

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

Alexandria Division

UNITED STATES OF AMERICA )  
 )  
 v. ) CRIMINAL NO. 14CR317  
 )  
 JULIANNE HUBBELL, )  
 )  
 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, JULIANNE HUBBELL, 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 either serve under 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.

#### **Mil-Team Consulting**

4. The defendant's brother and co-conspirator, TIMOTHY BEBUS, served in the United States Army from 1990 through 1997 and in the ARNG from 1997 through 2011. Upon retirement, BEBUS worked for a company called RedPeg Marketing (RedPeg). In his position with RedPeg, BEBUS was responsible for obtaining and maintaining advertising and marketing contracts with the National Guard. In October 2011, BEBUS left RedPeg in order to start his own company, Mil-Team Consulting and Solutions, LLC (Mil-Team), where BEBUS 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.

5. The defendant served as the Vice President of Operations for Mil-Team. In that position, the defendant was responsible for managing Mil-Team's accounts.

#### **Bribery Scheme**

6. In order to obtain contracts with the NGB, BEBUS and the defendant engaged in a scheme in which BEBUS 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, BEBUS 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 Mil-Team. The defendant was aware of the scheme and acted in furtherance of the scheme.

7. In furtherance of the scheme to obtain contracts from the NGB, BEBUS 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, Mil-Team was able to fraudulently obtain contracts that would have otherwise been awarded to disadvantaged businesses. The defendant knew that BEBUS used this 8(a) business simply as pass-throughs so that Mil-Team would perform the contracts and receive most of the proceeds from the contracts.

8. In December 2012 and April 2013, the defendant applied for 8(a) status for her company, J Hubbell Consulting, knowing that she was attempting to obtain 8(a) status to use J Hubbell Consulting as a pass-through so that Mil-Team would no longer have to pay another 8(a) company, and the defendant and BEBUS would then be able to keep the additional money as profit.

9. In December 2012, during the course of and in furtherance of the conspiracy, BEBUS 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. The defendant was aware of the arrangement between Guard Official A and BEBUS, and drafted Mil-Team's bid for the contract.

10. In and around March of 2013, BEBUS met with a Sgt. First Class with the National Guard, working in the NGB's marketing section (referred to hereinafter as "Guard Official B"). Guard Official B 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. BEBUS and Guard Official B 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 B was a high level decision maker and had the power to ensure that contracts were awarded to the firms that Guard Official B recommended.

11. In an effort to obtain the Action Sports contract and future contracts with the National Guard, BEBUS agreed to pay Guard Official B ~~\$~~<sup>Handwritten: \$</sup>30,000 in exchange for an official act, namely, recommending that the Action Sports contract be awarded to Mil-Team. BEBUS and Guard Official B agreed that the bribe would be paid after the Action Sports contract was paid to the Mil-Team. The defendant also agreed with, planned, and facilitated the \$30,000 payment to Guard Official B.

12. In and around July 2013, the NGB awarded the \$3,682,540 Action Sports Contract to the 8(a) company that BEBUS 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 company was intended to defraud the government. Mil-Team expected to benefit more than \$375,000 from this contract.

13. On or about August 7, 2013, Mil-Team received approximately \$2,400,000 as the initial installment on the Action Sports contract. On or about August 12, 2013, in Arlington, Virginia, BEBUS paid Guard Official B \$6000 in cash as payment for awarding the Action

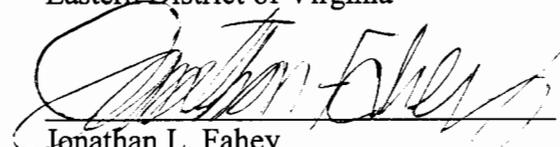
Sports contract to the Mil-Team. On or about August 15, 2013, the defendant paid the remaining \$24,000 through her sister's husband. The defendant mailed the \$24,000 to Guard Official B. The defendant had the check issued in the name of another individual in order to conceal the bribery scheme.

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  
United States Attorney  
Eastern District of Virginia

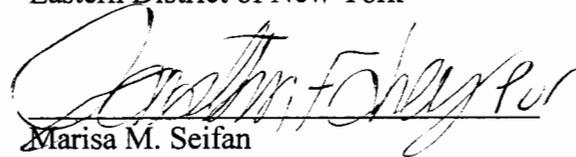
By:



Jonathan L. Fahey  
Assistant United States Attorney

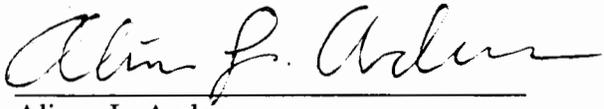
LORETTA E. LYNCH  
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By:



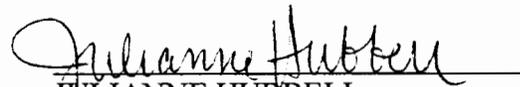
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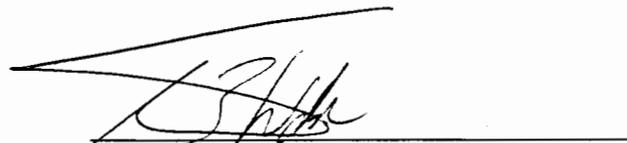
After consulting with my attorney and pursuant to the plea agreement entered into this day between me, JULIANNE HUBBELL, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the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

Date: 9/24/14

  
JULIANNE HUBBELL  
Defendant

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

Date: 9/26/14

  
Tom Walsh, Esq.  
Attorney for JULIANNE HUBBELL