

1 BENJAMIN B. WAGNER
United States Attorney
2 MARK J. McKEON
Assistant United States Attorney
3 2500 Tulare Street, Suite 4401
Fresno, CA 93721
4 Telephone: (559) 497-4000
Facsimile: (559) 497-4099
5

FILED

AUG 20 2015

6 Attorneys for Plaintiff
United States of America
7

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY  DEPUTY CLERK

8 IN THE UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA

10 1:15 CR 00229 AWI/BAM

11 UNITED STATES OF AMERICA,
12 Plaintiff,

CASE NO.

VIOLATIONS: 18 U.S.C. § 286 – Conspiracy to Defraud the Government with Respect to Claims;
18 U.S.C. § 1001 – False Statements (41 Counts); 18
U.S.C. § 982(a)(4) – Criminal Forfeiture

13 v.

14 SCOTT T. CARLTON
ROBERT J. BEJARANO, and
15 MATTHEW L. COCOLA,
16 Defendants.
17

18 INDICTMENT

19 COUNTS ONE: [18 U.S.C. § 286 – Conspiracy to Defraud the Government With Respect to Claims]

20 The Grand Jury charges:

21 SCOTT T. CARLTON,
ROBERT J. BEJARANO, and
22 MATTHEW L. COCOLA,

23 defendants herein, as follows:

24 I. INTRODUCTION

25 At all times relevant to this indictment:

26 1. The Internal Revenue Service (“IRS”) is an agency within the U.S. Department of
27 Treasury, within the executive branch of government of the United States. The IRS’s Fresno Campus
28 served as a submission processing, field compliance, and accounts management site for processing

1 federal tax returns. The IRS required uniformed armed security guard services at the Fresno Campus as
2 well as at other IRS facilities in Fresno and Tulare, California, 24-hours per day, 7-days per week, 365-
3 days per year, including holidays.

4 2. E&A Protective Services–Bravo, LLC (“E&A”), was a Virginia limited liability
5 corporation, with its headquarters in Dumfries, Virginia, and doing business in Fresno, California.

6 3. Physical Security Contract TIRMS-11-C-00010 (“IRS Fresno Contract”) was entered into
7 by IRS’s Midstates Procurement and E&A, with an effective date of February 25, 2011. The terms of
8 the IRS Fresno Contract required E&A to provide basic security services at the Fresno Campus, as well
9 as at an IRS facility in Ogden, Utah, from February 25, 2011 through March 31, 2016. Pursuant to the
10 IRS Fresno Contract’s Performance Work Statement (“PWS”), E&A was required to submit firearm
11 certifications for each contract guard to the IRS Contracting Officer’s Technical Representative showing
12 successful completion of the Federal Law Enforcement Training Center (“FLETC”) Practical Pistol
13 Course (“PPC”). The PWS and associated exhibits specifically stated that unless qualified with the
14 authorized 9 mm firearm, with a minimum score of 210, a prospective employee could not perform
15 duties under the terms of the contract. The FLETC PPC maximum possible score is 300 with a
16 minimum passing score of 210. The PWS and associated exhibits further provided that a contract
17 guard’s failure to maintain current qualifications will result in the immediate removal of the guard from
18 duty.

19 4. The IRS appointed a Contracting Officer’s Technical Representative (“Fresno COTR”) to
20 administer the IRS Fresno Contract onsite. The Fresno COTR’s responsibilities consisted of overseeing
21 the contract, ensuring E&A adhered to the contract terms, met all training requirements, and delivered
22 the required number of post hours. The Fresno COTR was also responsible for reviewing E&A’s
23 monthly invoices for acceptance and billing. Monthly invoices were submitted by E&A to the National
24 Contracting Officer’s Technical Representative (“National COTR”). The National COTR forwarded the
25 invoices to the Fresno COTR for certification that payment could be made. Once an invoice was
26 certified by the Fresno COTR, the invoice was accepted and payment was made electronically to E&A
27 from the IRS Beckley Finance Center in Beckley, West Virginia.

