



# Department of Justice

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## **FORMER AIRLINE EXECUTIVE PLEADS GUILTY IN SCHEMES TO DEFRAUD ILLINOIS-BASED RYAN INTERNATIONAL AIRLINES**

WASHINGTON – A former executive of Ryan International Airlines, a charter airline company located in Rockford, Ill., pleaded guilty today in U.S. District Court in West Palm Beach, Fla., to participating in kickback schemes to defraud Ryan, the Department of Justice announced.

Wayne E. Kepple, the former vice president of ground operations for Ryan, pleaded guilty to felony charges filed on Sept. 29, 2011, in U.S. District Court in Fort Lauderdale, Fla. The charges against Kepple stem from a kickback scheme involving Robert A. Riddell, the former owner and operator of an airline security and ground service company, as well as separate kickback schemes involving David A. Chaisson, the former owner and operator of an Indiana flight management services company, James E. Murphy, the former owner and operator of a Florida aviation fuel supply company, and others.

On Aug. 12, 2011, Chaisson and Murphy pleaded guilty to participating in different conspiracies to defraud Ryan by making kickback payments to Kepple in exchange for winning contracts for their respective companies. On Oct. 17, 2011, Riddell pleaded guilty to participating in a conspiracy with Kepple to defraud Ryan. Today's plea is the fourth to arise out of the Antitrust Division's ongoing investigation into fraud and anticompetitive conduct in the airline charter services industry.

Ryan provides air passenger and cargo services for corporations, private individuals, professional sports teams and the U.S. government, including the U.S. Department of Defense, the U.S. Department of Homeland Security and the U.S. Marshals Service.

According to court documents, Kepple was in charge of contracting with providers of goods and services on behalf of Ryan and approving the invoices submitted by the providers to Ryan for payment. From October 2005 through at least August 2009, Kepple participated in three separate conspiracies in which he received kickback payments of more than \$520,000 from Riddell, Murphy, Chaisson and others in exchange for Kepple awarding them Ryan airline services and fuel contracts. According to court documents, the payments from Chaisson and Riddell included the proceeds of fabricated invoices submitted by their companies to Ryan.

Kepple was charged with three counts of conspiracy to commit wire fraud and honest services fraud, as well as three counts of wire fraud. Each count carries a maximum sentence of 20 years in prison and a \$250,000 criminal fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either amount is greater than the statutory maximum fine.

The investigation is being conducted by the Antitrust Division's Atlanta Field Office and the National Criminal Enforcement Section and the U.S. Department of Defense's Office of Inspector General, with assistance from the U.S. Attorney's Office for the Southern District of Florida. Anyone with information concerning anticompetitive conduct in the airline charter services industry is urged to call the Antitrust Division's Atlanta Field Office at 404-331-7100 or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

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