

Filed 6-8-07
Clerk, U.S. District Court
Western District of Texas
By H. F.
Deputy

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

JOHN TRAVIS KETNER,

Defendant.

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INFORMATION

Cause No. EP-06-CR-1369FM-1

THE UNITED STATES ATTORNEY CHARGES:

COUNT ONE
(18 U.S.C. §§ 1349, 1341 and 1346)
**CONSPIRACY TO COMMIT MAIL FRAUD AND
THE DEPRIVATION OF HONEST SERVICES FRAUD**

INTRODUCTION

At all times relevant to this Information:

1. Defendant, JOHN TRAVIS KETNER was an attorney licensed in the state of Texas.
2. John Co-Conspirator One, (JohnCC-1) was an attorney licensed in the state of Texas and a solo practitioner with a small law office who was active in assisting individuals in campaigns for local elected office.
3. John Co-Conspirator Two (JohnCC-2) was an attorney licensed in the state of Texas and a solo practitioner with a small law office who associated himself, in some matters, with JohnCC-1 as a business partner or co-counsel.
4. Jane Co-Conspirator Three (JaneCC-1) was an attorney licensed in the state of Texas with a small law office who was a close personal friend of JohnCC-1 and associated herself with him in some business matters.
5. Jane Co-Conspirator Four (JaneCC-2) was a successful candidate for local elected county office,

assisted in her campaign efforts by JohnCC-1.

6. John Co-Conspirator Three (JohnCC-3) was a county elected official assisted in his campaign efforts by John CC-1.

7. John Co-Conspirator Four (JohnCC-4), a close personal friend of JohnCC-1, who resided in an apartment owned by JohnCC-1, was a former employee of JohnCC-3.

8. John Co-Conspirator Five (JohnCC-5) was a recently elected county official.

9. John Co-Conspirator Six (JohnCC-6) was a vendor who had secured a contract with the county of El Paso prior to the election of JohnCC-5.

10. John Co-Conspirator Seven (JohnCC-7) was a member of the Board of Directors of R.E. Thomason Hospital, whose appointment was made by JaneCC-2).

11. John Co-Conspirator Eight (JohnCC-8) was a vendor seeking a contract with the county of El Paso to provide the Actuarial and Dental Services.

12. John Co-Conspirator Nine (JohnCC-9) was a vendor seeking construction contracts with the county of El Paso.

13. John Co-Conspirator Ten (JohnCC-10) was the representative of a vendor which, with the assistance of JohnCC-5, had secured a contract with the county of El Paso as the bond underwriter for refinancing of certain county debt.

14. John Co-Conspirator Eleven, (JohnCC-11) was a co-worker of JohnCC-10 and employee of the same vendor who had secured the bond underwriting contract for county debt refinancing.

15. John Co-Conspirator Twelve (JohnCC-12) was an attorney licensed in the state of Texas who had secured a contract, assisted by JohnCC-5, in conjunction with JohnCC-10 and JohnCC-11 to be underwriter's counsel for the county debt refinancing.

16. John Co-Conspirator Thirteen (JohnCC-13) was an elected county official, whose campaign was assisted by JohnCC-1.

17. John Co-Conspirator Fourteen (JohnCC-14) was an elected county official whose campaign was assisted by JohnCC-1.

18. John Co-Conspirator Fifteen (JohnCC-15), was the owner of a vendor, LKG, who was under contract with the County of El Paso to manage over nine million dollars in federal grant money provided to the County for the El Paso Border Children's Mental Health Collaborative.

19. VRC was a consulting firm with offices located outside of El Paso, Texas, whose owner, JohnCC-8, was seeking, on behalf of VRC, a contract with El Paso County, valued at approximately \$75,000, for the El Paso County Actuarial and Dental Services.

20. DC was a construction firm with offices located outside of El Paso, Texas, whose owner, JohnCC-9, was seeking, on behalf of DC, future construction contracts with El Paso County.

