

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

12/05/07
12:11
[Handwritten initials and stamps]

UNITED STATES OF AMERICA

v.

NO. 6:07-CR-211-6R L-22-DAB
18 U.S.C. § 1349

LUIS M. CANDELARIO and
THOMAS E. VANDER LUITGAREN,

Defendants.

SEALED

The Grand Jury charges:

INDICTMENT

CONSPIRACY TO DEFRAUD
(18 U.S.C. § 1349)

I. RELEVANT PARTIES AND ENTITIES

At times relevant to this Indictment:

1. Defendant LUIS M. CANDELARIO (CANDELARIO) was employed as a sales representative for JPS Communications, Inc. ("JPS"), and worked from his home office in Kissimmee, Florida. JPS, a subsidiary of Raytheon Company, was headquartered in Raleigh, North Carolina, and specialized in telecommunications equipment for homeland security. JPS served as the prime contractor for the sale of emergency vehicles to the United States Virgin Islands ("Virgin Islands") government. Defendant CANDELARIO represented JPS on the Virgin Islands emergency vehicles contract. Defendant CANDELARIO formed a shell corporation named Tab, LLC.

2. Defendant THOMAS E. VANDER LUITGAREN (VANDER) was employed as general manager of AK Specialty Vehicles, LLC ("AKSV"). AKSV sold emergency vehicles and was headquartered in Harvey, Illinois, with its principal place of business in Sanford, Florida. Defendant VANDER represented AKSV as the subcontractor of JPS on the Virgin Islands emergency vehicles contract.

3. Angel Rodriguez-Vasquez ("Rodriguez-Vasquez") was employed as a sales representative for Fisher Scientific International, LLC ("Fisher Scientific"), in Puerto Rico. Fisher Scientific, which was headquartered in Pittsburgh, Pennsylvania, sold homeland security products. Rodriguez-Vasquez' territories with Fisher Scientific included Puerto Rico and the Virgin Islands. As part of his duties, he negotiated contracts with Virgin Islands government officials for the purchase of Fisher Scientific products, including emergency vehicle equipment.

4. Advanced Vehicle Systems, LLC ("AVS") was a subcontractor of AKSV in Deerfield Beach, Florida, providing explosive ordinance disposal equipment for emergency vehicles that were sold to the Virgin Islands government through AKSV and JPS.

II. BACKGROUND

5. On or about December 29, 2003, the Virgin Islands government issued purchase orders to JPS for the purchase of several emergency vehicles with supporting equipment. JPS subcontracted AKSV to provide the vehicles. AKSV subcontracted AVS to provide bomb disposal equipment. JPS provided the communications systems for the vehicles.

III. AGREEMENT

6. From at least as early as September 2003, and continuing thereafter at least through July 2005, the exact dates being unknown to the grand jury, in the Middle District of Florida and elsewhere,

**LUIS M. CANDELARIO
and
THOMAS E. VANDER LUITGAREN,**

the defendants herein, and Rodriguez-Vasquez unlawfully, willfully, and knowingly conspired, combined, confederated, and agreed together and with each other to commit wire fraud and honest services fraud, in violation of Title 18, United States Code, Sections 1343 and 1346.

**IV. THE MANNER AND MEANS BY WHICH THE
CONSPIRACY WAS CARRIED OUT**

7. It was a part of the conspiracy that defendant CANDELARIO, defendant VANDER, and Rodriguez-Vasquez would and did unlawfully, willfully, and knowingly, devise and intend to devise a scheme and artifice to defraud JPS, AKSV, Fisher Scientific, and AVS, to obtain money and property from JPS, AKSV, Fisher Scientific, and AVS by means of false and fraudulent pretenses, representations, and promises, and to deprive JPS, AKSV, and Fisher Scientific of their intangible right to the honest services of certain of its employees, for the purpose of executing such scheme and artifice.

8. It was a further part of the conspiracy that defendant CANDELARIO, defendant VANDER, and Rodriguez-Vasquez would and did cause to be transmitted by means of wire communication in interstate commerce a signal for the purpose of executing a scheme to defraud.

9. It was a further part of the conspiracy that the defendants and Rodriguez-Vasquez would and did participate in a kickback scheme to defraud JPS, AKSV, Fisher Scientific, and AVS, whereby they would and did agree to make or receive secret kickback payments amongst themselves for the sale of emergency vehicles from JPS to the Virgin Islands government. As a result of the scheme and artifice to defraud, the defendants and Rodriguez-Vasquez agreed to pay or accept approximately \$415,000 in secret kickback or commission payments unbeknownst to their employers.

