

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

JUN 22 1994

B. Walker
LUTHER D. THOMAS, CLERK
By: _____ Deputy Clerk

UNITED STATES OF AMERICA

v.

LOCKHEED CORPORATION,
SULEIMAN A. NASSAR, and
ALLEN R. LOVE

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CRIMINAL INDICTMENT

NO. 1:94-CR-226

The Grand Jury Charges that:

COUNT ONE

A. Introduction

At all relevant times:

1. Lockheed Corporation (hereinafter defendant LOCKHEED) was a Delaware corporation based in Calabasas, California, and was an issuer within the meaning of the Foreign Corrupt Practices Act of 1977, Title 15, United States Code, Sections 781 and 78dd-1. LOCKHEED manufactured and marketed a wide range of aircraft and armaments, primarily for use in the defense industry.

2. Lockheed Aeronautical Systems Company (hereinafter Lockheed Aeronautical), based in Marietta, Georgia, was an unincorporated division of defendant LOCKHEED. The primary business of Lockheed Aeronautical was the manufacture of aircraft

and associated components primarily for sale to the United States Department of Defense and to foreign governments.

3. Lockheed Corporation International, S.A. (hereinafter Lockheed International) was a Belgian corporation based in Brussels, Belgium, with offices also in Geneva, Switzerland, and Cairo, Egypt, and was a wholly owned subsidiary of defendant LOCKHEED. Lockheed International handled defendant LOCKHEED's business interests overseas, including oversight of foreign in-country consultants.

4. For purposes of this Indictment, the name "LOCKHEED" shall stand for the following entities at all times:

Lockheed Corporation	Calabasas, California
Lockheed Aeronautical	Marietta, Georgia
Lockheed International	Geneva, Switzerland
	Cairo, Egypt

5. Defendant SULEIMAN A. NASSAR (hereinafter defendant NASSAR), an employee of defendant LOCKHEED, was based in Geneva, Switzerland, and was the Regional Vice President of Lockheed International. Defendant NASSAR's responsibilities included oversight of international consultants promoting the sale of defendant LOCKHEED's products in certain areas of the world, including Egypt. Defendant NASSAR was an agent, officer, and employee of an issuer, defendant LOCKHEED, within the meaning of the Foreign Corrupt Practices Act of 1977, Title 15, United States Code, Sections 781 and 78dd-1.

6. Defendant ALLEN R. LOVE (hereinafter defendant LOVE) was an employee of defendant LOCKHEED, based in Marietta, Georgia, and was the Director of Middle East and North Africa Sales at Lockheed Aeronautical. Defendant LOVE's responsibilities included supervising Lockheed Aeronautical's marketing efforts in Egypt, which included working with defendant LOCKHEED's in-country consultant in Egypt from 1980-1990, and working with Lockheed Aeronautical's Finance Department in arriving at a sales package that both Lockheed Aeronautical and the Government of Egypt would accept. Defendant LOVE was an agent and employee of an issuer, defendant LOCKHEED, within the meaning of the Foreign Corrupt Practices Act of 1977, Title 15, United States Code, Sections 781 and 78dd-1.

7. Dr. Leila I. Takla (hereinafter Takla) of Cairo, Egypt, was defendant LOCKHEED's consultant in Egypt from 1980 to 1990. From on or about April 22, 1987 through on or about October 14, 1990, Takla was a member of the Parliament of Egypt, a member of the Foreign Affairs Committee of Parliament, and a foreign official as defined in the Foreign Corrupt Practices Act of 1977, Title 15, United States Code Section 78dd-1(f). Her agreement with defendant LOCKHEED called for her to, among other things, devote her best efforts to the development of markets and sales prospects for defendant LOCKHEED in Egypt. Takla was to be paid a monthly retainer fee, reimbursement for expenses and a commission based upon the number of planes sold in Egypt.

8. Dr. Leila Takla, Incorporated (hereinafter Takla, Inc.) was a business name adopted in 1987 for purposes of facilitating Takla's continued receipt of money from defendant LOCKHEED after she entered the Egyptian Parliament.