28 5. Defendant SCOTT T. CARLTON was the Regional Manager for E&A in Fresno,

1 California. Defendant CARLTON originally worked on the IRS Fresno Contract as the Project
2 Manager, but was promoted to Regional Manager in early 2011. His job responsibilities included
3 overseeing five IRS security contracts in California, Utah, Massachusetts, Kentucky and Tennessee,
4 including the IRS Fresno Contract. His responsibilities included ensuring the IRS Fresno Contract
5 requirements were carried out by the onsite Project Manager. CARLTON was required to report
6 monthly on how many guards at the Fresno Campus qualified, passed or failed the firearms certification.
7 These reports were sent directly to the National COTR, the Fresno COTR, and CARLTON's supervisors
8 within E&A. CARLTON was also required to verify each month that the conditions and requirements
9 under the IRS Fresno Contract had been met, including firearm qualification requirements.

10 6. Defendant ROBERT J. BEJARANO was the onsite Project Manager under the IRS
11 Fresno Contract for E&A's guards assigned to the Fresno Campus and other IRS facilities in Fresno and
12 Tulare, California.

13 7. Defendant MATTHEW L. COCOLA was a Certified Firearms Instructor doing business
14 in Clovis, California, as Security Solutions of California & The Praetorian Diversified Institute
15 ("SSOC"). In 2011, defendant COCOLA was hired by E&A to qualify guards under the FLETC PPC.

16 II. CONSPIRACY

17 8. Beginning on a date unknown to the Grand Jury but no later than in or about March 2011,
18 and continuing until in or about December 2013, in the State and Eastern District of California, and
19 elsewhere, defendants SCOTT T. CARLTON, ROBERT J. BEJARANO, and MATTHEW L.
20 COCOLA, knowingly and intentionally agreed, combined, and conspired with each other (and with
21 others both known and unknown to the Grand Jury) to defraud the United States, and a department or
22 agency thereof, by aiding to obtain the payment and allowance of false, fictitious, and fraudulent claims
23 for payment under the IRS Fresno Contract.

24 III. MANNER AND MEANS OF THE CONSPIRACY

25 In furtherance of the conspiracy defendants SCOTT T. CARLTON, ROBERT J. BEJARANO,
26 and MATTHEW L. COCOLA employed, among others, the following manner and means:

27 9. In 2011, defendant COCOLA was selected by E&A to administer the annual FLETC PPC
28 for the contract guards at the IRS. COCOLA initially worked with defendant CARLTON when he was

1 project manager for the IRS Fresno Contract, but when CARLTON was promoted to Regional Manager,
2 COCOLA began dealing with the new E&A project manager, defendant BEJARANO.

3 10. Between March 2011 and December 2013, at the request of BEJARANO and
4 CARLTON, COCOLA falsified approximately 41 FLETC PPC scores for 19 different E&A guards to
5 show that the guards obtained a passing score, so the guards could remain working on the IRS Fresno
6 Contract, when in fact the guards had failed the test. In furtherance of the conspiracy, COCOLA signed
7 false and fraudulent *FLETC & PPC – IRS SECURITY OFFICER QUAL FORMS - FRESNO*
8 (“Qualification Forms”) showing that these guards had passed the FLETC PPC, when in fact they had
9 failed the test.

10 11. Defendant BEJARANO collected the false and fraudulent Qualification Forms from
11 COCOLA, and knowing they were false and fraudulent provided them to the IRS Contracting Officer’s
12 Technical Representative (“COTR”) to deceive the IRS into believing that the guards provided under the
13 IRS Fresno Contract were qualified to work at the Fresno Campus and other IRS facilities.

14 12. Defendant CARLTON falsely certified monthly that the conditions and requirements,
15 including firearm qualification requirements, under the IRS Fresno Contract had been met, thus allowing
16 E&A to be paid for invoices submitted under the contract, even though CARLTON knew that many
17 guards were not qualified to work under the contract.

18 13. In 2011, E&A received approximately \$2,690,454 from the IRS on the IRS Fresno
19 Contract, despite 12 of 62 FLETC PPC scores being falsified (19.3%); in 2012, E&A received
20 approximately \$3,505,002 from the IRS on the IRS Fresno Contract, despite 11 of 69 FLETC PPC
21 scores being falsified (15.9%); in 2013, E&A received approximately \$3,521,544 from the IRS on the
22 IRS Fresno Contract, despite 18 of 66 FLETC PPC scores being falsified (27.3%). Between 2011 and
23 2013, E&A was paid approximately \$2,039,922 on false and fraudulent claims submitted to the IRS
24 under the IRS Fresno Contract for security guards who were not qualified to work under that contract.