10. It was a further part of the conspiracy that although the defendants and Rodriguez-Vasquez had a fiduciary duty to transact business in the best interests of their employers, JPS, AKSV, and Fisher Scientific; to act honestly and faithfully in all of their dealings with the same; and had a duty to make a full and fair disclosure of any income (kickback or secret commission payments) they received, or expected to receive, from any person doing business with JPS, AKSV, and Fisher Scientific during the course of their employment, the defendants and Rodriguez-Vasquez would and did breach their respective fiduciary duties to JPS, AKSV, and Fisher Scientific by receiving kickback or secret commission payments, arising from the emergency vehicles contract between JPS and the Virgin Islands government. Moreover, the defendants and Rodriguez-Vasquez foresaw or reasonably should have foreseen that

their companies might suffer an economic harm as a result of their breach of fiduciary duty.

11. It was a further part of the conspiracy that the defendants would and did agree that defendant CANDELARIO would receive kickback payments of \$340,147 from AKSV for facilitating the emergency vehicles subcontract between JPS and AKSV.

12. It was a further part of the conspiracy that defendant CANDELARIO would and did make return kickback payments of \$30,000 to defendant VANDER for arranging the kickback payments to defendant CANDELARIO.

13. It was a further part of the conspiracy that defendant CANDELARIO would and did make a secret commission payment of \$20,000 to Rodriguez-Vasquez for facilitating the emergency vehicles contract between JPS and the Virgin Islands government.

14. It was a further part of the conspiracy that the defendants would convince AVS to make secret commission payments of approximately \$24,000 to Rodriguez-Vasquez for facilitating the emergency vehicles contract between JPS and the Virgin Islands government after it was determined that Fisher Scientific would not participate in the sale of emergency vehicles to the Virgin Islands government.

15. It was a further part of the conspiracy that the defendants would and did conceal the true nature of the above kickback and secret commission payments from their employers and AVS.

V. OVERT ACTS

16. In furtherance of the conspiracy and to effect the illegal objects thereof, the defendants committed the following overt acts in the Middle District of Florida and elsewhere, including, but not limited to:

- (a) On or about December 3, 2003, defendant VANDER sent an e-mail to defendant CANDELARIO and a co-worker, attaching a spreadsheet outlining the proposed kickback payments to defendant CANDELARIO.
- (b) On or about January 13, 2004, defendant VANDER made a kickback payment of \$2,500 to defendant CANDELARIO from the account of AKSV in Illinois.
- (c) On or about February 20, 2004, defendant CANDELARIO submitted a phony invoice in the name of Cooper-General Corporation to AKSV in order to receive \$337,647 in kickback payments.
- (d) On or about March 8, 2004, defendant CANDELARIO submitted a phony invoice in the name of Cooper-General Corporation to AKSV in order to receive kickback payments of \$337,647.
- (e) On or about March 10, 2004, defendant VANDER made a kickback payment of \$168,823.50 to defendant CANDELARIO from the LaSalle Bank account of AKSV in Illinois.

- (f) On or about March 22, 2004, defendant CANDELARIO made a kickback payment of \$15,000 to defendant VANDER from defendant CANDELARIO's checking account at Bank of America in Florida;
- (g) On or about May 4, 2004, defendant CANDELARIO submitted a phony invoice in the name of TAB, LLC to AKSV in order to receive kickback payments of \$337,647.
- (h) On or about May 21, 2004, defendant VANDER made a kickback payment of \$168,823.50 to defendant CANDELARIO from the LaSalle Bank account of AKSV in Illinois.
- (i) On or about May 24, 2004, defendant CANDELARIO made a kickback payment of \$15,000 to defendant VANDER from defendant CANDELARIO's checking account at Bank of America in Florida.
- (j) On or about June 3, 2004, defendant CANDELARIO deposited a secret commission payment of \$20,000 in cash into the checking account of Rodriguez-Vasquez through a Banco Popular branch in Florida.
- (k) On or about December 6, 2004, the defendants caused a wire transfer of a secret commission payment in the amount of \$3,333.06 from AVS' bank account in Florida to Rodriguez-Vasquez' Banco Popular account in Puerto Rico.

(l) On or about July 6, 2005, the defendants caused a wire transfer of a secret commission payment in the amount of \$7,717.50 from AVS' bank account in Florida to Rodriguez-Vasquez' Banco Popular account in Puerto Rico.

All in violation of Title 18, United States Code, Section 1349.


Dated this 5 Day of Dec, 2007.


A TRUE BILL:



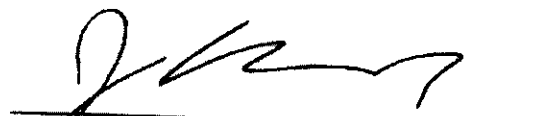
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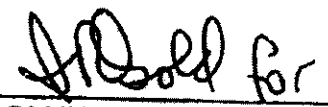

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