THE CONSPIRACY

Beginning on or about January 1, 2007 and continuing through and including May 18, 2007, in the Western District of Texas and elsewhere, defendant,

JOHN TRAVIS KETNER,

conspired and agreed together with others known, but not charged herein, and others unknown, to commit offenses against the United States, that is to knowingly devise a scheme to defraud the County of El Paso and its citizens of the right to JohnCC-5's, JohnCC-13's and JohnCC-14's honest services in the affairs of the County of El Paso, and to obtain money and property by means of material false and fraudulent pretenses, representations and promises, and to use the United States mails to further the scheme to defraud, that is the defendant and co-conspirators not charged herein, conspired to obtain contracts, including the El Paso County Actuarial and Dental Services contract, with the County of El Paso through corrupt and fraudulent means, and to further the corruption and fraud by causing the United States Postal Service to deliver bills and payments relating to the El Paso County Actuarial and Dental Services contract in violation of Title 18, United States Code, Sections 1341 and 1346.

SCHEME AND ARTIFICE TO DEFRAUD

It was part of the scheme and artifice to defraud that:

1. In approximately August 2006, JohnCC-1 sent an e-mail to JohnCC-5 instructing JohnCC-5 not to rescind his offer of employment, but to hire defendant JOHN TRAVIS KETNER as his Chief of Staff.
2. In early January 2007, Defendant, JOHN TRAVIS KETNER was appointed by JohnCC-5 as Chief of Staff to the County Judge for the County of El Paso. Once appointed as Chief of Staff, the defendant was advised by JohnCC-5 that his primary job responsibility would be to find opportunities in which JohnCC-5, JohnCC-1 and JohnCC-2 could receive compensation from vendors seeking contracts with the county, seeking contract renewals with the county and/or seeking contract retention with the county regardless of non-performance or lack of competence as the vendor on the contract.
3. JohnCCs 1, 2, and 5, using JohnCC-5's elected position, would select those vendors seeking contracts with the county who offered one or more of the members of the group the greatest amount of remuneration in money or other benefits.
4. The co-conspirators would then facilitate the solicitation of bribes from the selected vendor and the offering of bribes to the elected officials; and would seek to discredit vendors who failed to cooperate with the corrupt scheme or who were competitors of vendors who agreed to the corrupt scheme.
5. Vendors who sought renewal on an existing county contract and vendors whose existing county contracts were in jeopardy for non-performance or for other reasons, would also be identified

as targets of the scheme to corruptly obtain money or other benefits.

6. Some vendors with an existing county contract were intentionally made vulnerable to loss of that contract by JohnCC-1 with the assistance of defendant JOHN TRAVIS KETNER.

7. JohnCC-1 used defendant KETNER as a "straw attorney" or "front" to provide legal and other services needed by JohnCC-1 and the group to discredit a vendor and others who stood in the way of the scheme to corruptly obtain money, by subjecting them to public embarrassment and making them appear incapable or unworthy of obtaining or maintaining a contract. This element of the scheme was not only used for county vendors, but also for vendors who sought contracts with other government subdivisions in the Western District of Texas, El Paso Division. The efforts to embarrass and discredit were also used against those individuals who interfered with or attempted to interfere with the contracts of vendors who became part of the corrupt scheme.

8. Once made vulnerable, JohnCC-1 charged the vendor "protection" money to assist in their efforts to retain the contract.

9. Defendant KETNER and co-conspirators not charged herein, agreed to select vendors for county contracts based on their willingness to pay bribes to elected officials and kickbacks to facilitators of bribes regardless of the vendor's competence, experience, ability or desire to fulfill the contract.

MANNER AND MEANS OF THE CONSPIRACY

It was part of the conspiracy that:

A. Defendant JOHN TRAVIS KETNER, JohnCC-5 and other co-conspirators not charged herein, would meet with selected vendors, usually in the county office of JohnCC-5, or at a restaurant, to discuss the contract being sought by the vendor and to settle on the corrupt payment

which had to be made to secure the vote of JohnCC-5 for the vendor.

