

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	CRIMINAL NO. 20-150
v.	*	SECTION: J
DARREL FITZPATRICK	*	
a/k/a "Patrick Fields"		
	* * *	

FACTUAL BASIS

The defendant, **DARREL FITZPATRICK**, has agreed to plead guilty as charged to the Bill of Information charging **FITZPATRICK** with Conspiracy to Commit Bribery of Public Official, in violation of Title 18, United States Code, Sections 371 and 201(b)(1). Had this matter proceeded to trial, the government would have proven beyond a reasonable doubt the allegations in the Bill of Information, namely that the defendant committed the following crime.

Background

Darrel Fitzpatrick and Company A and National Charter Express

DARREL FITZPATRICK (FITZPATRICK), a resident of Georgia, was employed as a Senior National Account Manager at Company A from November 24, 2014, through his termination on June 17, 2019. Company A was a national transportation company based in Atlanta, GA. Company A provided bus transportation services to more than 300 cities in North America through independent third party charter companies. Company A provided bus transportation services to the United States Marine Corps Marine Forces Reserve (MARFORRES). As a Senior National Account Manager, **FITZPATRICK's** job duties included booking transportation for clients (including the military), managing high value customer accounts, providing pricing approvals, and making decisions impacting the sales floor. **FITZPATRICK** was compensated for

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his duties through a base salary plus a commission that increased as he generated more profit for company A.

FITZPATRICK also started his own competing transportation brokerage company named National Charter Express, d/b/a Express Bus USA, d/b/a Acinom Heights, LLC, sometime in early 2019, without Company A's knowledge. National Charter Express's business model was similar to Company A's, in that it operated as a broker between institutions needing transportation and bus companies, but did not actually own any buses itself. Consequently, National Charter Express would contract a third-party bus vendor to provide transportation services and then keep the difference between the contract price and the price charged by the third-party bus vendor as profit.

In 2019, **FITZPATRICK** controlled multiple financial accounts, including two point-of-sale accounts with Square, Inc. (Account 1 and Account 1-A), and a financial account at Regions Financial Corporation (Account 2).

Erik Martin and Marine Forces Reserves - MARFORRES

Erik Martin (Martin), a Louisiana resident, began working at the United States Marine Corps (USMC) Marine Forces Reserves (MARFORRES) located at 2000 Opelousas Avenue, New Orleans, Louisiana, in about 2010. MARFORRES was the headquarters command for approximately 100,000 Reserve Marines and 160 training centers located across 47 states. MARFORRES was responsible for providing transportation to trained units and qualified individuals to mobilize in times of war, national emergency, contingency operations, and for training exercises. **FITZPATRICK** met Martin through their respective work at Company A and MARFORRES in approximately 2016. During the relevant time-period, Martin maintained a personal bank account at Navy Federal Credit Union (Account 3).

In 2019, Martin was an employee in the Distribution Management Office (DMO) of MARFORRES. Specifically, Martin was a supervisory traffic management specialist in the transportation of people section of the DMO, which was responsible for moving persons, things, and facilitating training for all Marine Reserves across the country. In this capacity, Martin was responsible for, among other things, coordinating the bus transportation of all Marine Corps Reserve forces as well as overseeing approximately 10 civilian and military members tasked with booking bus transportation for the aforementioned forces. As the supervisor of the transportation of personnel section, Martin had the ability to book transportation movements with vendors, approve and pay invoices for vendors, and to recommend vendors to employees under his supervision. These payments were made with a credit card assigned to MARFORRES that ended in ****3575. Based on his employment status, Martin was a “public official,” as that term is defined in Title 18, United States Code, Section 201(a)(1).

The Bribery Scheme

In 2019, FITZPATRICK and Martin willfully entered into an agreement to commit bribery, which they knew to be unlawful. This agreement to commit bribery was in violation of 18 U.S.C. § 371. Specifically, in the spring of 2019, FITZPATRICK agreed to pay Martin kickbacks in exchange for bus companies associated with FITZPATRICK receiving contracts from USMC MARFORRES DMO. As a result of this agreement, Martin directed MARFORRES employees to use Company A, then National Charter Express, for bus movements requested by members of the U.S. Marine Corps Reserves. Martin’s direction constituted a formal exercise of his authority and power based on his position at MARFORRES. Martin also provided FITZPATRICK with information on increasing the cost of bids to MARFORRES. Specifically, beginning in about April 2019, Martin began facilitating the issuance of contracts to transport members of the United States

Marine Corps from MARFORRES to National Charter Express. In exchange for Martin taking the official acts described above, **FITZPATRICK** agreed to, and did in fact, kickback some or all of the profits (*i.e.*, the difference between the contract price and the amounts paid to a third-party bus vendor) to Martin, per their agreement,.

