
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT

v. :

GIDEON VAISMAN : Mag. No. 13-8146 (MCA)

I, Richard M. McGrade, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with Department of Transportation, Office of the Inspector General, and that this Criminal Complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Richard M. McGrade
Special Agent, DOT-OIG

Sworn to before me and subscribed in my presence,

May 13, 2013
Date

at Newark, New Jersey
City and State

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

THE NATIONAL ARCHIVES
COLLECTIONS DIVISION

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ATTACHMENT A

From at least as early as in or about April, 2005, until on or about May 1, 2013, in the District of New Jersey, and elsewhere, the defendant,

GIDEON VAISMAN,

did knowingly and intentionally conspire and agree with Carmine Coviello, C.Z., and others to devise a scheme and artifice to defraud FAA repair stations, aircraft parts brokers, and others, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises concerning the source of aircraft parts sold in interstate and foreign commerce, as set forth below, and to use interstate and foreign wire communications, including email communications between Ridgefield, New Jersey and the United Kingdom, for the purpose of executing their scheme and artifice, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1349.

ATTACHMENT B

I, Richard M. McGrade, a Special Agent with the Department of Transportation, Office of the Inspector General ("DOT-OIG"), having conducted an investigation and having spoken with other individuals, have knowledge of the following facts. Where conversations or statements are described, they are described in substance and in part. All dates, locations, quantities, and dollar amounts are approximate. Because this affidavit is being submitted for a limited purpose, I have not included all facts and information known to me concerning this matter.

Entities

1. At times relevant to this Complaint:

a. Tara Technology Corp. ("Tara Technology") was an aircraft parts broker and seller located in Ridgefield, New Jersey.

b. Tara Aviation Ltd. ("Tara Aviation") was purportedly an aircraft parts broker and seller incorporated in Tortola, British Virgin Islands, and located in Guernsey, United Kingdom.

c. Shelby Enterprises was an aircraft parts broker and seller located in Suffern, New York.

d. Q.M. was a metal shop located in Haverstraw, New York that was not certified by the Federal Aviation Administration ("FAA") to inspect and repair aircraft parts for return to commerce.

e. F.S.I. was an aircraft parts repair station located in North Haven, Connecticut that was certified by the FAA to inspect and repair parts for return to commerce.

f. Defendant GIDEON VAISMAN ("defendant VAISMAN") was a resident of Edgewater, New Jersey. Defendant VAISMAN was the sole owner of Tara Technology and controlled all operations at both Tara Technology and Tara Aviation. Defendant VAISMAN also owned 49% of F.S.I.

g. Carmine Coviello, a conspirator not named as a defendant herein, was a resident of Suffern, New York. Coviello was the sole owner and operator of Shelby Enterprises and the general manager of Tara Technology.

h. C.Z., a conspirator not named as a defendant herein, was a resident of West Milford, New Jersey and a sales

representative for Tara Technology.

i. A.M. was a resident of the United Kingdom. A.M. was the nominal owner and sole employee of Tara Aviation, which A.M. operated out of his home in the United Kingdom.

Regulatory Framework

2. At all times relevant to this Complaint:

a. The Federal Aviation Administration ("FAA") was part of the United States Department of Transportation and was charged with regulating civilian aviation in the United States. This regulatory authority included certifying those individuals who repair aircraft and aircraft accessories.

b. In the United States, aircraft owners, including commercial airline companies, obtained replacement aircraft parts either directly from the manufacturer or from one of several intermediate sources, including aircraft parts brokers. Before an aircraft part could be installed on an aircraft operating in the United States, that part first had to be inspected and certified as "airworthy."

c. The FAA specifically certified private repair stations ("FAA Repair Stations") to perform inspections and repairs of aircraft parts, and to certify the airworthiness of those parts. FAA Repair Stations documented their inspections, repairs, and certifications of aircraft parts on FAA Forms 8130-3, also called "Airworthiness Approval Tags."

d. FAA regulations proscribed the repair of an aircraft part by anyone other than a certificated FAA Repair Station or a certified airframe and power plant mechanic.

e. FAA Repair Stations used historical or trace paperwork associated with an aircraft part to determine whether the aircraft part was repairable and ultimately airworthy.

f. Trace paperwork generally documented the history of an aircraft part and included information such as the part's manufacturer, the aircraft on which the part was used, and how that part was used. Trace paperwork was also used in determining whether an aircraft or aircraft part has been subject to severe stress or heat as would occur during a major engine failure, accident, or fire.

g. "Part 145" trace paperwork was historical paperwork tracing a part's ownership to an FAA Repair Station.

Object of the Conspiracy

3. The object of the conspiracy was for defendant VAISMAN and his co-conspirators to enrich themselves by selling aircraft engine parts obtained from scrap yards using fraudulent trace paperwork and deceitfully obtained Airworthiness Approval Tags.

Manner & Means

4. According to Coviello and C.Z., the following manner and means were employed, all at defendant VAISMAN's direction, to achieve the conspiracy's objective. These actions were taken from at least as early as April, 2005, through at least July, 2009.

5. Coviello used his own company, Shelby Enterprises, to purchase vital jet engine parts called "blades" and "vanes" from scrap metal dealers.

6. Once Coviello purchased the blades and vanes, he had them cleaned, sanded, and inspected at Q.M., in violation of FAA regulations. This was performed to conceal that these parts had been scrapped and on occasion rejected for repair by an FAA Repair Station.