9. The Egyptian Parliament (hereinafter "Parliament"), more commonly known as the People's Assembly, is the legislature of the United Arab Republic of Egypt ("Egypt"), located in Cairo, Egypt.

10. As part of the United States foreign policy, the United States Congress authorized certain loans to Egypt. These loans were funded under the Foreign Military Financing ("FMF") Program of the United States Department of Defense ("DOD"), which provided financing for foreign governments to purchase military equipment and armaments from United States manufacturers.

11. The FMF program was administered by the United States Department of Defense acting through the Defense Security Assistance Agency (hereinafter "DSAA"). DSAA discharged its responsibility for administering and supervising the FMF Program by, among other things, instituting procedures for disbursements and requests for disbursements, promulgating requirements for and conditions on the receipt of loans and grants, and issuing guidelines for uses of FMF funds. To disburse the FMF funds, DSAA and the Department of the Treasury established accounts for each country participating in the FMF Program. Through the FMF program, which provides for purchasing military equipment and services directly from commercial suppliers, Egypt would authorize DSAA to make disbursements from its account to commercial suppliers. In

addition to the approval of Egypt, all purchase contracts must also be approved by DSAA.

12. On or about April 15, 1989, defendant LOCKHEED entered into a contract entitled Cairo/AF/GLX-798/C-130/89/1 (hereinafter "The Contract") with the Government of Egypt to sell three defendant LOCKHEED-produced C-130H-30 Hercules Aircraft (hereinafter "C-130 Aircraft"), supplies and services at a sales price of \$78,983,575.00.

13. To ensure FMF funds were utilized only for the purposes intended by law, DSAA required certain certifications from the commercial supplier or contractor, such as defendant LOCKHEED. Among the certifications required from contractors and commercial suppliers at the time of submitting a contract involving FMF funds were that:

(i) the Purchase Agreement price includes only the following commissions or other contingent fees which shall have been paid or shall be paid only to bona fide employees or bona fide agencies which neither exerts nor proposes to exert improper influence to solicit or obtain this Purchase Agreement as defined in the Federal Acquisition Regulation (FAR) 3.401; and (ii) no bribes, rebates, gifts, kickbacks or gratuities have been or will be offered to or given to (directly or indirectly) contrary to United States Law, or have been or will be arranged contrary to United States Law with, officers, officials, or employees of the purchaser by the Contractor, its employees or agents which are intended to secure the Purchase Agreement or favorable treatment under the Purchase Agreement or for any other purpose relating to the Purchase Agreement.

14. Egyptian laws prohibited the payment of any sales commission or fee unless such payments had been identified and payment thereof approved in writing by Egypt before the contract was awarded. Egyptian regulations further prohibited the use of a

consultant on military procurement matters. The United States Government published Egypt's laws in the Defense Federal Acquisition Regulations, and the DSAA included similar language in its Security Assistance Management Manual, which was made available to all defense contractors.

15. The Defense Contract Audit Agency (hereinafter DCAA) is an agency of the DOD responsible for auditing defense contractors, such as defendant LOCKHEED, and contracts, such as defendant LOCKHEED's contract with Egypt.

B. Objects of the Conspiracy

Beginning on or about April 20, 1987, the exact date being unknown to this Grand Jury, and continuing to the present date, in the Northern District of Georgia and elsewhere, defendants LOCKHEED, NASSAR, and LOVE, together with others, both known and unknown to the Grand Jury, did knowingly, unlawfully, and willfully conspire, confederate, and agree among themselves to commit offenses against the United States and subsequently to conceal the commission of said offenses, namely:

a. To defraud the United States of America by impeding, impairing, obstructing, and defeating the lawful governmental functions of the Defense Security Assistance Agency and the Defense Contract Audit Agency, agencies of the Department of Defense (referred to collectively as the "DOD") with regard to the operation of the FMF program, to wit, in its efforts to ascertain whether defendant LOCKHEED had included any commissions

within the contract price relating to the contract between defendant LOCKHEED and Egypt; and

