



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

DAVID F. ALEXANDER,

Defendant.

CR No. 2:21-CR-00572-FMO

I N F O R M A T I O N

[18 U.S.C. § 1001(a)(2): False Statements]

The United States Attorney charges:

INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

A. RELEVANT PERSONS AND ENTITIES

1. The Los Angeles Department of Water and Power ("LADWP") was the largest municipal utility in the United States, and provided water and electricity services to approximately 4 million residents in and around the City of Los Angeles (the "City"). LADWP was governed by a five-member Board of Commissioners (the "LADWP Board"). LADWP was a City agency that received more than \$10,000 per year in funds from the United States, including for the years 2017 through 2019, in the form of grants, contracts, subsidies, loans, guarantees, insurance, and other forms of federal assistance.

1 2. Defendant DAVID F. ALEXANDER was the Chief Information
2 Security Officer of LADWP from on or about May 29, 2017, until on or
3 about February 25, 2019. From on or about February 25, 2019, until
4 on or about August 12, 2019, defendant ALEXANDER was the Chief Cyber
5 Risk Officer of LADWP. In both capacities, defendant ALEXANDER
6 reported directly to the Chief Administrative Officer of LADWP, who
7 reported directly to the LADWP General Manager.

8 3. The Southern California Public Power Authority ("SCPPA")
9 was a collective group of eleven municipal utilities that included
10 LADWP. At the request of a member utility, SCPPA had the ability to
11 facilitate joint service contracts.

12 B. THE GRAND JURY INVESTIGATION

13 4. Beginning in March 2019, the United States Attorney's
14 Office ("USAO") and the Federal Bureau of Investigation ("FBI"), via
15 a federal Grand Jury, were conducting an investigation to determine
16 whether criminal violations had been committed related to, among
17 other things, collusive litigation involving the Los Angeles City
18 Attorney's Office stemming from LADWP's failed billing system (the
19 "Grand Jury investigation"). This investigation sought to identify
20 the persons who had committed, caused, and conspired to commit
21 federal criminal violations.

22 C. THE BRIBERY SCHEME

23 1. **Background**

24 5. Starting around 2017, defendant ALEXANDER developed a
25 professional relationship with Paul O. Paradis, a New York lawyer
26 who, among other things, represented LADWP as Special Counsel in an
27 affirmative lawsuit alleging that PricewaterhouseCoopers ("PwC") —
28 the vendor of LADWP's billing system — was to blame for LADWP's

1 misbilling of hundreds of thousands of ratepayers. In 2017, Paradis
2 created a company known as Aventador Utility Solutions, LLC
3 ("Aventador"), which obtained a three-year, \$30,000,000 no-bid
4 contract with LADWP to perform remediation work on the faulty billing
5 system. Aventador also performed certain cybersecurity-related work
6 for LADWP.

7 6. In or around March 2019, Paradis resigned as Special
8 Counsel for LADWP in the PwC lawsuit. Later that month, Paradis
9 purportedly sold Aventador to an employee, and Aventador officially
10 changed its name to Ardent Cyber Solutions, LLC ("Ardent"). Paradis
11 represented to LADWP and the City of Los Angeles (the "City") that he
12 had no financial interest in, or control over, Aventador and its
13 successor, Ardent.

14 **2. Defendant ALEXANDER Manipulates Two Bidding Processes to**
15 **Help Secure LADWP Contracts for Paradis's Aventador/Ardent**

16 (a) The SCPPA Request for Proposal Process

17 7. On February 8, 2019, SCPPA issued a Request for Proposal
18 ("RFP") for a cybersecurity services contract (the "SCPPA RFP") at
19 the request of LADWP's then-General Manager, David Wright. Defendant
20 ALEXANDER, who was the Vice-Chair of the SCPPA Cyber Security Working
21 Group, was the primary drafter of the SCPPA RFP. The SCPPA RFP
22 solicited proposals from vendors to provide cybersecurity services in
23 eleven defined areas. The SCPPA RFP contemplated that multiple
24 vendors would be awarded a cybersecurity services contract with SCPPA
25 under a master agreement, under which individual member utilities,
26 like LADWP, could independently engage a vendor's services.

