

FILED
WANGSAL ARMSTRONG, CLERK

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT LOUISVILLE

SEP 17 2014

U.S. DISTRICT COURT
WEST'N. DIST. KENTUCKY

UNITED STATES OF AMERICA

SECOND SUPERSEDING INDICTMENT

v.

NO. 3:12-CR-143-S

GARY T. MEREDITH

18 U.S.C. § 208

18 U.S.C. § 207(a)(1)

18 U.S.C. § 216(a)(2)

18 U.S.C. § 1343

18 U.S.C. § 981(a)(1)(C)

28 U.S.C. § 2461

The Grand Jury charges:

COUNT 1

1. From on or about October 18, 2005, and continuing until on or about July 18, 2007, in the Western District of Kentucky, Hardin County, Kentucky, and elsewhere, **GARY T. MEREDITH**, the defendant herein, being, at that time, an officer and employee of the United States Department of Defense, that is, Energy Program Manager for the United States Army, Fort Knox, Kentucky, did knowingly and willfully participate personally and substantially, in his capacity as an employee of the United States Department of Defense, in a particular matter, to wit, the preparation of contractual requirement documents for Energy Conservation Order No. 72, a contract related to the creation and formation of the position of Resource Efficiency Manager, under the Utility Energy Services Contract (UESC) between the United States Army and Nolin Rural Electric Cooperative Corporation (Nolin RECC), in which, to the defendant's knowledge, he had a substantial financial interest.

In violation of Title 18, United States Code, Sections 208 and 216(a)(2).

The Grand Jury further charges:

COUNT 2

2. From on or about October 1, 2007, and continuing until on or about August 5, 2010, in the Western District of Kentucky, Hardin County, Kentucky, and elsewhere, **GARY T. MEREDITH**, the defendant herein, after having terminated his employment with the executive branch of the United States government, that is Energy Program Manager for the United States Army, Ft. Knox, Kentucky, and with intent to influence, did knowingly make communications to persons employed with the United States Army, Ft. Knox, Kentucky, on behalf of Nolin RECC and Gary Meredith and Associates, LLC in connection with Energy Conservation Orders (ECOs), particular matters in which the United States Army was a party, as was Nolin RECC, and which the United States Army had a direct and substantial interest, and in which the defendant, **GARY T. MEREDITH**, participated personally and substantially while he was employed as the Energy Program Manager for the United States Army, Ft. Knox, Kentucky; that is, the defendant, following termination of his employment with the United States Army, and while employed in the position of Resource Efficiency Manager, via a sub-contract between Gary Meredith and Associates, LLC and Nolin RECC, rendered services on behalf of Nolin RECC and Gary Meredith and Associates, LLC, including providing advice and recommendation to the United States Army concerning the propriety of making payment on bills received from Nolin RECC on ECOs on which the defendant participated personally and substantially while employed as the Energy Program Manager for the United States Army, Ft. Knox, Kentucky.

In violation of Title 18, United States Code, Sections 207(a)(1) and 216(a)(2).

The Grand Jury further charges:

COUNTS 3-11

3. From on or about August 8, 2006, and continuing until on or about April 29, 2011, in the Western District of Kentucky, Hardin County, Kentucky, and elsewhere, **GARY T. MEREDITH**, the defendant herein, devised and intended to devise a scheme and artifice to defraud the United States Army, Ft. Knox, Kentucky, and for obtaining money and property belonging to the United States Army, Ft. Knox, Kentucky by means of false and fraudulent pretenses, representations, and promises.

4. As a part of the scheme and artifice to defraud the United States Army, Ft. Knox, Kentucky, **GARY T. MEREDITH**, on or about September 8, 2006, caused a credit received by the United States Army, Ft. Knox, Kentucky, from the Louisville Gas & Electric Company in the amount of \$582,329.85 to be applied as a credit to Energy Conservation Order No. 72 (ECO 72) related to the creation and formation of the position of Resource Efficiency Manager (REM), under the UESC between the United States Army and Nolin RECC. In doing so, the defendant cancelled a direction previously made by him to Nolin RECC, with notice provided by him to appropriate officials of the United States Army, Ft. Knox, Kentucky, to credit this money to an existing, approved Energy Conservation Order, that is, ECO 79. The defendant, thereafter, intentionally diverted these monies, without notice given or approval provided by appropriate officials with the United States Army, Ft. Knox, Kentucky, knowing that ECO 72 was not an authorized and approved Energy Conservation Order in September 2006. ECO 72 was not approved by the United States Army until on or about September 28, 2007, and, under applicable policies and practices of the United States Army, was not permitted to have any funds credited and prepaid to the contract until on or after that date. In September 2006, when the defendant, **GARY**

