

AUSA Jeffrey N. Kaplan
AO 91 (Rev. 08/09) Criminal Complaint

UNITED STATES DISTRICT COURT

for the
Southern District of Florida

United States of America
v.
JIHAD EL EID and
Wael El Eid

Case No.

12-6311-Snow

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of 2006 - 2010 in the county of BROWARD in the
SOUTHERN District of FLORIDA, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. §666	Bribery in Programs Receiving Federal Funds
18 U.S.C. §1020	Highway Fraud
18 U.S.C. §1341	Mail Fraud
18 U.S.C. §1951	Extortion Under Color of Official Right
Conspiracy to commit the above offenses	
18 U.S.C. §2	Aiding and Abetting

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT

☒ Continued on the attached sheet.


Complainant's signature

SPECIAL AGENT ARTHUR J. MICELI, FBI
Printed name and title

Sworn to before me and signed in my presence.

Date: Aug. 10, 2012


Judge's signature

City and state: Fort Lauderdale, Florida

United States Magistrate Judge Lurana S. Snow
Printed name and title

AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT

Your Affiant, Arthur James Miceli, a Special Agent with the Federal Bureau of Investigation (FBI), United States Department of Justice, having been duly sworn, deposes and states the following:

1. I am a Special Agent of the Federal Bureau of Investigation (hereinafter referred to as the "FBI") assigned to the Miami, Florida Field Division. Affiant has been employed as a Special Agent of the FBI since August 2009. Affiant's current assignment is to a squad investigating public corruption, primarily in Broward County. It is part of my duties to investigate allegations concerning payments to public officials and the submission of false or fraudulent claims, statements, documents or materials to the United States, or agencies or departments thereof. Affiant has received training in detecting and investigating white-collar crimes, including crimes against the government, bribery of a public official, wire fraud, and mail fraud. During my three years as a Special Agent, Affiant has participated in more than twelve investigations that have included fraud against the government, bribery of a public official, wire fraud, and mail fraud.

2. This affidavit is provided for the limited purpose of establishing probable cause to support this criminal complaint. I have not included all details of the aspects of this investigation, but rather have set forth only those facts that I believe are necessary to establish probable cause. The information in this affidavit is based on my personal knowledge as well as information I have obtained from other law enforcement agents and officers, confidential sources (hereinafter referred to as "CS"), other witnesses, and from a review of documents obtained during the course of the investigation.

VIOLATIONS OF LAW

3. The facts and circumstances set forth below in this affidavit demonstrate that there is probable cause to believe that JIHAD EL EID, who was a public official, solicited and accepted bribes and other benefits having a value of \$5,000 or more intending to be influenced and rewarded in connection with any business, transaction, or series of transactions with the government of Broward County, an agency receiving benefits in excess of \$10,000 from Federal programs, and to perform official acts and otherwise engage in unlawful conduct. The facts and circumstances set forth below further establish that WAEL EL EID aided and abetted the unlawful activities of JIHAD EL EID by soliciting, accepting and delivering bribes and obtaining other benefits on behalf of JIHAD EL EID having a value of \$5,000 or more knowing that these benefits were intended to influence and reward JIHAD EL EID in connection with any business, transaction, or series of transactions with the government of Broward County, an agency receiving benefits in excess of \$10,000 from Federal programs and to facilitate official acts and otherwise engage in unlawful conduct. JIHAD EL EID and WAEL EL EID thereby committed violations of one or more of the following offenses:

- a. Title 18, United States Code, Section 666 (Bribery Concerning Programs Receiving Federal Funds);
- b. Title 18, United States Code, Section 1020 (Highway Fraud);
- c. Title 18, United States Code, Section 1341 (Mail Fraud);
- d. Title 18, United States Code, Section 1951 (Extortion Under Color of Official Right);
- e. Conspiracy to commit the above-entitled offenses; and

f. Title 18, United States Code, Section 2.