27 8. Defendant ALEXANDER was one of four members of the scoring
28 committee for the SCPPA RFP, which was responsible for conducting a

1 preliminary review and assessment of the proposals submitted in
2 response to the SCPPA RFP and then presenting its scores and
3 recommendations to the SCPPA Cybersecurity Working Group.

4 9. Defendant ALEXANDER knew and understood that the SCPPA RFP
5 process was intended to be a competitive, neutral, and transparent
6 process in order to ensure the integrity of the cybersecurity bench.
7 Defendant ALEXANDER, however, manipulated the SCPPA RFP process with
8 the goal of securing future cybersecurity work for Aventador. After
9 Aventador became Ardent, defendant ALEXANDER sought to secure future
10 work for Ardent. Defendant ALEXANDER should have known, and knew no
11 later than July 16, 2019, that Paradis was supposed to have no role
12 in or involvement with Aventador or Ardent. Nonetheless, defendant
13 ALEXANDER knew and understood that Paradis was actually serving as
14 the principal of Ardent, including by pursuing the cybersecurity
15 services contract for Ardent through the SCPPA RFP.

16 10. Between late February 2019 and April 2019, defendant
17 ALEXANDER used his position and influence as the LADWP Chief Cyber
18 Risk Officer and the Vice-Chair of the SCPPA Cyber Security Working
19 Group to manipulate the SCPPA RFP process by influencing the
20 composition of the scoring committee to include individuals whom he
21 could persuade to rank Ardent favorably and sharing his scores for
22 the SCPPA proposals with other members of the committee in an effort
23 to persuade them to score Ardent favorably.

24 11. On April 5, 2019, the SCPPA Cybersecurity Working Group
25 informed Ardent that it would recommend Ardent for the SCPPA
26 contract.

27 12. On April 5, 2019, defendant ALEXANDER met with Paradis at a
28 restaurant in Los Angeles. During this meeting and in all subsequent

1 interactions with defendant ALEXANDER referenced herein, Paradis was
2 acting at the direction of the FBI. During this meeting, defendant
3 ALEXANDER told Paradis that he had used the SCPPA bidding process to
4 get LADWP's "desired outcome," that is, a contract with Ardent, but
5 in a manner that falsely appeared "completely transparent."

6 Defendant ALEXANDER boasted that he was the one who had secured the
7 contract for Ardent, informing Paradis, "that was me driving it."

8 13. On April 18, 2019, the SCPPA Board approved a multi-award
9 contract for Ardent and two other vendors valued at a total of
10 approximately \$17,000,000.

11 14. Shortly after SCPPA awarded the contracts, the City
12 instructed LADWP to re-bid the contracts through the standard LADWP
13 procurement process (the "LADWP RFP"), instead of through SCPPA, to
14 ensure an extra layer of transparency and maximum competition. In
15 the interim, the LADWP Board of Commissioners approved short-term
16 "bridge" contracts for Ardent and the other two vendors.

17 (b) The LADWP RFP Process

18 15. On June 17, 2019, LADWP issued the LADWP RFP for the award
19 of a three-year, \$82.5 million Cybersecurity Consulting Services
20 contract, with a submission deadline of July 10, 2019. Defendant
21 ALEXANDER knew and understood that state and local laws and
22 regulations required the LADWP RFP process to be a fully competitive,
23 neutral, and transparent process in order to ensure fair competition
24 amongst the vendors and to ensure that LADWP acquired the services of
25 a qualified vendor that satisfied its requisite criteria.

26 16. Defendant ALEXANDER was one of seven members of the
27 evaluation committee that was responsible for reviewing the proposals
28 submitted in response to the LADWP RFP. All evaluators, including

1 defendant ALEXANDER, signed a sworn nondisclosure agreement that they
2 would not discuss their scoring on the proposals with anyone.

3 17. In late May 2019, before the LADWP RFP was issued,
4 defendant ALEXANDER began his efforts to also manipulate the LADWP
5 RFP process to favor Ardent. Defendant ALEXANDER was one of the
6 drafters of the anticipated LADWP RFP, and he shared drafts of the
7 LADWP RFP with Paradis and solicited Paradis's edits. By these
8 actions, defendant ALEXANDER intended to craft and crafted the LADWP
9 RFP to correspond with Ardent's specific strengths and to improve
10 Ardent's odds of being awarded the contract.