7. Coviello, through Shelby Enterprises, then conducted sham sales of the illegally altered blades and vanes to Tara Aviation, which was controlled by defendant VAISMAN. The sole purpose of these sales, which occurred only on paper, was to generate fraudulent trace paperwork for submission to the FAA Repair Stations, in order to conceal that these parts had been scrapped and on occasion rejected for repair by another FAA Repair Station.

8. To effect these sham sales of blades and vanes to Tara Aviation, Coviello and C.Z. emailed information about the parts to A.M. in the United Kingdom for the purpose of getting a repair order request. Without ever seeing the parts, A.M. prepared these repair order requests on behalf of Tara Aviation and emailed them back to Coviello and C.Z. in Ridgefield.

9. Coviello and C.Z. also created fraudulent trace paperwork to accompany these sham sales. Coviello, from the offices of Tara Technology, prepared on behalf of Shelby Enterprises misleading trace paperwork on which he certified, without any knowledge of the history of the parts, that the scrapped blades and vanes had "not been subjected to excessive stress or heat that an FAA overhaul facility would deem to be unsuitable for return to service after appropriate inspection" ("Shelby Certification"). Additionally, Coviello and C.Z.

prepared on behalf of Tara Aviation fraudulent trace paperwork certifying that "all used parts were not subjected to severe stress or heat (as in major engine failure, accident or fire)" ("Tara Aviation Certification"). C.Z. and Coviello put A.M.'s digital signature on the Tara Aviation Certifications to make it appear as if A.M. were certifying these parts in the United Kingdom, when in fact the parts never left New Jersey.

10. Coviello and C.Z. then shipped the illegally altered blades and vanes to FAA Repair Stations, along with the repair order requests and the fraudulent Tara Aviation Certifications, thereby concealing that these parts had been scrapped and on occasion rejected for repair by another FAA Repair Station. The FAA Repair Stations repaired the blades and vanes they felt were repairable, issued Airworthiness Approval Tags, and shipped the blades and vanes and supporting paperwork back to Tara Technology. Based on my knowledge of the aircraft parts industry, if an FAA Repair Station were made aware that parts submitted for repair had been scrapped, rejected for repair by another FAA Repair Station, or both, it would likely refuse to accept those parts or attempt to repair them for a variety of reasons.

11. Defendant VAISMAN, Coviello, and C.Z. stored the blades and vanes in Tara Technology's warehouse inventory. They ultimately sold these parts to aircraft brokers, airlines, and others on behalf of Tara Aviation, using the fraudulent trace paperwork to conceal that these parts had been scrapped and on occasion rejected for repair by another FAA Repair Station.

12. There were occasions when certain customers of Tara Aviation would require Part 145 trace paperwork as a prerequisite to purchasing blades and vanes from Tara Aviation. When faced with such a demand and thus unable to sell the scrapped parts, Coviello and C.Z. performed sham sales to F.S.I., of which defendant VAISMAN controlled 49%, for a nominal price of approximately \$1 each. F.S.I. then immediately sold the blades and vanes back to Tara Aviation for a much higher price of approximately \$50 each and provided the Part 145 trace paperwork needed to complete the sale. F.S.I. never took physical possession of the aircraft parts. As with the sham sales between Shelby Enterprises and Tara Aviation, these sales also occurred only on paper. Defendant VAISMAN, Coviello, and C.Z. then sold the previously scrapped parts with the Part 145 trace paperwork falsely representing that the aircraft parts had come from the stock of F.S.I. when in fact Tara Aviation had simply in effect purchased the Part 145 paperwork from F.S.I.

13. Meantime, after a lengthy investigation, on or about April 9, 2013, M.O., Tara Technology's office manager, sent a package to F.S.I. In the package was trace paperwork for a batch of blades and vanes with a hand-written note attached from M.O. to M.M., F.S.I.'s office manager. The note read:

[M.M.],

We need Material Certs [i.e., Part 145 trace paperwork] for the attached 8130's [i.e., Airworthiness Approval Tags].

Can you please forward this request to the responsible person[?] Thanks so much for your help.

[M.O.]

The Airworthiness Approval Tags that M.O. had attached with the hand-written note were traceable to Tara Technology's inventory of blades and vanes procured through the fraudulent Shelby Enterprises scheme described above. Consequently, it appeared that M.O. was attempting to obtain fraudulent Part 145 paperwork, consistent with the scheme.

14. On or about May 1, 2013, DOT-OIG monitored a consensually recorded telephone conversation between M.M. and M.O. During that conversation, M.M. advised M.O. that the parts for which M.O. sought Part 145 paperwork were not in fact parts owned at any time by F.S.I., which meant that F.S.I. could not truthfully issue Part 145 paperwork claiming former ownership of the parts. In response, M.O. passed the telephone to defendant VAISMAN. M.M. then advised defendant VAISMAN, more than once, that F.S.I. never owned the parts, but that F.S.I. was nevertheless willing to provide the Part 145 paperwork, so long as defendant VAISMAN understood they were not F.S.I.'s parts. Defendant VAISMAN advised that he understood, and that he wanted the Part 145 paperwork anyway. M.M. thereafter mailed to Tara Technology's offices in Ridgefield the fraudulent paperwork defendant VAISMAN had requested.