BACKGROUND

4. The Broward County Government is headed by a County Commission, which consists of a Mayor, a Vice-Mayor and seven (7) additional County Commissioners representing the nine (9) districts within Broward County. The Commission appoints a County Administrator to oversee the operations of Broward County through various departments, including the Department of Public Works (hereinafter referred to as the "DPW"). The DPW oversees the construction and maintenance of the roadways and the seaports, the acquisition and management of property, and the water management and waste recycling systems in Broward County, among other functions. One of the divisions of the DPW is the Broward County Traffic Engineering Division (hereinafter referred to as the "BCTED"). The BCTED is responsible for constructing, repairing, and maintaining the traffic systems and signs on the roadways in Broward County. During the calendar years of 2006, 2007, 2008, 2009, and 2010, Broward County received benefits in excess of \$10,000 under a federal program involving grants, contracts, subsidies, loans, guarantees, insurance, and/or other federal assistance.

5. In or about 1998, JIHAD EL EID was hired as the director of the BCTED. As director of the BCTED, JIHAD EL EID oversaw a department which currently employs approximately 140 people. His duties required him to oversee the creation of bid and contract documents, and the management of the awarded contracts related to the maintenance, repair, and construction of traffic systems, street lighting, and signs in Broward County. JIHAD EL EID also supervised employees within the BCTED, including inspectors assigned to inspect work on these contracts. In or about 2009, JIHAD EL EID began serving as the acting assistant director of the

DPW, while maintaining his position as director of the BCTED.

6. From in or about 2005 through in or about 2010, a number of multi-million dollar contracts were executed by the BCTED, including the following:

a. The Signalization and Street Light Installation contract (hereinafter referred to as the "SSLI"), which required the contractor to make minor installations and do repair work of the street lights and traffic equipment in Broward County;

b. The Advanced Traffic Management System (hereinafter referred to as the "ATMS Project"), which required the contractor to install an integrated traffic system which entailed laying hundreds of thousands of feet of underground cable (conduit) in order to synchronize traffic flow within Broward County; and

c. The Video Detection Contract (hereinafter referred to as the "VDC"), which required the contractor to install video detection equipment cameras in various intersections in Broward County in order to improve traffic flow.

7. The SSLI contract, the ATMS project, and the VDC affected interstate commerce in numerous ways, including that they required that materials be brought into Florida from outside the State.

8. A contractor located in Plantation, Florida (hereinafter referred to as the "Lighting and Traffic Signal Contractor") was in the business of installing, repairing and maintaining street lights and traffic signals. Prior to in or about 2005, the Lighting and Traffic Signal Contractor had no contracts with Broward County. In or about 2005, an individual (hereinafter referred to as "CS1") was hired to work for the Lighting and Traffic Signal Contractor. Among other duties, CS1 was assigned to help the Lighting and Traffic Signal Contractor obtain government contracts

in Broward County. The owner of the Lighting and Traffic Signal Contractor is hereinafter referred to as "CS2." As further described below, both CS1 and CS2 have admitted making payments and providing other benefits to JIHAD EL EID as part of the illegal scheme, and have provided reliable information concerning the criminal activity set forth herein and other criminal activity.

9. WAEL EL EID, a relative of JIHAD EL EID, was a foreign national who arrived in the United States on a temporary visa in the summer of 2006. After arriving in the United States, WAEL EL EID stayed with JIHAD EL EID in Coral Springs, Florida.

SUMMARY OF BENEFITS RECEIVED

10. As set forth in greater detail below, in exchange for over \$150,000 in cash and a job and a car for WAEL EL EID, JIHAD EL EID provided the Lighting and Traffic Signal Contractor special favors to include: 1) additional work with the BCTED, including the SSLI contract and by incorporating the ATMS project work into the SSLI contract; 2) help in billing matters, which enabled the Lighting and Traffic Signal Contractor to unlawfully obtain additional funds from Broward County of at least \$2,500,000; 3) manipulating contracts in order to eliminate competition of the Lighting and Traffic Signal Contractor from the bidding process; and 4) providing inside information to the Lighting and Traffic Signal Contractor to aid them in winning BCTED contracts.