In total, Martin caused **FITZPATRICK** to receive contracts from MARFORRES totaling more than \$2,000,000. The monies from the MARFORRES credit card went to accounts belonging to Company A or **FITZPATRICK**. **FITZPATRICK** transferred a portion of this money to his own personal account, Account 2, and then wired multiple payments worth over \$110,000 to Account 3, Martin's personal account. Later, **FITZPATRICK** attempted to wire another payment worth approximately \$140,000 from Account 2 to Martin in Account 3, but the wire was stopped by the bank. These payments are discussed in detail below. At all times, **FITZPATRICK**, through his companies, provided the transportation ordered by MARFORRES through Martin.

Payment Details

During the early part of 2019, MARFORRES personnel booked approximately 39 bus movements through Company A with a total value of \$1,444,011.75.

A review of MARFORRES and Company A records revealed that 30 of the 39 reservation payments were processed via the Company A payment processing system. The remaining nine reservation payments, while booked through and invoiced by Company A, were processed through Account 1, an account controlled by **FITZPATRICK**, at the direction of **FITZPATRICK** and without the knowledge or consent of Company A. The 30 reservations processed by Company A totaled approximately \$1,090,142, while the nine diverted reservations had a value of \$353,869.75.

FITZPATRICK received 13 payments for work performed by **FITZPATRICK** worth over \$300,000 from a MARFORRES credit card ending in 3575 to Account 1 between April 25

and May 20, 2019. These payments correlated to nine travel order numbers ("TON's"), *i.e.*, 9 movements of Marines in which bus transportation was provided pursuant to a contract between MARFORRES and bus brokerage firms associated with **FITZPATRICK**, namely Company A or National Charter Express.

Date of Payment	Amount Paid to Fitzpatrick by MARFORRES	Travel Order Number Associated with Payment	Date TON submitted to MARFORRES by Member of Marines Reserves
04/25/19	\$18,995.00	G0A9	2/11/2019
05/01/19	\$18,299.00	D0Z8	2/21/2019
05/01/19	\$39,699.00	D162	3/20/2019
05/03/19	\$25,000.00	D0V9	2/5/2019
05/03/19	\$34,895.00	D0V9	2/5/2019
05/03/19	\$22,997.00	G0A6	3/19/2019
05/05/19	\$31,995.00	G0A5	3/28/2019
05/05/19	\$25,000.00	G0A5	3/28/2019
05/06/19	\$22,996.00	G0A7	4/4/2019
05/06/19	\$28,995.00	D127	3/9/2019
05/06/19	\$25,000.00	D127	3/9/2019
05/16/19	\$14,997.75	D146	3/13/2019
05/20/19	\$45,001.00	D146	3/13/2019

On May 23, 2019, **FITZPATRICK** wired \$29,100 to Account 3 (belonging to Martin).

Between May 23, 2019, and June 3, 2019, **FITZPATRICK** received 10 additional payments worth over \$200,000 for work performed by **FITZPATRICK** from MARFORRES credit card 3575 to Account 1. These payments correlated to four additional TONs.

Date of Payment	Amount Paid to Fitzpatrick by MARFORRES	Travel Order Number Associated with Payment	Date TON submitted to MARFORRES by Member of Marines Reserves
06/02/19	\$25,000.00	D1D4	4/10/2019

06/02/19	\$23,495.00	D1D4	4/10/2019
06/03/19	\$25,000.00	D1K5	4/2/2019
06/03/19	\$27,999.00	D1K5	4/2/2019
06/03/19	\$25,000.00	D1P7	4/13/2019
06/03/19	\$25,000.00	D1P7	4/13/2019
06/03/19	\$18,095.00	D1P7	4/13/2019
06/03/19	\$25,000.00	D1J7	4/12/2019
06/03/19	\$25,000.00	D1J7	4/12/2019
06/03/19	\$10,499.00	D1J7	4/12/2019

On June 5, 2019, **FITZPATRICK** wired \$11,280 to Account 3 (belonging to Martin) in exchange for these payments.

Between June 10, 2019, and June 14, 2019, **FITZPATRICK** received 16 additional payments for work performed by **FITZPATRICK** worth over \$300,000 from MARFORRES credit card 3575 to Account 1. These payments correlated to eight additional TONs.