B. Sometimes, promises of corrupt payments were solicited from the vendors by the defendant and JohnCC-5 for themselves and for the benefit of JohnCC-13 and JohnCC-14, even though JohnCC-13 and 14 were not present at a meeting, in order to secure a majority of the votes of the five member elected county body.

C. JohnCC-7, ostensibly acting in the capacity as "local representative" for VRC and DC, acted as an intermediary and "bag man" for VRC and DC making and promising to make payments in cash or as campaign contributions to elected county officials to secure future contacts with the county of El Paso.

OVERT ACTS

In furtherance of the conspiracy and to further the objectives of the conspiracy, the defendant and others known but not charged herein committed the following overt acts:

1. On or about January 2007, the defendant, JohnCC-5, John CC-7, JohnCC-8, and JohnCC-9 met in the county office of JohnCC-5.
2. On or about that same date, the defendant and these uncharged co-conspirators discussed the method by which JohnCC-8 and JohnCC-9 could secure county contracts for their companies.
3. During that meeting, JohnCC-5 and JohnCC-7 entered the small bathroom located within the county office of JohnCC-5.
4. In the bathroom, JohnCC-7, acting on behalf of VRC and DC, promised JohnCC-5 a \$2000 campaign contribution in exchange for JohnCC-5's votes to secure county contracts for VRC and DC.

5. While in the bathroom, JohnCC-7, acting on behalf of VRC and DC, also promised JohnCC-5 that \$1,000 campaign contributions would be made to JohnCC-13 and JohnCC-14 for their votes to secure county contracts for VRC and DC.

6. On or about January 25, 2007, JohnCC-7 met with JohnCC-14 to give him \$2,000 from JohnCC-8 on behalf of VRC to secure JohnCC-14's vote to award VRC the El Paso County Actuarial and Dental Services contract.

7. On March 2, 2007, in a County Purchasing Department memorandum, the three finalist vendors who bid for the El Paso County Actuarial and Dental Services contract were invited to make an oral presentation of their bid proposal. The finalists were selected by the El Paso County Risk Pool Board. VRC was not a finalist.

8. On or about March 13, 2007, JohnCC-7, the intermediary and bag man for VRC, approached JohnCC-14 to obtain copies of the bid proposals of all six bidders for the El Paso County Actuarial and Dental Services contract and the video of the presentations made to the Risk Pool Board by the three finalists.

9. On April 16, 2007, JohnCC-7 and JohnCC-14 met at a restaurant where JohnCC-14 provided JohnCC-7 with the bids of all six vendors seeking the El Paso County Actuarial and Dental Services contract and a computer disk containing video of the oral presentations made by the three finalist vendors to the Risk Pool Board.

10. On April 9, 2007, JohnCC-13, at a public meeting, claimed that, after reading all six of the bid proposals, he rejected the conclusions of the Risk Pool Board recommending the three finalists. JohnCC-13 was told by the County Human Resources Director that VRC was not among the final three recommended companies. JohnCC-13 complained that VRC should not have been

listed as having "less experience" than the competitors, claiming that McAllen and Laredo, Texas, the areas served by VRC, "might" have more employees than El Paso County.

11. On April 9, 2007, JohnCC-5 publicly asked JohnCC-13 whether he needed an additional two weeks to make a decision regarding the El Paso County Actuarial and Dental Services contract.

12. On April 9, 2007, at the same public meeting, JohnCC-14 told the County Human Resources Director he compared the bids and detected what appeared to be a lot of disparities.

13. On April 9, 2007, JohnCC-5, JohnCC-13 and JohnCC-14 voted to table the vote for the El Paso County Actuarial and Dental Services contract to give the Risk Board the opportunity to defend their selection of a vendor for the contract.

All in violation of Title 18, United States Code, Sections 1341, 1346 and 371.

COUNT TWO
(18 U.S.C. § 371 to violate 18 U.S.C. §666)
CONSPIRACY TO COMMIT BRIBERY CONCERNING PROGRAMS
RECEIVING FEDERAL FUNDS

THE CONSPIRACY

The Introduction, Scheme and Artifice to Defraud and Manner and Means of the Conspiracy in Count One above are incorporated by reference as if fully set out herein.