11 18. After the LADWP RFP was issued, between in or around June
12 and July 2019, defendant ALEXANDER worked closely with Paradis to
13 help him improve Ardent's proposal for submission, including by
14 reviewing and editing drafts of Ardent's proposal.

15 19. On July 10, 2019, Paradis caused Ardent to submit its
16 proposal to the LADWP RFP. In total, over a dozen vendors submitted
17 proposals for the LADWP RFP.

18 20. Defendant ALEXANDER also undertook efforts to influence the
19 other members of the evaluation committee to rate Ardent favorably,
20 notwithstanding the sworn nondisclosure agreement. For example, on
21 July 9, 2019, the day before the submission deadline for proposals
22 for the LADWP RFP, defendant ALEXANDER told Paradis, via text
23 message, that he would "handle" another individual on the evaluation
24 committee because he believed that he and the other individual could
25 work well together "toward our desired goals." In response, Paradis
26 asked if defendant ALEXANDER was confident that the individual would
27 "cooperate with you and rank Ardent with a very high overall score."
28 Defendant ALEXANDER responded, "Very...."

1 21. On July 9, 2019, Paradis told defendant ALEXANDER, via text
2 message, that after he submitted the Ardent proposal, "it will be up
3 to you to 'manage' the evaluators the same way you did for the SCPAA
4 [sic] process so that we get the correct result... 🙄 [winking face
5 emoji]." Defendant ALEXANDER responded via text message, "I know my
6 job 😂 [crying-laughing emoji]."

7 22. On July 12, 2019, defendant ALEXANDER told Paradis, via
8 text message, about the required sworn nondisclosure agreement.
9 Defendant ALEXANDER remarked that this requirement "seriously limits
10 me," which was a reference to his planned efforts to influence the
11 other evaluators to rate Ardent favorably. Paradis responded that he
12 was not concerned about defendant ALEXANDER being "limited" because,
13 as defendant ALEXANDER had told Paradis earlier, defendant ALEXANDER
14 "know[s] his job."

15 23. On July 15, 2019, defendant ALEXANDER, via text message,
16 advised Paradis that he had provided two of the evaluators with
17 "'cliff notes' on my proposal thoughts."

18 **3. Defendant ALEXANDER Seeks Employment at Ardent from**
19 **Paradis, and Paradis Represents That Ardent Will Hire Him**

20 24. On July 16, 2019, defendant ALEXANDER met with Paradis for
21 lunch at a restaurant in Los Angeles. During this meeting, defendant
22 ALEXANDER again told Paradis that he and the other evaluators for the
23 LADWP RFP had been required to sign an agreement attesting that they
24 would not speak to each another about their scores for the LADWP RFP
25 responses. Defendant ALEXANDER explained that, notwithstanding this
26 signed agreement, he had provided his score sheet to two other
27 evaluators in order to influence them to give Ardent a high score.
28 Defendant ALEXANDER stated that he was working to speak with other

1 evaluators for the same purpose. Paradis thanked defendant ALEXANDER
2 for his help securing the LADWP RFP for Ardent.

3 25. During this same lunch meeting, Paradis asked defendant
4 ALEXANDER what his future employment plans were. Defendant ALEXANDER
5 responded that he was considering multiple options outside of LADWP
6 and informed Paradis that he was interested in working at Ardent as
7 its business manager. Defendant ALEXANDER and Paradis discussed this
8 proposed job, including the general scope of job responsibilities for
9 defendant ALEXANDER, the future location and growth of Ardent, and
10 Ardent's "platinum-level" health insurance benefits. Defendant
11 ALEXANDER and Paradis also discussed a prospective start date of
12 September 1, 2019. At Paradis's suggestion, defendant ALEXANDER
13 agreed to create a written job description of defendant ALEXANDER's
14 intended role at Ardent, along with his terms and conditions for the
15 job. Defendant ALEXANDER told Paradis that he needed to confirm the
16 terms of his retirement package from LADWP, since he was considering
17 leaving two years before reaching the retirement age.