THE SSLI CONTRACT AND JOB FOR WAEL EL EID

11. In the fall of 2006, JIHAD EL EID and WAEL EL EID met CS1 at a restaurant in Broward County. During this meeting JIHAD EL EID asked CS1 if the Lighting and Traffic Signal Contractor would hire WAEL EL EID. According to CS1, JIHAD EL EID told CS1 that

Wael El Eid had come to the United States to assist Jihad El Eid in taking care of his children. Jihad El Eid explained that Wael El Eid was an additional financial burden to Jihad El Eid and he wanted Wael El Eid to have a job. At the time, the Lighting and Traffic Signal Contractor was a small, but growing, business and did not have enough work to support the addition of Wael El Eid. In the same meeting, Jihad El Eid stated to CS1 that if the Lighting and Traffic Signal Contractor hired Wael El Eid, Jihad El Eid would ensure that the Lighting and Signal Contractor would be awarded the SSLI contract.

12. When CS1 was preparing the Lighting and Traffic Signal Contractor's bid for the SSLI, CS1 contacted Jihad El Eid and asked him for guidance as to how to bid on specific line items to maximize profits while balancing a low bid. Jihad El Eid told CS1 to prepare a low bid and that Jihad El Eid would protect the Lighting and Traffic Signal Contractor from receiving any jobs under the SSLI contract that were unprofitable.

13. In or about October 2006, the Lighting and Traffic Signal Contractor was selected as the low bidder and winner of the SSLI contract, which was a two-year contract with an additional one-year extension. Under the SSLI contract, the Lighting and Traffic Signal Contractor was to receive up to \$2.2 million each year for two years with the option for Broward County to extend the contract for a third year.

14. Following the selection of the Lighting and Traffic Signal Contractor for the SSLI contract, Jihad El Eid contacted CS1 and asked if the Lighting and Traffic Signal Contractor now had enough work to hire Wael El Eid. In order to curry favor with Jihad El Eid, CS1 and CS2 employed Wael El Eid to work in the Lighting and Traffic Signal Contractor's main office. Wael El Eid worked at the Lighting and Traffic Signal Contractor from in or about

late-2006 through in or about 2010. WAEL EL EID was paid \$500 in cash at the end of each work week, which wages were not reflected on the books and records of the Lighting and Traffic Signal Contractor. During his tenure at the Lighting and Traffic Signal Contractor, on numerous occasions, WAEL EL EID passed communications to and from JIHAD EL EID, CS1 and CS2 concerning ongoing and future projects.

15. CS1 and CS2 have advised your affiant that, on one occasion, during the course of the SSLI contract, BCTED staff members tried to have the Lighting and Traffic Signal Contractor perform certain lighting work under the SSLI contract. Although this type of work was included in the SSLI contract, the lighting work would not be profitable for the company. At the behest of the Lighting and Traffic Signal Contractor, JIHAD EL EID prevented his staff from ordering the Lighting and Traffic Signal Contractor to perform the unprofitable lighting work. On another occasion, the BCTED staff discussed directing the Lighting and Traffic Signal Contractor to install a number of in-ground detector loops. This work would have been unprofitable for the Lighting and Traffic Signal Contractor. JIHAD EL EID ordered his staff not to assign the unprofitable installation work to the Lighting and Traffic Signal Contractor.

16. Near the end of the SSLI contract period, JIHAD EL EID procured a draft copy of the bidding documents for the subsequent SSLI bid solicitation. He provided these documents to WAEL EL EID, who then passed the documents to the Lighting and Traffic Signal Contractor to aid them in preparing their bid.