Beginning on or about January 1, 2007 and continuing through and including May 18, 2007, in the Western District of Texas and elsewhere, defendant,

JOHN TRAVIS KETNER,

conspired and agreed together with others known, but not charged herein, and others unknown to the U.S. Attorney, to commit offenses against the United States, that is to knowingly and corruptly

solicit and demand from a person, and accept and agree to accept from a person, a thing of value: to wit: money, with the intent to be influenced and rewarded in connection with a business transaction and series of transactions involving \$5,000 or more, of a local government agency, when said local government agency received, in one year, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee or other Federal assistance; that is the defendant and others known and unknown agreed to solicit and demand and accept and agree to accept money from JohnCC-15, the owner of LKG, a vendor under contract to the County of El Paso, to manage federal grant money well in excess of \$10,000 per year, provided to the County of El Paso, a local government agency, for the El Paso Border Children's Mental Health Collaborative, to protect Garcia and LKG from a referral for criminal investigation, repayment to the County of El Paso of over \$600,000 of fraudulently obtained federal funds, and a law suit by the County of El Paso to regain said funds, in violation of Title 18, United States Code, Section 666.

OVERT ACTS

In furtherance of the conspiracy and to further the objectives of the conspiracy, the defendant and others known but not charged herein committed the following overt acts:

1. On or about the beginning of January 2007, defendant JOHN TRAVIS KETNER, an attorney and former state prosecutor, investigated the conduct of an El Paso County vender, LKG, under contract to El Paso County to manage over nine million dollars in federal grant money over a period of six years for the El Paso Border Children's Mental Health Collaborative, regarding LKG's performance on the Contract.

2. On or about the middle of January 2007, the defendant reported to his boss, JohnCC-5 that

he believed LKG was engaging in fraud against the government in the administration of their contract to manage El Paso Border Children's Mental Health Collaborative, having fraudulently obtained over \$600,000 of the grant money.

3. Pursuant to his agreement to extort "protection money" from vendors at risk of losing their county contract, the defendant KETNER also reported LKG's suspected criminal conduct to JohnCC-1.

4. The defendant and JohnCC-5 tacitly agreed to approach JohnCC-15 to meet with him concerning LKG's problems with the county contract as part of their on-going conspiracy to extract protection money from failing vendors.

5. On or about February 2007, the defendant and JohnCC-5 met with JohnCC-15 at the office of JohnCC-15 on Alameda Street in El Paso, Texas, the Western District of Texas, to discuss the failing contract.

6. At the meeting, JohnCC-15 was desperate and asked JohnCC-5 to intercede on his and LKG's behalf to prevent the County of El Paso from suing him and LKG, to prevent the County of El Paso from referring him for criminal investigation, and to prevent the County of El Paso from demanding repayment of over \$600,000 in funds.

7. At that same meeting, JohnCC-5 agreed to solicit the commitment of two other elected County officials, JohnCC-13 and JohnCC-14 to decline to sue JohnCC-15 and LKG for the more than \$600,000 in funds.

8. JohnCC-5 instructed the defendant KETNER to provide JohnCC-15 with a list of the issues that concerned the County regarding the LKG contract so that JohnCC-15 could be prepared to publicly respond to or explain the County's concerns. The defendant understood that what

JohnCC-5 was ordering was similar to providing a student an exam before the test was taken.
All in violation of Title 18, United States Code, Sections 666 and 371.

COUNT THREE
(18 U.S.C. §§ 1349, 1341 and 1346)
CONSPIRACY TO COMMIT MAIL FRAUD
AND THE DEPRIVATION OF HONEST SERVICES

The Introduction, Scheme and Artifice to Defraud and Manner and Means of the Conspiracy in Count One and the Overt Acts in Count Two above are incorporated by reference as if fully set out herein.

