

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

UNITED STATES OF AMERICA

vs.

Case No. *3:18cr67/MCR*

CHRISTOPHER A. CARTER
_____ /

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.

FILED IN OPEN COURT THIS

6/28/18

CLERK, U.S. DISTRICT
COURT, NORTHERN DIST. FLA.

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 a federal government civilian employee J.V., 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. J.V. 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. The records appeared to show both contractors submitted invoices to the government for the same items, including filters, floor paper, and labor for the paint booth maintenance at building 455.

4. On or about August 19, 2016, the defendant, the owner of TCC, was interviewed by agents regarding possible double billing for material purchased by TCC. The defendant revealed he had not performed all the services that he

invoiced to the USAF as part of his contract. In addition, the defendant had been paying J.V. kickback payments beginning around October 2007 from the TCC contract. The defendant explained that in 2007, J.V., a family friend, suggested the defendant develop a business and bid on government contracts. J.V., using his knowledge as the COR with the USAF, instructed the defendant on how to form the company TCC, including developing a business plan, licensing the business with the state of Florida, and listing his wife, T.C., as the manager of the business to receive the Woman-Owned, Small Business advantage preference for the award of USAF contracts. In addition, J.V. assisted the defendant in registering TCC as a USAF contractor. Following the establishment of TCC, J.V., using his insider knowledge and technical expertise, assisted the defendant in writing a proposal for the paint booth maintenance contract for 96 MXG at building 455, which J.V. managed. J.V., 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, the defendant won the contract for the paint booth maintenance for building 455. After the defendant won the abovementioned government contract, J.V. approached the defendant and requested 50% of the profit from every invoice the defendant submitted to the government. J.V. said people conduct business like that all of the time and requested the defendant pay him in United State currency to prevent a paper trail.

The defendant usually paid J.V. in currency, but did pay for other services for J.V. The defendant paid J.V., in-person, approximately every two weeks and the payments usually occurred on EAFB. The defendant stated that in exchange for kickbacks, J.V. ensured the defendant had continued work under the contract by recommending the renewal of TCC's contract, and J.V. would approve the fraudulent invoices. Between on or about October 1, 2009, and October 29, 2014, J.V. 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.

5. The defendant paid for some of the materials for the contract, however, J.V. also provided the materials from other contractors, including filters and floor paper. J.V. instructed the defendant to charge the government for these materials to increase the amount of profit within the invoices. J.V. also instructed the defendant to invoice the government for services not performed. J.V. sent the defendant excel spreadsheets, via e-mail, that listed items the defendant needed to add into his invoice before submitting it to the government for payment. Between on or about March 14, 2008, and July 27, 2016, the defendant submitted fraudulent

invoices to Wide Area Work Flow¹ (WAWF) for payment from the USAF. J.V. verified the services were performed to authorize payment through the WAWF system.

6. During the defendant's interview with agents, the defendant acknowledged he knew it was illegal and wrong to submit fraudulent invoices to WAWF and to provide J.V. kickback payments. The defendant estimated that since October 2007, he paid J.V. over \$100,000 in kickbacks. Records reveal the defendant paid J.V. approximately \$81,000 in kickbacks between on or about January 7, 2013, and August 1, 2016.

7. Audit results reported by the Air Force Audit Agency revealed approximately \$587,294.28 was paid to TCC by the U.S. Government via the WAWF system over the life-span of the contracts for paint booth maintenance at building 455.

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.

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.

Count Two – Bribery of a public official, in violation of Title 18, United States Code, Section 201(b)(1).

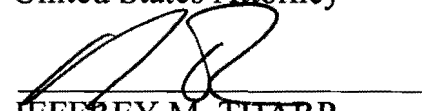
- (1) the defendant directly or indirectly gave something of value to a public official; and
- (2) the defendant acted knowingly and corruptly, with intent to influence an official act and to influence the public official to allow or make an opportunity for the commission of a fraud on the United States.



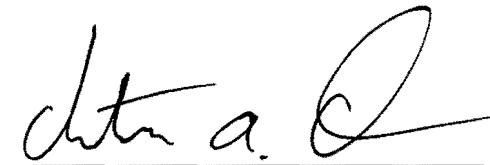
JOHN C. BEROSET
Attorney for Defendant

6-22-18
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



CHRISTOPHER A. CARTER
Defendant

6/22/2018
Date

6/25/2018
Date