

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION**

UNITED STATES OF AMERICA

vs.

Case No.

JERRY T. VERTEFEUILLE
_____ /

FACTUAL BASIS FOR GUILTY PLEA

This statement of facts is submitted on behalf of the undersigned parties. All parties agree that if the above-captioned case were to go to trial, the government could produce competent, substantial evidence of the following facts to prove the defendant is guilty of the offenses charged in the Information to which the defendant is pleading guilty. The parties further agree that not all of the facts known from or related to this investigation are contained in this brief summary.

STATEMENT OF FACTS

1. The United States Air Force (USAF) is a military service of the United States and an agency of the United States Department of Defense. The USAF contracts with various vendors, companies, and entities to perform services and provide materials to the USAF to support a USAF activity. The USAF activity which is the subject of this investigation occurred at Eglin Air Force Base (EAFB) in Okaloosa County, Florida.

2. The investigation was initiated on July 3, 2015, based upon a Department of Defense Inspector General (DoD-IG) Hotline Complaint and a subsequent interview of K.R. The complaint alleged fraud, waste, abuse, procurement integrity violations, and an attempted bribery on the part of the defendant, a federal government civilian employee and a contracting officer representative (COR) for the 96 Maintenance Group (96 MXG), EAFB, Florida.

3. During the investigation, agents discovered that TCC Services Unlimited, LLC (TCC) and another contractor submitted invoices for payment to the USAF for the same work. TCC's contract involved paint booth maintenance for 96 MXG at building 455. The defendant was the COR for the TCC contract. As the COR, his duties included oversight of the work, initial approval of all purchases and invoices, and initial approval of additional requirements or purchases under the contract. Based upon this information, records from TCC were subpoenaed to investigate the instances of double billing between the two contractors.

4. On or about August 19, 2016, C.C., the owner of TCC, was interviewed by agents regarding possible double billing for material purchased by TCC. C.C. revealed he had not performed all the services that he invoiced to the USAF as part of his contract. In addition, C.C. had been paying the defendant kickback payments beginning around October 2007 from the TCC contract.

5. In 2007, the defendant, a family friend, suggested C.C. bid on government contracts and informed C.C. that the USAF gives a Woman-Owned, Small Business advantage preference to woman-owned businesses. Following the establishment of TCC, C.C. wrote a proposal for the paint booth maintenance contract for 96 MXG at building 455, which the defendant managed. The defendant, in his capacity as the COR, recommended and found TCC technically acceptable as a government contractor and capable of completing the paint booth maintenance. In October 2007, TCC won the contract for the paint booth maintenance for building 455. After TCC won the abovementioned government contract, the defendant approached C.C. and requested a portion of the profit from the funds TCC received from the contract. The defendant requested payment from C.C. in United State currency. C.C. paid the defendant in-person and some of the payments occurred on EAFB. In exchange for kickbacks, the defendant would approve fraudulent invoices submitted by C.C. and ensured C.C. had continued work under the contract by recommending the renewal of TCC's contract. Between on or about October 1, 2009, and October 29, 2014, the defendant submitted performance of service evaluations to the USAF contracting office recommending the renewal of TCC's contract for paint booth maintenance at building 455. The USAF renewed every TCC contract for paint booth maintenance at building 455.

6. The defendant allowed C.C. to charge the government for materials and services not performed to increase the amount of profit within the invoices. The defendant and C.C. exchanged excel spreadsheets, via e-mail, that contained fraudulent invoices before the items were submitted to the government for payment. Between on or about March 14, 2008, and July 27, 2016, C.C. submitted fraudulent invoices to Wide Area Work Flow¹ (WAWF) for payment from the USAF. The defendant verified the services were performed to authorize payment through the WAWF system.