b. To violate the Foreign Corrupt Practices Act of 1977 by knowingly and willfully making and causing to be made use of the mails, wire communications, and other means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, gift, and promise to pay a thing of value to a foreign official, to wit, Dr. Leila I. Takla, a member of the Egyptian Parliament, and authorization of such offer, payment, gift, and promise to pay, for the purposes of influencing the acts and decisions of Takla in her official capacity, including a decision to fail to perform her official functions, and for the purpose of inducing Takla to use her influence with the Egyptian Government and elsewhere and instrumentalities thereof to affect and influence an act and decision of such government and instrumentalities, in order to direct business to defendant LOCKHEED, and assist said defendant in obtaining and retaining business for and with, the Egyptian Government and elsewhere, in violation of Title 15, United States Code, Sections 78dd-1(a)(1) and 78ff(c)(1),(2); and

c. To further violate the Foreign Corrupt Practices Act of 1977 by failing to make and keep books, records and accounts which, in reasonable detail,

accurately and fairly reflected the transactions and dispositions of defendant LOCKHEED's assets, in violation of Title 15, United States Code, Sections 78m(b)(2)(A) and (B) and 78ff(a); and

d. To devise and intend to devise a scheme and artifice to defraud the Governments of the United States and Egypt, to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing said scheme and artifice to defraud, to cause to be transmitted by means of wire and radio communication in interstate commerce certain signs, signals and sounds, in violation of Title 18, United States Code, Section 1343.

C. Manner and Means of the Conspiracy

The foregoing objects of the conspiracy were to be accomplished by the following means and methods and in the following manner:

1. On or about April 20, 1987, Leila I. Takla would and did falsely state in correspondence that Takla's husband, Abdelkerim Darwish (hereinafter "Darwish"), would now be concerned with all matters relating to the sale of defendant LOCKHEED's aircraft.

2. Between on or about April 22, 1987, and June 20, 1987, defendants LOCKHEED, NASSAR, and LOVE, knowing that Takla had become a member of the Egyptian Parliament and was thus a foreign official, would and did arrange a transfer of the consultant agreement with defendant LOCKHEED from Dr. Leila I. Takla to Takla,

Inc., using Takla's husband, Dr. Abdelkerim Darwish, as signatory, and thereafter defendant LOCKHEED continued to make retainer payments to Takla through Takla, Inc.

3. From on or about April, 1987, to on or about August, 1990, Takla would and did receive monthly retainer payments totaling \$129,000 from defendant LOCKHEED.

4. On or before June 18, 1987, in Cairo, Egypt, Takla, in her official capacity as a member of Parliament, would and did lobby a member of the United States Congress to revise United States foreign policy to limit Israel's ability to sell used C-130 aircraft on the open market.

5. Defendants LOCKHEED, NASSAR, and LOVE and others, would and did use various additional methods to conceal the conspiracy in order to insure the continuing existence, success, and profitability of the conspiracy, including, but not limited to use of code names and code references in internal documents of defendant LOCKHEED to conceal Takla's identity as the recipient of payments and preparation and use of false and fraudulent internal documents to conceal Takla's identity as the recipient of payments.

6. On or about October 28, 1988, defendant LOCKHEED and others would and did offer, promise and agree to pay, Dr. Leila I. Takla, Inc., \$600,000 for each C-130 aircraft sold under the contract, thus increasing the amount of the commission by \$300,000 per aircraft.

7. On or about January 23, 1989, an officer of defendant LOCKHEED would and did cause to be prepared an annotated pricing summary which included a \$600,000 consultant's fee per aircraft.

8. On or about April 4 and April 11, 1989, defendant LOCKHEED would and did prepare a pricing summary document, which included a \$600,000 consultant's fee per aircraft.

9. On or about April 11, 1989, a high-ranking officer of defendant LOCKHEED would and did approve a pricing summary document which included the \$600,000 consultant's fee per aircraft.

10. On or about May 15, 1989, at the direction of a high-level officer of defendant LOCKHEED, defendant LOCKHEED would and did prepare a revised pricing summary document, which included a \$600,000 consultant's fee per aircraft.

11. It was further a part of the conspiracy that defendant LOCKHEED and others would and did attempt to conceal the conspiracy in order to insure the continuing existence, success, and profitability of the conspiracy, by falsely representing to DSAA on or about April 15, September 20, September 22 and November 6 of 1989, and February, 1992, that no commissions or contingent fees had been included in the contract or would have been paid to any agent to solicit or obtain the contract, and that no payments were being made in violation of United States law.