T. MEREDITH, fraudulently caused the \$582,329.85 credit to be applied to ECO 72, he was seeking to have this contract approved by the United States Army, and, thereafter, to be personally employed in the REM position. The defendant was awarded the REM job on or about October 1, 2007, via a sub-contract between Nolin RECC and his company, Gary Meredith and Associates, LLC. By fraudulently causing the aforementioned credit to be applied to ECO 72, the defendant ensured that the REM job would be funded until approximately the first quarter of 2011.

5. For the purpose of executing the scheme and artifice to defraud, and the scheme to obtain money and property by means of false and fraudulent pretenses, representations, and promises, the defendant, **GARY T. MEREDITH** caused to be transmitted on or about the dates shown below, by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds, to wit, documents, including billings statements, sent via e-mail, by Nolin RECC to the defendant related to services it provided the United States Army under the UESC contract, which showed credits provided to the United States Army on ECO 72 as a result of the aforementioned \$582,329.85 prepayment.

Count	Date of Interstate Wire Communication
3	May 14, 2008
4	November 5, 2008
5	December 19, 2008
6	March 19, 2009
7	July 2, 2009
8	October 15, 2009
9	January 19, 2010

Count	Date of Interstate Wire Communication
10	March 19, 2010
11	April 19, 2010

In violation of Title 18, United States Code, Section 1343.

The Grand Jury further charges:

COUNTS 12-29

6. On or about and between January 2009 and August 2010, in the Western District of Kentucky, Hardin County, Kentucky, **GARY T. MEREDITH**, the defendant herein, devised a scheme and artifice to defraud the United States Army, Ft. Knox, Kentucky, and to obtain money and property belonging to the United States Army, Ft. Knox, Kentucky, by means of false and fraudulent pretenses, representations, and promises, and caused a sign, signal, sound, and writing to be transmitted by means of interstate wire communication for the purpose of executing the scheme, to wit: **MEREDITH** instructed Nolin RECC to overbill for natural gas provided under ECO 70, and on the dates listed below Nolin RECC emailed invoices to **MEREDITH** containing inflated bills for ECO 70, and **MEREDITH** approved those invoices for payment by the Army.

Count	Date Invoice Emailed to Meredith	Overbilled Amount	Date Meredith Approved Invoice	Date Invoice Paid
12	2/16/2009	\$7,507.63	2/19/2009	2/26/2009
13	3/19/2009	\$5,695.75	Date Not Recorded	3/27/2009
14	4/20/2009	\$4,128.62	Date Not Recorded	4/28/2009

Count	Date Invoice Emailed to Meredith	Overbilled Amount	Date Meredith Approved Invoice	Date Invoice Paid
15	5/14/2009	\$150.03	Dated Not Recorded	5/29/2009
16	7/2/2009	\$10,849.23	7/2/2009	7/17/2009
17	7/20/2009	\$21,131.57	7/21/2009	7/28/2009
18	8/2009	\$29,237.58	8/19/2009	8/27/2009
19	9/16/2009	\$35,030.03	9/18/2009	9/24/2009
20	10/15/2009	\$35,667.73	10/20/2009	10/27/2009
21	11/19/2009	\$5,980.78	Date Not Recorded	11/27/2009
22	12/18/2009	\$14,227.88	12/21/2009	1/7/2010
23	1/19/2010	\$7,255.45	1/19/2010	1/26/2010
24	2/19/2010	\$22,262.76	2/19/2010	2/26/2010
25	3/19/2010	\$16,968.05	3/23/2010	3/31/2010
26	4/19/2010	\$169.63	4/20/2010	5/5/2010
27	5/19/2010	\$8,593.88	5/19/2010	5/26/2010
28	6/14/2010	\$77,705.60	Date Not Recorded	6/30/2010
29	7/13/2010	\$26,242.50	7/19/2010	8/3/2010

In violation of Title 18, United States Code, Section 1343.