18 26. Near the end of the lunch meeting, defendant ALEXANDER told
19 Paradis that he would make sure that the LADWP RFP evaluation for
20 Ardent "stays in order," meaning that he would continue his efforts
21 to improperly influence the LADWP RFP process in Ardent's favor.
22 Defendant ALEXANDER told Paradis that he would need to remain at
23 LADWP at least until he had secured the LADWP contract for Ardent.
24 Accordingly, defendant ALEXANDER told Paradis that he could not start
25 on September 1, 2019, and that he would need to stay at LADWP until
26 at least October 2019.

27 27. After the lunch meeting, defendant ALEXANDER, via text
28 message, asked Paradis who Ardent employed as its Chief Financial

1 Officer. Paradis responded that it was someone he had known for over
2 12 years and inquired why defendant ALEXANDER was asking. Defendant
3 ALEXANDER replied that he was "scoping" his role and responsibilities
4 "for my new job." Paradis responded via text message that defendant
5 ALEXANDER's job duties "will be what we discussed, namely operations
6 and business management." Defendant ALEXANDER stated, "So I am
7 thinking essentially a Chief Administrative Officer," to which
8 Paradis replied, "I agree completely."

9 **4. Defendant ALEXANDER Guarantees Future Task Orders for**
10 **Ardent in Return for Additional Compensation from Paradis**

11 28. On July 17, 2019, defendant ALEXANDER, via text message,
12 told Paradis that he had "[j]ust finished my conversation with the
13 retirement group. Not good at all. We need to talk to discuss
14 options, when you have a chance."

15 29. Later that same day, defendant ALEXANDER and Paradis met at
16 a coffee shop in Los Angeles. During the meeting, defendant
17 ALEXANDER and Paradis discussed the following:

18 a. Defendant ALEXANDER relayed to Paradis that he had
19 learned from an LADWP retirement analyst that if he retired before
20 the age of 55, he would lose what amounted to \$60,000 a year "for 30
21 years" or "for the rest of [his] life." During his conversation with
22 Paradis, defendant ALEXANDER repeatedly referred to the retirement
23 penalty as a loss of \$60,000 a year over 30 years, or "for the rest
24 of [his] life."

25 b. Paradis responded that the retirement penalty was
26 "easily handled," but that if Paradis was going to "guarantee"
27 additional compensation to make up for defendant ALEXANDER's loss in
28 LADWP retirement income, defendant ALEXANDER would also need to

1 "guarantee certain things." In exchange for the additional
2 compensation, defendant ALEXANDER told Paradis that while he remained
3 at LADWP, he could provide certain guarantees to Paradis and Ardent
4 in the form of future task orders from LADWP that assigned specific
5 work for which Ardent could be compensated.

6 c. Specifically, as the Chief Cyber Risk Officer at
7 LADWP, defendant ALEXANDER communicated to Paradis that he could
8 procure task orders for cybersecurity work under the anticipated
9 LADWP contract. Defendant ALEXANDER calculated for Paradis the
10 amount of money defendant ALEXANDER could allocate in a task order to
11 Ardent. Defendant ALEXANDER stated that he could also guarantee
12 Ardent task orders for cybersecurity training.

13 d. Defendant ALEXANDER told Paradis that he could
14 "guarantee" Ardent a total of \$10,500,000 to \$11,500,000 in task
15 orders in two specified sectors. Additionally, defendant ALEXANDER
16 stated that he could help to push work towards Ardent in a third
17 sector, namely remediation.

18 e. Defendant ALEXANDER and Paradis discussed the need for
19 defendant ALEXANDER to stay on longer at LADWP to deliver on these
20 guarantees. In exchange for defendant ALEXANDER's agreement to stay
21 at LADWP to secure the promised task orders to Ardent, Paradis
22 offered to pay a bonus for the period of time defendant ALEXANDER
23 stayed on at LADWP "from our deal on." Defendant ALEXANDER agreed
24 and commented that the payment amounted to a "signing bonus."