12. On or about April 15, 1989, defendant LOCKHEED would and did enter into the contract with Egypt to sell three C-130 aircraft to Egypt and as part of such contract, represented that no commission was included in the contract price.

13. On or about October 26, 1989, Takla and Darwish would and did cause to be prepared a letter to defendant NASSAR purportedly forfeiting their entire \$1.8 million commission.

14. In or about November, 1989, defendants LOCKHEED and NASSAR and others, upon discovery by DSAA of the consultant agreement, would and did write letters to Egypt and DSAA claiming that defendant LOCKHEED would no longer pay a commission to Takla.

15. On or about January 11, 1990, defendant LOCKHEED would and did enter into negotiations with Takla and ultimately agreed to pay at least \$1 million as a "termination fee," in lieu of her commission, to Takla, Inc.

16. On or about January 12, 1990, Takla and Darwish would and did cause a letter to be prepared and sent to a high-level official of defendant LOCKHEED acknowledging that their letter of October 26, 1989 "was written for the main purpose of facilitating the sale and avoiding some complications, specifically for defusing the situation which arose from the exchange of letters between DSAA, Egyptian Procurement Office and Lockheed" and that defendant LOCKHEED still owed the commission.

17. Defendants LOCKHEED, NASSAR, and LOVE and others, on or about October 11, 1990, would and did cause to be made a wire transfer payment from the account of Lockheed Aeronautical in the amount of \$1 million to an account at the Union Bank of Switzerland.

18. Defendant LOCKHEED and others would and did endeavor to deceive, impede, impair and mislead the DCAA, while conducting an official federal audit into the existence and nature of Takla's commission.

D. Overt Acts

In furtherance of the conspiracy, the following overt acts, among others, were committed, and caused to be committed, in the Northern District of Georgia and elsewhere:

1. On or about May 14, 1987, defendants LOCKHEED, NASSAR, and LOVE prepared and kept on record a false and fraudulent International Consultant Basic Data document, an internal LOCKHEED record, naming Takla and Darwish as principals of Takla, Inc., and falsely and fraudulently stating that no officer, director, shareholder, or active representative of the consultant was an elected or appointed official of any government or an official of any political party or candidate for political office.

2. On or about May 14, 1987, defendants LOCKHEED and NASSAR and others prepared and kept on record, false correspondence claiming that Takla would be replaced as an advisor and consultant to defendant LOCKHEED.

3. On or about a date unknown to the Grand Jury, in mid-year 1987, a high-ranking official of defendant LOCKHEED met with defendant LOCKHEED's salesman in Egypt and suppressed an effort to have Takla dismissed by defendant LOCKHEED.

4. On or about June 20, 1987, defendant LOCKHEED and defendant NASSAR, aided by defendant LOVE, caused to be executed a

consultant agreement with Takla, Inc., and thereafter maintained such document in defendant LOCKHEED's books and records.

5. On or about October 2, 1988, defendants LOCKHEED, NASSAR, and LOVE and others prepared and kept on record a false and fraudulent International Consultant Basic Data document naming Darwish as the only principal of Takla, Inc.

6. On or about October 28, 1988, defendants LOCKHEED, NASSAR, and LOVE and others caused the creation of an agreement doubling Takla, Inc.'s commission payments from \$300,000 to \$600,000 per aircraft sold in Egypt.