Date of Payment	Amount Paid to Fitzpatrick by MARFORRES	Travel Order Number Associated with Payment	Date TON submitted to MARFORRES by Member of Marines Reserves
06/10/19	\$25,000.00	D1H7	4/9/2019
06/10/19	\$24,999.00	D1H7	4/9/2019
06/10/19	\$25,000.00	D1L9	4/16/2019
06/10/19	\$19,999.00	D1L9	4/16/2019
06/10/19	\$4,000.00	D1L9	4/16/2019
06/10/19	\$25,179.00	D1L9	4/16/2019
06/10/19	\$25,000.00	D1L5	4/1/2019
06/10/19	\$15,599.00	D1L5	4/1/2019
06/10/19	\$25,000.00	D1H6	4/8/2019
06/10/19	\$22,999.00	D1H6	4/8/2019
06/11/19	\$31,999.00	D1L9-16PAX	4/16/2019

06/11/19	\$25,000.00	D1I8	3/27/2019
06/11/19	\$25,000.00	D1I8	3/27/2019
06/11/19	\$25,994.00	D1I8	3/27/2019
06/13/19	\$24,555.00	M1E0	5/3/2019
06/13/19	\$4,500.00	D1P3	3/18/2019

On June 14, 2019, **FITZPATRICK** wired \$70,500 to Account 3 (belonging to Martin) in exchange for these payments.

Between June 14, 2019, and June 20, 2019, **FITZPATRICK** received 33 additional payments for work performed by **FITZPATRICK** worth over \$700,000 from MARFORRES credit card 3575 to Account 1. These payments correlated to 10 additional TONs.

Date of Payment	Amount Paid to Fitzpatrick by MARFORRES	Travel Order Number Associated with Payment	Date TON submitted to MARFORRES by Member of Marines Reserves
06/15/19	\$10,000.00	D238	4/24/2019
06/15/19	\$30,000.00	D1U7	4/24/2019
06/15/19	\$30,000.00	D1U7	4/24/2019
06/15/19	\$29,995.00	D1U7	4/24/2019
06/15/19	\$30,000.00	D238	4/24/2019
06/15/19	\$8,995.00	D238	4/24/2019
06/16/19	\$6,000.00	DIK1	4/12/2019
06/17/19	\$30,000.00	D228	4/24/2019
06/17/19	\$15,996.00	D228	4/24/2019
06/17/19	\$30,000.00	D1L2	3/29/2019
06/17/19	\$13,495.00	D1L2	3/29/2019
06/17/19	\$30,000.00	D1L2	3/29/2019
06/17/19	\$13,496.00	D1L2	3/29/2019
06/17/19	\$25,000.00	D169	3/12/2019
06/17/19	\$25,000.00	D169	3/12/2019
06/17/19	\$25,000.00	D169	3/12/2019

06/17/19	\$27,991.00	D169	3/12/2019
06/17/19	\$30,000.00	D1M1	4/2/2019
06/17/19	\$32,998.00	D1M1	4/2/2019
06/17/19	\$30,000.00	D1K1	4/12/2019
06/17/19	\$32,099.00	D1K1	4/12/2019
06/17/19	\$30,000.00	D1Q5	4/13/2019
06/17/19	\$24,997.00	D1Q5	4/13/2019
06/17/19	\$30,000.00	D228	4/24/2019
06/17/19	\$15,955.00	D228	4/24/2019
06/18/19	\$30,000.00	D1X7	4/25/2019
06/18/19	\$24,499.00	D1X7	4/25/2019
06/18/19	\$30,000.00	D1X7	4/25/2019
06/18/19	\$24,498.00	D1X7	4/25/2019
06/18/19	\$30,000.00	D1X6	4/25/2019
06/18/19	\$24,999.00	D1X6	4/25/2019
06/18/19	\$30,000.00	D1X6	4/25/2019
06/18/19	\$24,998.00	D1X6	4/25/2019

FITZPATRICK attempted to wire approximately \$140,000 from Account 2 to Account 3 (belonging to Martin) in exchange for these payments on June 20, 2019, but this wire was stopped by Regions Bank due to its suspicious nature.

The payments and attempted payments by **FITZPATRICK** to Martin were to influence Martin in his performance of official acts, *i.e.*, awarding, issuing, and paying transportation contracts for the movement of Marine Corps personnel. These payments to Martin constituted "something of value," as that term is used in Title 18, United States Code, Section 201(a)(1).

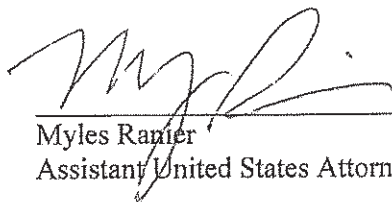
Limited Nature of Factual Basis

This proffer of evidence is not intended to constitute a complete statement of all facts known by the government and/or FITZPATRICK. Rather, it is a minimum statement of facts intended to prove the necessary factual predicate for his guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for the plea of guilty to the charged offense by FITZPATRICK.

The above facts come from an investigation conducted by, and would be proven at trial beyond a reasonable doubt by credible testimony from those employees and investigators of the Defense Criminal Investigative Service, the Naval Criminal Investigative Service, the United States Secret Service, and members of the United States Marine Corps, as well as lay witnesses with personal knowledge of these facts, and admissible, tangible exhibits in the custody of the United States government.

READ AND APPROVED:

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 1/21/2021

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 01/21/21

Darrel FITZPATRICK [date]
Defendant