25 14. At all times, in carrying out this conspiracy, the defendants acted with the intent to
26 defraud the IRS.

27 All in violation of Title 18, United States Code, Section 286.

28 ///

1 COUNTS TWO THROUGH FORTY-TWO: [18 U.S.C. § 1001 – False Statements]

2 The Grand Jury further charges:

3 SCOTT T. CARLTON,
 4 ROBERT J. BEJARANO, and
 MATTHEW L. COCOLA,

5 defendants herein, as follows:

6 15. Paragraphs 1 through 13, inclusive of Count One of this Indictment, are re-alleged and
 7 incorporated by reference as if fully set forth herein.

8 16. On or about the dates set forth below, in Fresno County, State and Eastern District of
 9 California, defendants did willfully and knowingly make and use a false writing and document, knowing
 10 the same to contain a materially false, fictitious, and fraudulent statement and entry in a matter within
 11 the jurisdiction of the executive branch of government of the United States, to wit, by signing and using
 12 a *FLETC & PPC – IRS SECURITY OFFICER QUAL FORM – FRESNO* that falsely certified that the
 13 individuals identified below had obtained a passing score on the FLETC PPC, while knowing and
 14 believing that the named individuals had not obtained a passing score:

| Count | Date | Name of Individual |
|-------|----------|--------------------|
| 2 | 3/19/11 | A.C.S. |
| 3 | 2/25/12 | A.C.S. |
| 4 | 12/14/13 | A.S.R. |
| 5 | 3/18/11 | L.Y.O. |
| 6 | 3/6/12 | L.Y.O. |
| 7 | 2/9/13 | L.Y.O. |
| 8 | 3/19/11 | J.E.P. |
| 9 | 3/16/12 | J.E.P. |
| 10 | 12/7/13 | C.M.I. |
| 11 | 2/4/12 | C.M.I. |
| 12 | 3/19/11 | N.A.H. |

| | | | |
|----|----|----------|----------|
| 1 | 13 | 2/25/12 | N.A.H. |
| 2 | 14 | 1/12/13 | N.A.H. |
| 3 | 15 | 12/7/13 | N.A.H. |
| 4 | 16 | 3/20/11 | C.M.D. |
| 5 | 17 | 2/9/13 | C.M.D. |
| 6 | 18 | 3/18/11 | B.L.S |
| 7 | 19 | 2/9/13 | B.L.S |
| 8 | 20 | 3/19/11 | C.M.R. |
| 9 | 21 | 3/6/12 | C.M.R. |
| 10 | 22 | 2/23/13 | C.M.R. |
| 11 | 23 | 3/19/11 | O.A.M.S. |
| 12 | 24 | 3/6/12 | O.A.M.S. |
| 13 | 25 | 1/12/13 | S.M. |
| 14 | 26 | 12/14/13 | S.M. |
| 15 | 27 | 3/19/11 | J.A.P. |
| 16 | 28 | 3/6/12 | J.A.P. |
| 17 | 29 | 9/24/13 | J.A.P. |
| 18 | 30 | 12/29/12 | J.H.B. |
| 19 | 31 | 11/12/13 | J.H.B. |
| 20 | 32 | 3/19/11 | F.F.F. |
| 21 | 33 | 2/9/13 | F.F.F. |
| 22 | 34 | 3/20/11 | S.S.A. |
| 23 | 35 | 3/6/12 | S.S.A. |
| 24 | 36 | 2/9/13 | S.S.A. |
| 25 | 37 | 2/9/13 | T.X. |
| 26 | 38 | 2/9/13 | Y.V. |
| 27 | 39 | 2/23/13 | R.G. |
| 28 | | | |

1 it is the intent of the United States, pursuant to 18 U.S.C. § 982(b)(1), incorporating 21 U.S.C. § 853(p),
2 to seek forfeiture of any other property of said defendant, up to the value of the property subject to
3 forfeiture.

4
5 A TRUE BILL.

6 **/s/ Signature on file w/AUSA**
7

8 FOREPERSON

9 BENJAMIN B. WAGNER

10 United States Attorney

11 By **Mark E. Cullers**

12 **MARK E. CULLERS**
13 Assistant U.S. Attorney
14 Chief, Fresno Office
15
16
17
18
19
20
21
22
23
24
25
26
27
28