THE ATMS PROJECT AND THE CASH PAYMENTS

17. The ATMS project was, in part, federally funded, and as such required that the plans, specifications, contracts, and costs of construction be approved by a representative of the

Secretary of the United States Department of Transportation. The documents pertaining to the ATMS project were provided by the BCTED to the Florida Department of Transportation (hereinafter referred to as "FDOT"), which then provided those documents to the United States Department of Transportation. Under federal guidelines, the ATMS project was required to have been competitively bid. On or about October 26, 2006, JIHAD EL EID submitted to FDOT a checklist, which included an entry indicating that the ATMS contract was to be awarded "based on a responsive low bid." Completion of this checklist was one step in the process for FDOT to obligate funds necessary from the Federal Highway Administration to complete the ATMS project. The entry on the checklist also signified to FDOT that the BCTED was abiding by the federal guidelines requiring a competitive bid for the project.

18. In or about early 2007, CS1 was invited to dinner at JIHAD EL EID's home in Coral Springs, Florida. CS1 was introduced to JIHAD EL EID's infant son and was told how the child suffered from a serious medical condition. Also present at the dinner was WAEL EL EID. Following the dinner, JIHAD EL EID asked CS1 to join him for a walk around the neighborhood. JIHAD EL EID told CS1 that the medical bills for his son were very costly and that he was having a hard time with the financial burden. He asked CS1 whether CS1 and the Lighting and Traffic Signal Contractor could "help him out." After discussing JIHAD EL EID'S request with CS2, CS1 and CS2 began making payments to JIHAD EL EID.

19. Shortly after the conversation between JIHAD EL EID and CS1 concerning money for JIHAD EL EID'S ill son, JIHAD EL EID directed that the ATMS project not be competitively bid. Instead, JIHAD EL EID unilaterally assigned the ATMS project work to the Lighting and Traffic Signal Contractor under the existing SSLI contract. If the ATMS project had been

competitively bid, the Lighting and Traffic Signal Contractor would not have been able to bid on the project as it did not have sufficient bonding capacity, among other reasons.

20. In or about 2008, the BCTED began requesting increases to the budget for the SSLI contract (hereinafter referred to as the “threshold increases”) in order to pay the Lighting and Traffic Signal Contractor for its work on the ATMS project. JIHAD EL EID signed many of the requests for approval of the “threshold increases” for the SSLI contract, which were forwarded to the director of the Broward County Purchasing Department and the Broward County Commission. On at least one occasion, JIHAD EL EID personally appeared before the Broward County Commission to request a “threshold increase.” JIHAD EL EID misrepresented to the director of the Broward County Purchasing Department and the Broward County Commission that the “threshold increase” would result in a cost savings to Broward County. These “threshold increases” raised the allowable SSLI contract budget from \$6.6 million up to \$21.2 million over the course of two years. Due to the addition of the work performed on the ATMS project, the Lighting and Traffic Signal Contractor was subsequently paid in excess of \$17.5 million under the SSLI contract.

21. JIHAD EL EID provided previously created ATMS design plan bid documents to FDOT to represent that BCTED was in the process of a competitive bid for the project as a Local Area Project. FDOT officials have stated to your affiant that they were not aware that the ATMS Project was not competitively bid, and that they would not have released funds to the BCTED if they had known.

22. After JIHAD EL EID began assigning ATMS work to the Lighting and Traffic Signal Contractor, WAEL EL EID would repeatedly ask for more money on behalf of JIHAD EL

EID. Money was then provided by CS2 to WAEL EL EID for JIHAD EL EID. According to CS1, following requests by WAEL EL EID, WAEL EL EID confirmed the receipt and delivery of payments by thanking CS1. JIHAD EL EID himself also contacted CS1 and CS2 requesting payments. Once, after WAEL EL EID was told that the Lighting and Traffic Signal Contractor could not pay JIHAD EL EID due to the fact that Broward County had not yet paid the Lighting and Traffic Signal Contractor for completed work, JIHAD EL EID expedited, obtained and hand-delivered a check from Broward County to the Lighting and Traffic Signal Contractor.