THE CONSPIRACY

Beginning on or about January 2004 and continuing through and including May 18, 2007, in the Western District of Texas and elsewhere, defendant,

JOHN TRAVIS KETNER,

conspired and agreed together with JohnCC-1, JohnCC-2, JohnCC-3, JohnCC-4, JaneCC-1, JaneCC-2 and others known, but not charged herein, and others unknown to the U.S. Attorney, to commit offenses against the United States, that is to knowingly devise a scheme to defraud the County of El Paso and its citizens of the right to JaneCC-2's honest services in the affairs of the County of El Paso, and to obtain money and property by means of material false and fraudulent pretenses, representations and promises, and in furtherance of the scheme to deprive the County of El Paso and its citizens of JaneCC-2's honest services and to obtain money by material false and fraudulent representations, promises and pretenses did use the United States Postal Service to deliver mail as

follows:

1.) the defendant and co-conspirators not charged herein, conspired to corruptly and illegally manipulate the manner in which a state court and judge is selected to hear a law suit or other legal proceeding through corrupt and fraudulent means, to-wit: at the direction of JohnCC-1, JohnCC-4, an employee of JohnCC-3 responsible for maintaining the computer system at the El Paso County District Clerk's Office, devised a method by which JohnCC-3 could select a court and judge for the filing of a particular case, instead of using a random method of selection, and the defendant and his co-conspirators agreed to use the corrupt method of court and judge selection to benefit JaneCC-2 in her personal legal problem; and

2.) the defendant and uncharged co-conspirators conspired to deprive the County of El Paso and its citizens of the right to honest services from JaneCC-2 and to obtain money by material false and fraudulent representations, pretenses and promises in that, on or about the dates charged, JaneCC-1, a private attorney, had pending before the County Commissioners Court of El Paso, a vote for the settlement of a lawsuit instituted by JaneCC-1 against the County of El Paso as the attorney for the El Paso Sheriff Officers' Association for overtime pay. In order to secure the vote of JaneCC-2 in favor of the approximately \$700,000 settlement, JohnCC-1 instructed the defendant, JOHN TRAVIS KETNER, to assist JaneCC-1 in securing the vote by providing legal representation to JaneCC-2 in a personal legal matter. In furtherance of the fraudulent scheme to deprive the County and citizens of El Paso the honest services of JaneCC-2 and to obtain money by material false representations, pretenses and promises, the defendant and his uncharged co-defendants caused to be delivered by United States Postal Service letters and documents concerning the law suit and law suit settlement, to and from the County Attorney's office, to and from attorneys hired by the

County of El Paso to represent the County in the law suit and to and from JaneCC-1, all in violation of Title 18, United States Code, Sections 1341 and 1346.

OVERT ACTS

In furtherance of the conspiracy and to further the objectives of the conspiracy, the defendant and others known but not charged herein committed the following overt acts:

1. In 2004, JohnCC-1 instructed defendant JOHN TRAVIS KETNER to represent JaneCC-2 as her defense attorney because JaneCC-1 needed JaneCC-2's vote for an approximately \$700,000 settlement in a law suit against the County of El Paso.

2. In 2004, in the presence of defendant KETNER, JohnCC-1 and JaneCC-1 discussed the importance of JaneCC-2's vote to the settlement of the law suit and the importance of defendant's legal representation of JaneCC-2 to secure the vote.

3. In 2004, JohnCC-1, in the presence of JaneCC-1, told the defendant the importance of his legal representation of JaneCC-2, explaining that JaneCC-2 could not be thrown out of office before the vote on the settlement was taken.

4. In a subsequent conversation, in 2004, JohnCC-1 explained to the defendant that what was needed was a speedy conclusion to JaneCC-2's legal problems. JohnCC-1 told the defendant that the conclusion of the legal problems needed to come immediately, so if JaneCC-2 lost her legal case and was removed from office, there was time to find a replacement for her that would vote consistent with JaneCC-1's needs for the \$700,000 settlement.

5. In late 2004, JohnCC-1 began speaking with judges who were part of his political network to get a commitment from one of them to hear JaneCC-2's case.

