing statement of facts does not describe all of the defendant's conduct relating to the offense charged in this case.

Respectfully submitted,

DANA J. BOENTE
Acting United States Attorney
Eastern District of Virginia

By:


Jonathan L. Fahey
Assistant United States Attorney

LORETTA E. LYNCH
United States Attorney
Eastern District of New York

By: 
Marisa Seifan
Assistant United States Attorney
Martin E. Coffey
Assistant United States Attorney

WILLIAM STELLMACH
Acting Chief, Fraud Section
Criminal Division

By: 
Alison L. Anderson
Trial Attorney

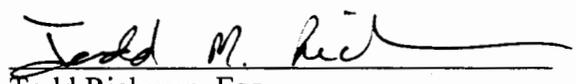
After consulting with my attorney and pursuant to the plea agreement entered into this day between me, TIMOTHY BEBUS, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date: 9/26/14


TIMOTHY BEBUS
Defendant

I am the attorney for TIMOTHY BEBUS. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Date: 9-26-14


Todd Richman, Esq.
Attorney for TIMOTHY BEBUS