7. On September 15, 2016, the defendant provided C.C. an AF Form 9, Request for Purchase (RFP) solicitation, for a contract at building 72. The AF Form 9 was dated August 29, 2016, and the deadline for the bid on the solicitation was listed as no later than September 30, 2016. The AF Form 9 indicated that the point of contact for the purchase of the items and services was “Jerry Vertefeuille, 96 MXG/MXQCA, 850-882-4469.” The form also indicated that the WAWF acceptor was “Jerry Vertefeuille, 96MXG/MXQCA.” An AF Form 9 lists a government estimate and the expected pricing for services and labor to be completed by a contractor for a particular contract.

¹ Wide Area Work Flow is a government web-based system the USAF uses to electronically process vendor payment requests and to receive reports for products and services via electronic communications transmitted in interstate commerce.

8. C.C. agreed to wear a recording device and to conduct controlled deliveries of funds to the defendant. Between August 24, 2016, and December 5, 2016, the defendant was observed on six occasions accepting \$9,000 in U.S. currency from C.C. During their last meeting on December 5, 2016, C.C. gave the defendant \$2,000 in U.S. currency. The meeting occurred on EAFB in C.C.'s truck. During that meeting, C.C. told the defendant he no longer wanted to continue their illegal conduct or provide kickback payments to the defendant. C.C. said he had too much to lose and he did not want to go to jail. C.C. asked the defendant how he would explain the substantial payments over the past several years. The defendant said he mostly used the money for his day-to-day expenses. The defendant told C.C. he had become accustomed to receiving the payments.

Elements of the Offenses

Count One – Conspiracy to commit wire fraud by depriving another of an intangible right of honest services, in violation of Title 18, United States Code, Sections 1343 and 1346.

(Conspiracy to commit wire fraud)

- (1) two or more persons, in some way or manner, agreed to try to accomplish a common and unlawful plan to commit wire fraud, as charged in the information; and,
- (2) the defendant knew the unlawful purpose of the plan and willfully joined in it.

(Honest services fraud involving a wire)

- (1) the defendant knowingly devised or participated in a scheme to fraudulently deprive the public of the right to honest services of the defendant through bribery or kickbacks;
- (2) the defendant did so with an intent to defraud the public of the right to the defendant's honest services; and,
- (3) in advancing or carrying out the scheme to defraud, the defendant transmitted, or caused to be transmitted, any writing, signal, or sound by means of a wire communication in interstate or foreign commerce.


Counts Two and Three – Receipt of a bribe by a public official, in violation of Title 18, United States Code, Section 201(b)(2).

- (1) the defendant was a public official;
- (2) the defendant [demanded or sought] [received or accepted] [agreed to receive or accept] either personally or for another person or entity, something of value; and
- (3) the defendant did so knowingly and corruptly in return for [being influenced in the performance of an official act] [being influenced to allow or make an opportunity for the commission of a fraud on the United States] [being induced to violate the defendant's lawful duty by failing to do some act].

Count Four – Prohibitions on Disclosing and Obtaining Procurement Information, in violation of Title 41, United States Code, Section 2102.

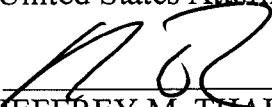
- (1) The defendant was:
 - a. a present or former official of the Federal Government, or
 - b. acting or had acted for or on behalf of, or advised or had advised the Federal Government with respect to a Federal agency procurement;
- (2) The defendant had access to contractor bid or proposal information or source selection information by virtue of that office, employment, or relationship;

- (3) The defendant knowingly disclosed contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information related;
- (4) It was done to exchange information covered by the statute for anything of value or to obtain or give a person a competitive advantage in the award of a Federal agency procurement contract; and
- (5) The conduct was not provided by law.




CHARLIE WIGGINS
Attorney for Defendant

6/22/2018
Date

CHRISTOPHER P. CANOVA
United States Attorney


JEFFREY M. THARP
Assistant U.S. Attorney
Northern District of Florida
Florida Bar No. 45066
21 East Garden Street, Suite 300
Pensacola, Florida 32502
(850) 444-4000



JERRY T. VERTEFEUILLE
Defendant

6/22/18
Date

6/25/2018
Date