7. On or about the following dates, defendants LOCKHEED, NASSAR, and LOVE caused the following payments, among others, to be made to Takla:

	<u>Date</u>	<u>Amount</u>	<u>Account</u>
a.	5/13/87	\$6,000	Credit Suisse, Zurich, Switzerland ("Credit Suisse")
b.	6/4/87	\$3,000	Credit Suisse
c.	7/9/87	\$3,000	Credit Suisse
d.	8/3/87	\$3,000	Union Bank of Switzerland, Zurich, Switzerland ("Union Bank")
e.	10/6/87	\$3,000	Union Bank
f.	10/6/87	\$3,000	Union Bank
g.	11/19/87	\$3,000	Credit Suisse
h.	11/30/87	\$3,000	Union Bank
i.	2/9/88	\$3,000	Union Bank
j.	2/9/88	\$3,000	Union Bank

k.	3/3/88	\$3,000	Union Bank
l.	4/22/88	\$3,000	Union Bank
m.	4/22/88	\$3,000	Union Bank
n.	6/3/88	\$3,000	Union Bank
o.	9/28/88	\$6,000	Union Bank
p.	10/3/88	\$3,000	Union Bank
q.	11/11/88	\$3,000	Union Bank
r.	12/5/88	\$3,000	Union Bank
s.	1/20/89	\$3,000	Union Bank
t.	2/10/89	\$3,000	Union Bank
u.	3/17/89	\$3,000	Union Bank
v.	4/25/89	\$6,000	Union Bank
w.	6/28/89	\$3,000	Union Bank
x.	6/29/89	\$3,000	Union Bank
y.	7/26/89	\$3,000	Union Bank
z.	8/21/89	\$3,000	Union Bank
aa.	10/1/89	\$9,000	Union Bank
ab.	10/17/89	\$3,000	Union Bank
ac.	11/21/89	\$3,000	Union Bank
ad.	12/19/89	\$3,000	Union Bank
ae.	1/23/90	\$3,000	Union Bank
af.	2/21/90	\$3,000	Union Bank
ag.	3/29/90	\$3,000	Union Bank
ah.	4/23/90	\$3,000	Union Bank
ai.	6/28/90	\$3,000	Union Bank

aj.	7/19/90	\$3,000	Union Bank
ak.	8/23/90	<u>\$6,000</u>	Union Bank
	Total	\$129,000	

8. On or about January 24, 1989, high-level executives of defendant LOCKHEED caused to be prepared an internal memorandum recommending that defendant LOCKHEED accept \$25 million per C-130 aircraft from Egypt contingent on Egypt supplying certain equipment and "the player" in Egypt accepting a \$100,000 reduction in commission per aircraft; "the player" was code for Takla.

9. On or about January 25, 1989, defendant LOCKHEED prepared a memorandum stating that in order for the price offered by the Egyptians to be acceptable to defendant LOCKHEED, the consultant commission would have to be reduced, referring to Takla in code by stating "we will need an agreement from your friend on the superbowl pool."

10. On or about January 25, 1989, defendant LOCKHEED prepared a pricing summary document, again referring to Takla in code, which included a \$100,000 "HELPER CONCESSION (Super Bowl)" to be figured into the total price of the C-130 aircraft.

11. In or about February, 1989, at the instructions of a high-level executive of defendant LOCKHEED, defendant LOVE visited Takla in Cairo, Egypt, in an unsuccessful effort to persuade Takla to accept the \$100,000 per plane commission reduction.

12. On or about April 11, 1989, defendant NASSAR and another high-ranking executive of defendant LOCKHEED met in Cairo, Egypt, with Takla to discuss final sales strategies relating to the

contract. At said meeting, Takla advised that funds were available and approved for the purchase of the C-130 aircraft and that defendant LOCKHEED should continue to negotiate and hold firm on its offer.

13. On or about April 13, 1989, in Cairo, Egypt, defendant NASSAR and a high-ranking executive of defendant LOCKHEED again met with Takla to discuss final sales strategies. At such meeting, Takla advised that the head of Egypt's negotiating team was authorized to bind Egypt to the contract.

14. On or about April 14, 1989, a high-level officer of defendant LOCKHEED caused the submission of a false and fraudulent certification to DSAA which stated, among other things, that the contract price included no commissions or other contingent fees, and that defendant LOCKHEED had not employed or retained any agent to solicit or obtain the contract on a contingent basis who had been or was to be paid from funds received by defendant LOCKHEED from the United States Government under the contract.

15. On or about April 15, 1989, defendant LOCKHEED entered into the contract with Egypt which contained a clause, Article 23, which falsely stated that no commissions were included in the contract price and that if it could be proven that a commission or fee was paid, the contract price would be reduced accordingly.