6. In the spring of 2005, the defendant, JohnCC-1, and JohnCC-3 met at JohnCC-1's law office to discuss which judge would best suit the needs of JohnCC-1 and JaneCC-2.

7. At that same meeting, JohnCC-1 and JohnCC-3 told the defendant how, in January of 2003, JohnCC-4 had exploited a computer system in the office of the El Paso District Clerk which made random assignments of law suits and other filed legal matters to judges and courts, but could be circumvented by JohnCC-3, so that he could file a case in a court that had a judge which was "friendly" to JohnCC-1.

8. At that same meeting referenced in Overt Acts 6 and 7 above, JohnCC-1 and JohnCC-3 told the defendant that the corrupt system of assigning cases was also used by JohnCC-1 in another way. JohnCC-1 explained that other lawyers were his "clients" for the purpose of using the assignment system. JohnCC-1 told the defendant he assisted his "client" lawyers in securing a judge and court that would be friendly to their cause of action, and in exchange received money or a future promise of other favors of value from these "client" lawyers.

9. On August 17, 2005, JohnCC-1 left a voice message for JaneCC-2 telling her that he had spoken with a state district court judge who, as a "favor" to him, agreed would recuse him/herself so that JaneCC-2's case could be transferred quickly "with the agreement that they'll try it within the next 15 days and get it over with."

10. During the voice message referred to in Overt Act 8 above, JohnCC-1 told JaneCC-2 that he knew she did not like his next choice for judge, but that he had discussed the issue with the defendant KETNER and JaneCC-2 was "gonna have to trust" them "on this one." JohnCC-1 continued saying he thought his choice of judge was the "right guy," that he was "very confident he'll do the right thing," and that JaneCC-2 would receive "a very fair and a very quick trial" which

would "be over with in the next two or three weeks." JohnCC-2 explained he was promised that arrangement and he would be "very, very upset if it doesn't happen that way because" he had done "a lot" for the judge who was recusing him/herself and he/she "really owes me" and that's (the new judge) who he/she "thinks is best."

All in violation of Title 18, United States Code, Section 1341, 1346 and 1349.

COUNT FOUR
(18 U.S.C. §§ 1349, 1343 and 1346)
CONSPIRACY TO COMMIT WIRE FRAUD AND
THE DEPRIVATION OF HONEST SERVICES FRAUD

The Introduction, Scheme and Artifice to Defraud and Manner and Means of the Conspiracy in Count One and the Overt Acts in Counts Two and Three above are incorporated by reference as if fully set out herein.

THE CONSPIRACY

Beginning on or about January 1, 2007 and continuing through and including May 18, 2007, in the Western District of Texas and elsewhere, defendant,

JOHN TRAVIS KETNER,

conspired and agreed together with JohnCC-5, JohnCC-13, JohnCC-14, JohnCC-10, JohnCC-11, JohnCC-12 and others known, but not charged herein, and others unknown to the U.S. Attorney, to commit offenses against the United States, that is to knowingly devise a scheme to defraud the County of El Paso and its citizens of the right to JohnCC-5's, JohnCC-13's and JohnCC-14's honest services in the affairs of the County of El Paso, and to obtain money and property by means of

material false and fraudulent pretenses, representations and promises, and in furtherance of the scheme to deprive The County of El Paso and its citizens of JohnCC-5's, JohnCC-13's and JohnCC-14's honest services and to obtain money by material false and fraudulent representations, promises and pretenses did use the United States mails as follows:

1.) the defendant and co-conspirators not charged herein, conspired to corruptly and illegally agree that JohnCC-5, JohnCC-13 and JohnCC-14 would use their votes, in their capacity as elected officials for the County of El Paso, to allow underwriter counsel to select and employ "special counsel" to the underwriter's counsel to work with JohnCC-10, JohnCC-11, JohnCC-12 in administering the underwriter services to be performed by JohnCC-10, JohnCC-11 and their parent company, which required the vendor to design and recommend methods to refinance \$40 million in County debt acquired as a result of a bond initiative; and in exchange for his vote, JohnCC-5 and his wife and the defendant, JOHN TRAVIS KETNER, were offered an expense free trip to New York, and the defendant and his co-conspirators, in furtherance of the fraudulent scheme to deprive the County and citizens of El Paso the honest services of JohnCC-5, JohnCC-13 and JohnCC-14 and for the purpose of executing the aforesaid scheme and artifice to defraud and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, would knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures, and sounds including wire transfers of funds, from the State of New York to El Paso, Texas in violation of Title 18, United States Code, Sections 1349, 1343 and 1346.

