



# Department of Justice

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WEDNESDAY, AUGUST 14, 2013  
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## **FLORIDA AIRLINE FUEL SUPPLY COMPANY AND ITS OWNER INDICTED FOR ROLE IN SCHEME TO DEFRAUD ILLINOIS-BASED RYAN INTERNATIONAL AIRLINES**

WASHINGTON – A Florida-based airline fuel supply service company and its former owner and operator were indicted yesterday on charges of participating in a scheme to defraud Illinois-based Ryan International Airlines, the Department of Justice announced.

A federal grand jury in the U.S. District Court for the Southern District of Florida in West Palm Beach, Fla., returned an indictment against Sean E. Wagner and his company Aviation Fuel International Inc. (AFI), an airline fuel supply company. The indictment alleges that Wagner and AFI participated in a conspiracy to defraud Ryan, a charter airline company based in Rockford, Ill., by making kickback payments to Wayne Kepple, a former vice president of ground operations for Ryan, in exchange for awarding business to AFI. Wagner was arrested on July 19, 2013, in Weston, Fla., on a one-count criminal complaint in connection with these charges.

Ryan provided air passenger and cargo services for corporations, private individuals and the U.S. government – including the U.S. Department of Defense and the U.S. Department of Homeland Security.

The indictment alleges, among other things, that from at least as early as December 2005 through at least August 2009, Wagner, AFI and others made kickback payments totaling more than \$200,000, in the form of checks, wire transfers, cash and gift cards, to Kepple while working at Ryan.

“The conspirators traded contracts for kickbacks and took affirmative steps to hide their illegal scheme, including wiring payments to personal bank accounts and making secret cash payments,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The division will continue to aggressively prosecute companies and individuals that seek to defraud the government and U.S. taxpayers by thwarting the competitive process.”

Wagner and AFI are charged with one count of conspiracy to commit wire fraud and honest services fraud, as well as two counts of wire fraud and two counts of mail fraud. Each count carries a maximum sentence of 20 years in prison and a \$250,000 criminal fine for

individuals and a \$500,000 criminal fine for corporations. 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.

As a result of this ongoing investigation, four individuals have pleaded guilty to date. Three of the individuals have been ordered to serve sentences ranging from 16 to 24 months in prison and to pay more than \$220,000 in restitution. The fourth individual, Kepple, pleaded guilty and is currently awaiting sentencing.

The charges are the result of an investigation being conducted by the Antitrust Division's 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 National Criminal Enforcement Section at 202-307-6694 or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

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