23. During a Broward County Commission meeting, JIHAD EL EID and CS2 made a proposal to extend the SSLI contract. A Commissioner requested a cost reduction in a particular line item where JIHAD EL EID supported the Commissioner's request. CS2 agreed to the cost reduction. Shortly after the Commission meeting, JIHAD EL EID told CS1 that the Lighting and Traffic Signal Contractor still had a large profit margin on that line item and that, therefore, he (JIHAD EL EID) was to receive a cash payment of a set amount from each linear foot of conduit installed by the Lighting and Traffic Signal Contractor on this project.

24. From 2007 through in or about 2010, while the Lighting and Traffic Signal Contractor was working on both the SSLI contract and the ATMS project, CS2 estimated that JIHAD EL EID was paid over \$150,000. The money was drawn from the Lighting and Traffic Signal Contractor's operating account and both CS1 and CS2 admitted that they were involved in making direct cash payments to JIHAD EL EID. CS2 also provided money for JIHAD EL EID directly to WAEL EL EID and through a third party to WAEL EL EID.

BILLING ASSISTANCE

25. JIHAD EL EID'S assistance to the Lighting and Traffic Signal Contractor

concerning the billing matters involved the underground digging in the ATMS project. The underground digging on the ATMS project could be done by the contractor through various means. One method of underground digging involved digging under the street without breaking up the pavement above ground. Such digging is called “directional boring.” Another method of underground digging involves breaking up the pavement above ground. Such digging is called “trenching under pavement.” Trenching under pavement is more expensive as it involves repaving the street upon completion of the work. Under the SSLI contract, the Lighting and Traffic Signal Contractor’s winning bid proposal required the BCTED to pay \$11 per linear foot for directional boring and \$35 per linear foot for trenching under pavement.

26. In or about 2007, the Lighting and Traffic Signal Contractor and its subcontractors began working on the ATMS project. The majority of the digging done on the ATMS project was done by directional boring. Thus, per the SSLI contract, the Lighting and Traffic Signal Contractor should have been paid a base rate of \$11 per linear foot. In April of 2007, during meetings between BCTED and the Lighting and Traffic Signal Contractor, JIHAD EL EID directed that the Lighting and Traffic Signal Contractor be paid the trenching under pavement rate even when conducting directional boring under pavement. As part of this agreement, the Lighting and Traffic Signal Contractor lowered their base rate for trenching under pavement to \$25 per linear foot. Several key BCTED employees argued against this decision. JIHAD EL EID never informed the Purchasing Department for Broward County that he was authorizing payment for trenching under pavement when the contractor was actually performing directional boring. The BCTED never made an official contract modification for this change and JIHAD EL EID did not have the authority on his own to make that change.

27. At the end of each workday, a BCTED inspector and an employee of the Lighting and Traffic Signal Contractor would review the completed work and fill out a daily inspection report, which would be signed by both individuals. At one point, the BCTED inspectors refused to sign inspection sheets, because the Lighting and Traffic Signal Contractor would submit reports claiming it had done trenching under pavement, when, in fact, it had performed directional boring. When a BCTED manager addressed the inspectors' complaints to JIHAD EL EID, JIHAD EL EID threatened to fire the BCTED manager and ordered the BCTED manager to have the inspection reports reflect that the Lighting and Traffic Signal Contractor had performed trenching under pavement.

28. Broward County paid invoices to the Lighting and Traffic Signal Contractor via checks mailed through the United States Postal Service. In all, Broward County overpaid the Lighting and Traffic Signal Contractor at least \$2.5 million for directional boring work that JIHAD EL EID directed to be paid as trenching under pavement. These funds were, in part, reimbursed by the federal government through the Federal Highway Administration.

