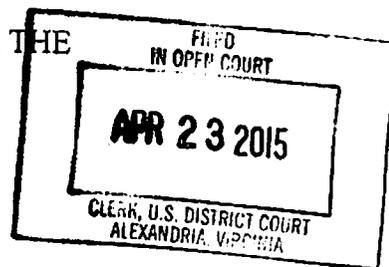


IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA)

v.)

GENE GOODSSELL,)

Defendant.)

CRIMINAL NO. 1:15 MJ 210

STATEMENT OF FACTS

The parties stipulate that the allegation in the single-count Information and the following facts are true and correct, and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt.

1. GENE GOODSSELL ("GOODSELL") was employed by the U.S. Department of State ("Department") as a GS-15 branch chief within the Bureau of Overseas Buildings and Operations. GOODSSELL's duties included the supervision and oversight of a Department contractor ("Department Contractor") that provided recruitment, training, administrative support, and supervision of contract security personnel at Department construction sites throughout the world ("Department Contract").

2. PERSON A was employed by the Department and reported directly to GOODSSELL. PERSON A was designated as a Contracting Officer Representative ("COR") with oversight responsibility for the Department Contractor. PERSON A was responsible for the review and approval of claims and invoices submitted to the Department by employees of the Department Contractor.

3. Aside and apart from government duties, GOODSELL and PERSON A were authorized distributors for a multi-level marketing company that sells nutritional supplements (“Supplement Company”). The Supplement Company pays commissions to an authorized distributor based on individual sales marketed by that authorized distributor and sales marketed by any person sponsored into that authorized distributor’s network as a subordinate authorized distributor.

4. GOODSELL and his wife sponsored PERSON A as an authorized distributor into his network. GOODSELL knew that PERSON A later sponsored PERSON B into PERSON A’s network. GOODSELL knew that PERSON B was employed by the Department Contractor since in or around 2004. GOODSELL knew that he would earn a commission on any sale of nutritional supplements marketed by PERSON A and PERSON B because he knew that the Supplement Company was a multi-level marketing company and PERSON A and PERSON B were subordinate distributors in GOODSELL’s network.

5. As early as January 2010, GOODSELL was aware that PERSON A was marketing nutritional supplements to employees of the Department Contractor.

6. On or about November 29, 2010, GOODSELL’s supervisor sent GOODSELL an email explaining that the supervisor had learned of certain facts that led the supervisor to suspect that Department Contract employees purchased nutritional supplements from the Supplement Company and the costs of the nutritional supplements were then supposedly passed on to the Department.

7. In or about November 2010, GOODSELL admitted to the supervisor that GOODSELL was an authorized distributor for the Supplement Company and that he had sponsored persons into his network as authorized distributors, entitling him to commissions for

sales made by the persons in his network. GOODSELL was not candid with his supervisor, concealing from his supervisor that PERSON A and PERSON B were members of GOODSELL's network.

8. In or about December 2010, GOODSELL and PERSON A attended a meeting with the Department Contractor to evaluate inconsistencies in invoicing by the Department Contractor as to certain overcharges made by the Department Contractor to the Department under the Department Contract. GOODSELL was the senior Department employee at the meeting with the Department Contractor and GOODSELL believed his supervisor knew that GOODSELL was attending the meeting based on a conversation GOODSELL had with his supervisor. After the meeting, GOODSELL made a written recommendation to his supervisors concerning the Department Contract.

9. In or about 2010 or in the early months of 2011, after being confronted by his supervisor, GOODSELL acknowledged to a co-worker that if there was an overbilling (to the Department) related to the nutritional supplements, PERSON A was one of two persons that would handle it. Around the same time, GOODSELL discussed with this same co-worker whether the costs of nutritional supplements were allowable under the Department contract.

10. From in or about January 2011 and continuing through August 2011, GOODSELL provided direction, supervision, recommendations and advice concerning the Department Contract.

11. On or about September 29, 2011, the Department Contractor submitted a letter claiming more than \$2,500,000 was owed by the Department to the Department Contractor. This letter, as with the conversation in or about November 2010 with his supervisor, also put GOODSELL on notice that the costs of nutritional supplements marketed by PERSON A were

previously included in claims to the Department by the Department Contractor under the Department Contract. GOODSELL also knew that he and his wife had derived a direct financial benefit from PERSON A's marketing efforts and the resulting sales to employees of the Department Contractor.

12. From in or about October 2011 and continuing at least through in or about April 2012, knowing that the costs of nutritional supplements were previously paid by the Department to the Department Contractor under the Department Contract, and that he and his wife had financially benefited from the sales of those nutritional supplements in the form of commissions from the Supplement Company, GOODSELL participated personally and substantially in the Department Contract by attending meetings and rendering advice, making recommendations and decisions, and giving direction to subordinate employees concerning the Department Contract and for the reconciliation of the September 29, 2011 claim made by the Department Contractor to the Department.

13. Between in or about October 2008 through May 2010, GOODSELL was paid at least \$12,903.88 in commissions from the Supplement Company for sales of nutritional supplements marketed by PERSON A to employees of the Department Contractor.

14. The acts taken by GOODSELL, in furtherance of the offense charged in this case, including the acts described above, were done with knowledge that his conduct was unlawful.

Respectfully submitted,

Dana J. Boente
United States Attorney

By:



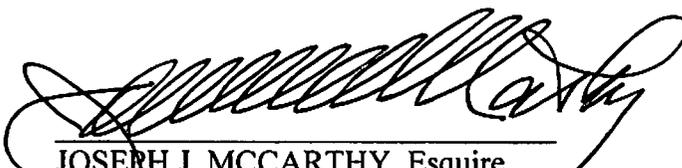
BRIAN D. HARRISON
Special Assistant United States Attorney (LT)

After consulting with my attorney, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.



GENE GOODSSELL

I am GENE GOODSSELL's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.



JOSEPH J. MCCARTHY, Esquire
Attorney for Gene Goodsell

General Information

Court	United States District Court for the Eastern District of Virginia; United States District Court for the Eastern District of Virginia
Federal Nature of Suit	Criminal
Docket Number	1:15-mj-00210
Status	Closed