16. On or about September 20, 1989, after DSAA had discovered the existence of the agreement to pay the commission to Takla, high-level executives of defendant LOCKHEED met with DSAA officials

at the Pentagon, and began efforts to persuade DSAA that Takla's commission was not included in the contract price.

17. On or about September 22, 1989, high-level officers of defendant LOCKHEED traveled from Marietta, Georgia, to the Pentagon and met with DSAA officials, and further represented that no commissions had been included in the contract price.

18. On or about September 29, 1989, high-level officers of defendant LOCKHEED caused the submission of a second false certification to DSAA which again stated, among other things, that the contract price included no commissions or other contingent fees, and that defendant LOCKHEED had not employed or retained any agent to solicit or obtain the contract on a contingent basis who had been or was to be paid from funds received by defendant LOCKHEED from the United States Government under the contract.

19. On or about October 25, 1989, upon learning that DSAA was about to approve the contract for funding but would notify the Egyptian Government of the existence of a commission, defendant NASSAR notified Takla and Darwish of the impending disclosure.

20. On or about November 6, 1989, in a further attempt to facilitate the payment of FMF funds, a high-level executive of defendant LOCKHEED wrote a letter to DSAA, advising that no commission would be paid in connection with the contract.

21. On or about November 6, 1989, a high-level executive of defendant LOCKHEED wrote a letter to the Embassy of the Arab Republic of Egypt, Procurement Office, Washington, D.C., stating that defendant LOCKHEED "understands that neither the rules of the

U.S. Government nor the Egyptian Government allow defendant LOCKHEED to include commissions in the sales contract price on procurements made through U.S. Security Assistance channels. Accordingly defendant LOCKHEED will not pay any commissions on contract CAIRO/AF/GLX-798/C-130/89/1 dated 15 April 1989."

22. On or about November 30, 1989, defendant LOCKHEED caused the Egyptian Government to authorize DSAA to disburse by wire transfer to defendant LOCKHEED \$52,500,000 of FMF funds allocated for Egypt.

23. On or about January 11, 1990, defendant NASSAR and other senior officials of defendant LOCKHEED met in Atlanta, Georgia, with Takla and Darwish to discuss the payment by defendant LOCKHEED of the \$1.8 million commission which defendant LOCKHEED had agreed to pay to Takla, Inc., and a "termination fee" to Takla and Darwish in lieu of the commission.

24. In or about April, 1990, defendant NASSAR and high-level executives of defendant LOCKHEED traveled to Cairo, Egypt, to meet with Takla and Darwish to discuss the payment by defendant LOCKHEED to Takla, Inc. of a termination payment in lieu of the commission.

25. On or about April 25, 1990, a high-level executive of defendant LOCKHEED wrote a memorandum proposing that defendant LOCKHEED pay to Takla and Darwish a total of \$3.3 million for ten years of service and in consideration of waiving any current or future claims against defendant LOCKHEED.

26. On or about May 7, 1990, executives of defendant LOCKHEED conducted a special meeting of the Lockheed Aeronautical Business

Practices Subcommittee for International Consultants in Marietta, Georgia, to propose paying Takla, Inc., a \$1 million "termination fee" as well as a \$40,000 per month retainer payment for two years in lieu of the \$1.8 million commission on the contract and for ten years of service to defendant LOCKHEED.

27. On or about May 30, 1990, executives of defendant LOCKHEED conducted a Consultant Review Committee meeting in Calabasas, California, and approved Lockheed Aeronautical's payment to Takla, Inc., of the sum of \$1 million conditioned upon receipt by defendant LOCKHEED of the total contract price agreed upon with Egypt.

28. On or about June 26, 1990, defendant LOVE and a high-level official of defendant LOCKHEED caused a memorandum to be written advising defendant LOCKHEED that Takla and Darwish objected to the termination payment being conditioned on full payment of the contract price by Egypt because it may again trigger disclosure of the commission to the Egyptian Government.

29. On or about July 11, 1990, defendant LOCKHEED entered into an agreement to reduce the previously contracted price of each C-130 aircraft to the Government of Egypt by \$600,000 for a total reduction of \$1.8 million which was credited to Egypt in the form of spare parts.