CAR FOR WAEL EL EID

29. In or about September 2007, JIHAD EL EID complained to CS1 that WAEL EL EID needed a car in order to travel to and from the Lighting and Traffic Signal Contractor. CS1 gave a 2003 Ford Taurus to WAEL EL EID for free. In order to disguise the true nature of the transaction, a bill of sale was created by CS1 claiming that the car had been sold for \$4,200 to the spouse of WAEL EL EID, whose previously married name was placed on the bill of sale and the vehicle registration. A review of Kelly's Blue Book showed that the value of the 2003 Ford Taurus, at the time of the transaction, was approximately \$9,175.

THE VIDEO DETECTION CONTRACT

30. In or about 2009, the BCTED began preparing the RFP documents pertaining to the VDC. Prior to the Lighting and Traffic Signal Contractor's bid, CS1, CS2, and JIHAD EL EID had discussions as to how the VDC could be awarded to a prime contractor that utilized the Lighting and Traffic Signal Contractor as its subcontractor. CS1 estimated that the Lighting and Traffic Signal Contractor would receive approximately \$4 million in profit from the VDC project. JIHAD EL EID demanded approximately \$500,000 as his share for assisting the Lighting and Traffic Signal Contractor in being awarded the project. According to CS1, JIHAD EL EID used his influence to modify the language of the Request For Proposal for the VDC to assure that the Lighting and Traffic Signal Contractor would be chosen as the subcontractor. CS1 had informed JIHAD EL EID that the Lighting and Traffic Signal Contractor's chief competitor had undergone a merger within the past year. JIHAD EL EID then added a provision to the Request For Proposal requiring that all subcontractors had to be in existence for more than one year, resulting in one of the Lighting and Traffic Signal Contractor's chief competitors being disqualified. JIHAD EL EID also directed that the VDC proposal limit subcontracted work to only one subcontractor, require a certain amount of experience installing video detection equipment within Broward County, and limit the potential subcontractors to Broward County companies. These requirements helped the Lighting and Traffic Signal Contractor in being selected as the sole subcontractor for the VDC by all three prime contractors bidding on the Request For Proposal, although one prime contractor later changed to a different subcontractor.

31. During the preparations for the VDC contractor presentations, JIHAD EL EID provided the Lighting and Traffic Signal Contractor with questions to be asked by the selection

board.


CONCLUSION

32. As JIHAD EL EID solicited and accepted bribe payments and other benefits having a value of \$5,000 intending to be influenced and rewarded in connection with any business, transaction, or series of transactions with the government of Broward County, an agency receiving benefits in excess of \$10,000 from Federal programs, and to perform official acts, caused the mail to be used in furtherance of the scheme, and caused false statements to be filed with respect to costs associated with a highway project financed by the Federal Highway Administration, there is probable cause to believe that JIHAD EL EID violated Title 18 United States Code, Sections 666, 1020, 1341, 1951, conspiring to commit those offenses, and Title 18 United States Code, Section 2.

33. As WAEL EL EID aided and abetted JIHAD EL EID by soliciting and accepting bribe payments and other benefits on behalf of JIHAD EL EID having a value of \$5,000 knowing that these benefits were intended to influence and reward JIHAD EL EID in connection with any business, transaction, or series of transactions with the government of Broward County, an agency receiving benefits in excess of \$10,000 from Federal programs, and to perform official acts, and

caused the mail to be used in furtherance of the scheme, there is probable cause to believe that WAEL EL EID violated Title 18 United States Code Sections 666, 1341, 1951, conspiring to commit those offenses, and Title 18 United States Code Section 2.

FUTHER AFFIANT SAYETH NAUGHT.



ARTHUR JAMES MICELI,
SPECIAL AGENT
Federal Bureau of Investigation

Sworn and subscribed to before me
this 10 day of August,
2012, at Fort Lauderdale, Florida.



LURANA S. SNOW
UNITED STATES MAGISTRATE JUDGE