



Department of Justice

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FORMER AIRLINE EXECUTIVE SENTENCED TO PRISON FOR SCHEMES TO DEFRAUD ILLINOIS-BASED RYAN INTERNATIONAL AIRLINES

Executive Sentenced to Serve 87 Months in Prison

WASHINGTON – A former executive of Ryan International Airlines, a charter airline company located in Rockford, Ill., was sentenced today to serve 87 months in prison and to pay restitution for participating in kickback schemes to defraud Ryan, the Department of Justice announced.

Wayne E. Kepple, the former vice president of ground operations for Ryan, was sentenced to serve 87 months in prison and to pay \$529,998 in restitution. On Nov. 4, 2011, Kepple pleaded guilty in U.S. District Court in West Palm Beach, Fla., to three counts of conspiracy to commit wire fraud and honest services fraud and three counts of wire fraud. 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.

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.

“Today’s sentence should serve as a stiff deterrent to executives who might be tempted to solicit a kickback from their suppliers in exchange for their honest services,” said Bill Baer, Assistant Attorney General in charge of the Antitrust Division. “The Antitrust Division is committed to ensuring that contracts are won based on competition and not collusion.”

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.

As a result of the ongoing investigation, four individuals, including Kepple, have pleaded guilty and been sentenced to prison. On Oct. 28, 2011, Murphy was sentenced to serve 23 months in prison and to pay \$42,500 in restitution and Chaisson was sentenced to serve 16 months in prison and to pay \$50,742 in restitution. On Jan. 27, 2012, Riddell was sentenced to serve 24 months in prison and to pay \$131,540 in restitution. Kepple's 87-month sentence reflects his central role in multiple kickback schemes.

On Aug. 13, 2013, a fifth individual, Sean E. Wagner, and his company, Aviation Fuel International Inc. (AFI), a Florida-based airline fuel supply company, were indicted for participating in a conspiracy to defraud Ryan by making kickback payments to Kepple in exchange for awarding business to AFI. That case is ongoing.

The investigation is 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.

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