

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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| UNITED STATES OF AMERICA, | CRIMINAL NO. | 03-80660 |
| Plaintiff, | FILED: | 9/29/03 |
| v. | HONORABLE: | NANCY G. EDMUNDS |
| D-3 DAN F. WHITT, | VIOLATION: | 18 U.S.C. § 1956(h) |
| Defendant. | OFFENSE: | Conspiracy to Commit Money Laundering |

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SECOND SUPERSEDING INFORMATION

The United States of America, acting through its attorneys, charges:

COUNT ONE—CONSPIRACY TO COMMIT MONEY LAUNDERING
(18 U.S.C. § 1956(h))

I

DEFENDANT AND CO-CONSPIRATORS

1. During the period covered by this Information, Dan F. Whitt, the defendant, was an executive of an audio-visual company located in Troy, Michigan ("the audio visual company"), which buys licensing rights from television and movie programers, then packages these properties for retail sale as videotapes and DVDs.
2. The defendant at all times relevant maintained residences in both Little Rock, Arkansas and in Royal Oak, Michigan, which is located within the

Eastern District of Michigan.

3. An attorney, who lived and practiced law in Little Rock, Arkansas, conspired with the defendant to conceal and disguise the nature, location, source, ownership, and control of the proceeds of a scheme to defraud, which permitted him to obtain or seek to obtain money by means of false or fraudulent pretenses.
4. Various individuals and corporations, not made defendants in this Information, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance thereof.

II THE SCHEME TO DEFRAUD

5. At least as early as May 2000, the defendant and others willfully devised a scheme to defraud by obtaining or soliciting to obtain kickbacks from vendors seeking to obtain contracts from the audio-visual company. The defendant conditioned his favorable support in the contract negotiations and the execution of any contract awarded on the payment of a kickback. The defendant demanded the vendors pay him without any authorization from his superiors. In doing so, he sought to obtain money through false or fraudulent pretenses.
6. Beginning in May 2000, the defendant solicited and obtained a kickback from a Michigan vendor (“Vendor One”) seeking to do business with the audio-

visual company in exchange for the defendant's continued support during the contract negotiations with the audio-visual company and in fulfilling the contract after its award.

7. Vendor One agreed to pay the defendant the kickback and made payments in excess of \$592,000 prior to the termination of the scheme to defraud.
8. At least as early as July 1, 2001, the defendant solicited a California vendor ("Vendor Two") for a kickback. Vendor Two was seeking to obtain a multi-year, multi-million dollar contract with the audio-visual company. The defendant conditioned his favorable support in the contract negotiations on the payment of a \$1 million kickback.
9. On or about July 5, 2001, the defendant placed an interstate telephone call from the Eastern District of Michigan to California to Vendor Two to discuss the kickback. This was one of a series of interstate telephone calls placed by the defendant to Vendor Two in furtherance of the scheme to defraud.
10. On or about July 9, 2001, the defendant, the attorney, and others discussed in Little Rock, Arkansas the scheme to defraud.
11. On or about July 13, 2001, agents of Vendor Two rejected the solicitation for the \$1 million kickback and informed the defendant, the attorney, and others that conditioning the award of the multi-year, multi-million dollar contract award on the \$1 million kickback payment was illegal. The rejection was sent

certified mail through the United States Postal Service from California to Arkansas.

12. After being rejected by Vendor Two, the defendant solicited Vendor Three, located in the Eastern District of Michigan, in September 2001, for a \$2 million kickback in exchange for the defendant's favorable support in ongoing contract negotiations between Vendor Three and the audio-visual company for a multi-year, multi-million dollar contract.
13. On or about October 9, 2001, the attorney flew from Arkansas to the Eastern District of Michigan to meet with Vendor Three in furtherance of the scheme to defraud. During the meeting, the attorney explained that if Vendor Three paid the \$2 million kickback, Vendor Three would receive the multi-year, multi-million dollar contract from the audio-visual company and conversely Vendor Three understood that if he did not pay, he would not obtain the contract.
14. Vendor Three refused to pay the \$2 million and reported the illegal conduct to the audio-visual company in early November 2001, which led to the termination of the defendant and ended the scheme to defraud.

III
DESCRIPTION OF THE OFFENSE

15. Dan F. Whitt is made a defendant on the charge stated below.
16. Beginning at least as early as May 2000 and continuing through on or about November 12, 2001, within the Eastern District of Michigan, and elsewhere, the defendant and other unnamed co-conspirators did knowingly combine, conspire, confederate, and agree together and with each other to commit certain offenses under Title 18, United States Code, Section 1956, as follows: to conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds and the anticipated proceeds of a specified unlawful activity, that is a scheme to commit mail fraud (18 U.S.C. § 1341) and a scheme to commit wire fraud (18 U.S.C. § 1343) and more fully described in paragraphs 5-14 above, knowing that such transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the anticipated proceeds of some form of unlawful activity, namely, a scheme to commit mail fraud (18 U.S.C. § 1341) and a scheme to commit wire fraud (18 U.S.C. § 1343) in violation of 18 U.S.C. § 1956(a)(1)(B)(i).

IV
MANNER AND MEANS OF THE CONSPIRACY

17. The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:
- A. having monies paid or seeking to have monies paid to corporations separate and distinct from the defendant in order to conceal and disguise the nature, source, ownership, and control of the proceeds of the specified unlawful activity;
 - B. using phony consulting contracts to conceal and disguise the nature, source, ownership, and control of the proceeds of the specified unlawful activity;
 - C. meeting to discuss solicitation targets and strategies to conceal and disguise the source, ownership, and control of the proceeds of the specified unlawful activity;
 - D. discussing over the telephone the progress of the solicitations;
 - E. purposely misidentifying the president of corporations purportedly doing consulting work to conceal and disguise the ownership and control of the proceeds of the specified unlawful activity;

- F. establishing multiple financial accounts to receive and distribute the monies received in order to conceal and disguise the nature, source, ownership, and control of the proceeds of the specified unlawful activity; and
- G. establishing phony financial relationships between the defendant and other co-conspirators to conceal and disguise the distribution of the proceeds of the specified unlawful activity, further concealing the nature, source, ownership, and control of the proceeds.

V
JURISDICTION AND VENUE

18. The conspiracy charged in this count was devised and carried out, in part, in the Eastern District of Michigan, within the five years preceding the filing of

this Information.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1956(h).

“/s/”

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Assistant Attorney General

“/s/”

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“/s/”

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“/s/”

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Dated: 9/26/03