30. On July 18, 1990, executives for defendant LOCKHEED met in an International Consultant Committee in Marietta, Georgia, and determined to pay Takla, Inc., the sum of \$1 million for endeavors on the part of defendant LOCKHEED, for ten years of service on the

part of Takla and Darwish and for the release of any claim Takla, Inc., may have had against defendant LOCKHEED.

31. On or about October 5, 1990, defendant LOCKHEED, through committee resolution, authorized a wire transfer of the \$1 million termination payment to Takla, Inc.

32. On or about October 10, 1990, Lockheed Aeronautical authorized Trust Company Bank, Atlanta, Georgia, to wire transfer \$1 million from its account number [REDACTED] to the Union Bank of Switzerland, Zurich, Switzerland, account number [REDACTED].

33. On or about October 11, 1990, Trust Company Bank, Atlanta, Georgia, wire transferred \$1 million from account number [REDACTED], an account held by Lockheed Aeronautical, to the Union Bank of Switzerland, account number [REDACTED].

34. On or about November 2, 1990, Lockheed Aeronautical recorded the \$1 million termination payment to an account entitled "Sales Commission Clearing Account - International," account number [REDACTED].

35. On or about November 8, 1990, Lockheed Aeronautical transferred and recorded the \$1 million payment to an account entitled "Other Income and Deductions," account number [REDACTED].

36. On or about February, 1992, defendant LOCKHEED provided misleading, incomplete, and inaccurate information to the DCAA during the course of a federal audit pertaining to the contract.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SEVEN

1. The Grand Jury realleges each and every paragraph previously set forth in Count One as if fully stated herein.

2. On or about the following specified dates, in the Northern District of Georgia and elsewhere, defendant LOCKHEED, an issuer as that term is used in the Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Sections 78dd-1(a) and 78j, aided and abetted by defendant NASSAR and others, both known and unknown to the Grand Jury, all officers, employees and agents of an issuer as those terms are used in Title 15, United States Code, Sections 78dd-1(a) and 78j, knowingly and willfully used and caused the use of means and instrumentalities of interstate commerce as described below, corruptly in furtherance of an offer, payment, gift, and promise to pay a thing of value to a foreign official, to wit, Dr. Leila I. Takla, a member of the Egyptian Parliament, and authorization of said offer, payment, gift, and promise for the purpose, either all or in part, of influencing an act and decision of Takla in her official capacity, including a decision to fail to perform her official functions, and for the purpose of inducing Takla to use her influence with the Egyptian Government and elsewhere and instrumentalities thereof to affect and influence an act and decision of such government and instrumentality, the object of which was to assist defendant LOCKHEED in obtaining and retaining business for and with the Government of Egypt for the purchase and sale of C-130 aircraft,

supplies and services and the means and instrumentalities of commerce described above consisted of the following wire transmissions and transfers of funds:

<u>Count</u>	<u>Date</u>	<u>Method</u>	<u>From</u>	<u>To</u>	<u>Description</u>
2	4/16/89	Wire Facsimile	Cairo, Egypt	Marietta, GA	Facsimile message from defendant LOVE to defendant LOCKHEED reporting contract signature on 4/15/89 - contract triggered defendant LOCKHEED's obligation to pay Takla's commission
3	6/1/89	Wire Facsimile	Marietta, GA	Cairo, Egypt	Memorandum requesting Takla's certification regarding political contributions, fees, and commissions
4	10/28/89	Wire Facsimile	Geneva, Switzerland	Marietta, GA	Correspondence ¹ from Takla/Darwish to defendant NASSAR purportedly forfeiting the \$1.8 million commission
5	2/27/90	Wire Facsimile	Marietta, GA	Amman, Jordan	High-level executive of defendant LOCKHEED's message to Takla/Darwish through Nassar regarding payment for contract services

6	7/18/90	Wire Facsimile	Marietta, GA	Calabasas, CA	Defendant LOCKHEED's Consultant Committee meeting regarding \$1 million payment to Takla
7	10/10/90	Wire Transfer	Atlanta, GA	Union Bank	Payment to Takla of \$1,000,000

All in violation of Title 15, United States Code, Sections 78dd-1(a)(1) and 78ff(c)(2), and Title 18, United States Code, Section 2.