OVERT ACTS

In furtherance of the conspiracy and to further the objectives of the conspiracy, the

defendant and others known but not charged herein committed the following overt acts:

1. In January 2007, a vender, FSW, who was under contract with the County of El Paso to provide financial advisory services, submitted a proposal to the County auditor to refinance \$40 million of County debt accrued as a result of a bond initiative. The proposal dealt with taking advantage of historically low interest rates and projected a savings to the County of approximately \$1.2 million.

2. In January 2007, FSW met with the Defendant and JohnCC-5 at which time JohnCC-5 voiced opposition to the financial advisory fee of \$120,000 associated with the debt refinancing.

3. Following the meeting referenced in Overt Act 2 above, FSW agreed to reduce their contractual fee by twenty-five percent and refinance the debt for \$90,000 instead.

4. FSW asked JohnCC-5 to refrain from publicly announcing FSW's reduced fee as it would adversely affect FSW in other contracts.

5. Instead, at an open meeting, JohnCC-5 publicly announced FSW's reduced rate.

6. In February 2007, JohnCC-10 told others that he and his firm BS wanted the underwriter to refinance the debt that was, at that time, held by FSW.

7. On or about March 16, 2007, JohnCC-10 and JohnCC-12 met the defendant and JohnCC-5 for lunch to discuss the hiring of JohnCC-10 and his firm, BS, as the underwriter for the County debt refinancing, and for JohnCC-12 to be hired as underwriter counsel.

8. On or about March 16, 2007, at the same lunch meeting, JohnCC-5, in a coded manner, complained to JohnCC-10 that FSW had failed to pay him the requisite bribe to maintain their contract with the County.

9. On or about March 16, 2007, JohnCC-10 promised JohnCC-5 that he would get FSW,

who at the time still held the County contract, to pay for a trip to New York for JohnCC-5 and that he, JohnCC-10, would personally pay for a trip to New York for JohnCC-5's wife.

10. On or about April 10, 2007, JohnCC-10 met with JohnCC-13 in the county office of JohnCC-13 to discuss rescinding FSW's contract and replacing FSW with JohnCC-10's choice.

11. On or about April 10, 2007, JohnCC-10 stated that he was going to teach FSW a lesson because the FSW contract employee managing the County financial contract thought he was too "big" and did not need JohnCC-10 anymore. JohnCC-10 claimed he was going to take the contract away from FSW and the FSW employee.

12. On or about April 16, 2007, JohnCC-5 and JohnCC-13, along with JohnCC-14 and others voted to advise FSW that they would be terminated as the Financial Advisors for El Paso County in thirty days.

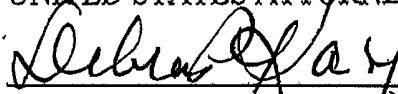
13. On or about April 16, 2007, at a public meeting, JohnCC-5 indicated he did not want to rescind a previous vote approving FSW's proposal regarding the refinancing of County debt, but advocated that another firm could complete the transaction without affecting the timing and success of the refinancing project.

14. On or about April 18, 2007, JohnCC-10, and two employees of RBC CM met with JohnCC-5 in his county office.

15. On or about April 18, 2007, after departing the office of JohnCC-5, JohnCC-10 and two employees of RBC CM met with JohnCC-14 in his county office.

All in violation of Title 18, United States Code, Section 1343, 1346 and 1349.

JOHNNY K. SUTTON
UNITED STATES ATTORNEY

By: 
Debra P. Kanof, Assistant U.S. Attorney