25 f. Near the end of their meeting, defendant ALEXANDER
26 confided that he would tell no one about his corrupt arrangement with
27 Paradis, stating that "[a]s far as what I do and when I can execute
28 against that contract is between you, me, and the wall." Defendant

1 ALEXANDER added that “[his] wife is not even going to know. She has
2 to be able to attest.”

3 30. By his actions, defendant ALEXANDER solicited and agreed to
4 accept from Paradis a future job as the Chief Administrative Officer
5 of Ardent, a to-be-determined executive-level annual salary, a sign-
6 on bonus, and recompense for his early retirement penalty from LADWP.
7 Defendant ALEXANDER did so intending to be influenced and rewarded in
8 connection with his ongoing assistance in securing the award of a
9 multi-million dollar LADWP contract to Ardent and use of his position
10 to guarantee over \$10,000,000 in future task orders for Ardent under
11 the anticipated LADWP contract.

12 **5. Defendant ALEXANDER Asks for a Secret Ardent E-Mail Address**
13 **and Laptop to Communicate with Paradis and to Secretly**
14 **Perform Work for Ardent**

15 31. Following his meeting with Paradis on July 17, 2019, and
16 consistent with their illegal arrangement, defendant ALEXANDER
17 continued his efforts to manipulate the LADWP RFP process in Ardent’s
18 favor.

19 32. Defendant ALEXANDER also began advising Paradis more
20 broadly about business plans for Ardent, consistent with their secret
21 agreement for defendant ALEXANDER to be the Chief Administrative
22 Officer for Ardent. For example, on July 18, 2019, defendant
23 ALEXANDER told Paradis via text message that, “we need to build some
24 artwork and [collateral] for our RFPs, going forward.” On that same
25 day, defendant ALEXANDER provided Paradis with information about
26 another SCPPA RFP in which Paradis had indicated an interest in
27 applying for Ardent and advised Paradis that it was such a small
28 amount that it was not worth it “for us to even fucking bother.”

33. During a phone call on July 18, 2019, defendant ALEXANDER

1 asked Paradis for a secret e-mail account with Ardent that did not
2 have his name on it. Paradis responded that he could provide the
3 requested e-mail address, as well as a laptop, for defendant
4 ALEXANDER's use. Defendant ALEXANDER agreed that an Ardent-issued
5 laptop would be helpful so that he could "do all that work with no
6 evidence anywhere else" and because "if anything happens, I just give
7 you the laptop back and it's lock, stock, and barrel, and I don't
8 have anything anywhere else." Paradis agreed to drop off the laptop
9 for defendant ALEXANDER the following day.

10 34. On July 19, 2019, defendant ALEXANDER, via text message,
11 asked Paradis if he was still planning to deliver the Ardent-issued
12 laptop that day. On a phone call that same day, defendant ALEXANDER
13 and Paradis agreed on a secret e-mail address of
14 "FrancesW@ardent.com."

15 **6. Defendant ALEXANDER's Lies to the FBI**

16 35. On July 22, 2019, the FBI executed search warrants at LADWP
17 as part of its ongoing investigation into LADWP and the City
18 Attorney's Office.

19 36. On July 24, 2019, defendant ALEXANDER participated in a
20 voluntary interview with the FBI regarding the Grand Jury
21 Investigation during which he lied about his conversations and
22 agreements with Paradis.

23 37. On July 26, 2019, defendant ALEXANDER participated in
24 another voluntary interview with the FBI. During that interview,
25 defendant ALEXANDER falsely stated that he had declined any
26 employment opportunity with Ardent and that he had never provided any
27 guarantees to Ardent or to Paradis.

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1 38. These Introductory Allegations are incorporated into the
2 sole count of this Information.

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COUNT ONE

[18 U.S.C. § 1001(a) (2)]

39. On or about July 24, 2019, in Los Angeles County, within the Central District of California, in a matter within the jurisdiction of the executive branch of the government of the United States, namely, the FBI, defendant DAVID F. ALEXANDER knowingly and willfully made materially false statements and representations to the FBI, knowing that these statements and representations were untrue. Specifically, defendant ALEXANDER falsely stated: (a) that he had declined any future employment opportunity with Ardent and (b) that he had not expected any compensation from Paul O. Paradis. In fact, as defendant ALEXANDER then knew, defendant ALEXANDER had solicited and agreed to accept from Paradis a future job as the Chief Administrative Officer of Ardent, an executive-level annual salary, and an additional annual payment of \$60,000, and defendant ALEXANDER

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1 expected these benefits as compensation, including for his assistance
2 in securing LADWP's award of the Cybersecurity Consulting Services
3 contract and future task orders for Ardent.

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