COUNT EIGHT

1. The Grand Jury realleges each and every paragraph previously set forth in Counts One through Seven as if fully stated herein.

2. From on or about January 1, 1980 through on or about the present date, defendant LOCKHEED, which had a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, Title 15, United States Code, Section 78l, and was an issuer within the meaning of the Foreign Corrupt Practices Act of 1977, Title 15 United States Code, Section 78dd-1, et seq., and as that term is used in Title 15, United States Code, Section 78m(b)(2), aided and abetted by defendants NASSAR and LOVE and others, both known and unknown to the Grand Jury, all officers, agents, and employees of an issuer as that term is used in Title 15, United States Code, Section 78, willfully and knowingly, directly and indirectly, aided, abetted, and caused the failure of defendant LOCKHEED to keep books, records, and accounts which, in reasonable detail, fairly and accurately reflected the transactions and dispositions of the assets of defendant LOCKHEED as they related to defendant LOCKHEED's relationships with Dr. Leila I. Takla, Takla, Inc., the Egyptian Government, and the DSAA in connection with

defendant LOCKHEED's business practices in Egypt from 1987 through 1990 including, but not limited to, certain international consultant agreements, international consultant basic data sheets, international consultant certificates of compliance, the contract with Egypt, and correspondence with the governments of the United States and Egypt, which falsely and fraudulently concealed the existence and the nature of payments to Takla in connection with the contract and in connection with defendant LOCKHEED's business activities in Egypt.

All in violation of Title 15, United States Code, Sections 78m(b)(2)(A) and 78ff(a); and Title 18, United States Code, Section 2.

COUNT NINE

1. The Grand Jury realleges and restates each and every paragraph of Counts One through Eight as if they were set forth fully herein.

2. On or about October 13, 1993, within the Northern District of Georgia, the defendant, ALLEN R. LOVE, was placed under oath before a Grand Jury of the United States. At the aforementioned time and place, the United States Grand Jury was conducting an investigation into violations of federal law in connection with LOCKHEED's business practices in Egypt.

3. It was a matter material to such Grand Jury investigation to determine the knowledge of the defendant, ALLEN R. LOVE,

concerning contractual matters between defendant LOCKHEED and Dr. Leila I. Takla, the marketing consultant defendant LOCKHEED hired to promote defendant LOCKHEED's products in Egypt.

4. The defendant, ALLEN R. LOVE, during the course of his testimony, and while under oath before said Grand Jury in Atlanta, Georgia, knowingly and willfully made false material declarations as follows:

Q. I mean weren't the payments still being made to Takla, Inc.?

A. Takla, Inc., I assume it was. The agreement was with Takla, Inc.

Q. And he [Darwish] was part of Takla, Inc.

A. He was the president of Takla, Inc.

Q. Basically you still kept her [Takla] on.

A. No.

Q. No?

A. We gave her no assignments from that point on. We asked her to do nothing for us nor did we respond to any contact that she might have had with anybody.

* * *

Q. Why didn't you consult or contract with him [Darwish] individually?

A. No reason to. We did a new consultant agreement with him.

Q. Did the consultant agreement include all employees of Takla, Inc., or just him?

A. There were no employees of Takla, Inc. He was Takla, Inc.

Q. She had no involvement with the company.

A. Not to my knowledge.

5. The aforesaid underlined testimony of defendant ALLEN R. LOVE, as he then well knew and believed, was false, in that he knew that defendant LOCKHEED employees continued to have contact with Dr. Leila I. Takla even after the creation of a consulting agreement with Dr. Leila I. Takla, Inc.; and that she was involved with the business named Dr. Leila I. Takla, Inc.

In violation of Title 18, United States Code, Section 1623.

A True BILL
[REDACTED]
FOREPERSON

Gerrilyn G. Brill
GERRILYN G. BRILL
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ATTEST: A TRUE COPY
CERTIFIED THIS

JUN 22 1994

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Luther D. Thomas, Clerk
By: *D. Walker*
Deputy Clerk