The Grand Jury further charges:

COUNT 30

7. On or about and between January 25, 2010, and February 26, 2010 in the Western District of Kentucky, Hardin County, Kentucky, **GARY T. MEREDITH**, the defendant herein,

devised a scheme and artifice to defraud the United States Army, Ft. Knox, Kentucky, and to obtain money and property belonging to the United States Army, Ft. Knox, Kentucky, by means of false and fraudulent pretenses, representations, and promises, and caused a sign, signal, sound, and writing to be transmitted by means of interstate wire communication for the purpose of executing the scheme, to wit: ECO 68 was never approved by the Army, and **MEREDITH** knew that Nolin RECC could not bill the Army for unapproved ECO 68 expenses. Nonetheless, **MEREDITH** instructed Nolin RECC to charge unapproved ECO 68 expenses to ECO 78, an unrelated but approved ECO. Nolin RECC emailed an invoice to **MEREDITH** that included fraudulent unapproved ECO 68 expenses under ECO 78, and **MEREDITH** approved the fraudulent invoice for payment by the Army. That invoice was paid by wire on February 26, 2010.

In violation of Title 18, United States Code, Section 1343.

The Grand Jury further charges:

COUNTS 31-37

8. On or about and between February 19, 2010, and May 26, 2010, in the Western District of Kentucky, Hardin County, Kentucky, **GARY T. MEREDITH**, the defendant herein, devised a scheme and artifice to defraud the United States Army, Ft. Knox, Kentucky, and to obtain money and property belonging to the United States Army, Ft. Knox, Kentucky, by means of false and fraudulent pretenses, representations, and promises, and caused a sign, signal, sound, and writing to be transmitted by means of interstate wire communication for the purpose of executing the scheme, to wit: Nolin RECC incurred over \$94,000 in expenses on a solar panel project that was never approved by the Army, and **MEREDITH** knew that Nolin RECC could

not bill the Army for unapproved expenses. Nonetheless, at **MEREDITH's** direction, Nolin RECC charged those unapproved solar panel project expenses to ECOs 13, 53, and 70, which were unrelated but approved ECOs. On the dates listed below, Nolin RECC emailed invoices to **MEREDITH** that included fraudulent charges for the unapproved solar panel project expenses, and **MEREDITH** approved the invoices containing those fraudulent ECO 13, ECO 53, and ECO 70 charges for payment by the Army.

Count	Date Invoice Emailed to Meredith	Overbilled Amount	Billed Under	Date Meredith Approved Invoice	Date Invoice Paid
31	2/19/2010	\$18,451.10	ECO 13	2/19/2010	2/26/2010
32	3/19/2010	\$8,177.71	ECO 13	3/23/2010	3/31/2010
33	4/19/2010	\$32,701.25	ECO 53	4/20/2010	5/5/2010
34	4/19/2010	\$6,566.54	ECO 53	4/20/2010	5/5/2010
35	4/19/2010	\$15,603.62	ECO 70	4/20/2010	5/5/2010
36	4/19/2010	\$6,591.32	ECO 70	4/20/2010	5/5/2010
37	5/19/2010	\$6,626.83	ECO 53	5/19/2010	5/26/2010

In violation of Title 18, United States Code, Section 1343.

The Grand Jury further charges:

COUNT 38

9. On or about and between August 7, 2009, and October 27, 2009, in the Western District of Kentucky, Hardin County, Kentucky, **GARY T. MEREDITH**, the defendant herein, devised a scheme and artifice to defraud the United States Army, Ft. Knox, Kentucky, and to obtain money and property belonging to the United States Army, Ft. Knox, Kentucky, by means

of false and fraudulent pretenses, representations, and promises, and caused a sign, signal, sound, and writing to be transmitted by means of interstate wire communication for the purpose of executing the scheme, to wit: **MEREDITH** knew that Nolin RECC could not charge the Army for services before those services were rendered. Nonetheless, Nolin RECC charged the Army \$190,401 under ECO 72 for one year of **MEREDITH'S** salary in advance, before any services were rendered. On October 15, 2009, Nolin RECC emailed an invoice to **MEREDITH** which included the fraudulent charges to ECO 72, and on October 20, 2009, **MEREDITH** approved the invoice containing the fraudulent ECO 72 charges for payment by the Army. The invoice was paid on October 27, 2009.

In violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE

If convicted of any violation of Title 18, United States Code, Section 1343, as alleged in Counts 3 through 38 of this Indictment, **GARY T. MEREDITH**, the defendant herein, shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds obtained, directly or indirectly, as the result of the offense alleged in Counts 3 through 38, including but not limited to:

- a. **2010 Toyota Prius III, VIN#: JTDKN3DU3A5060254; and**
- b. **2011 Honda Odyssey, VIN#: 5FNRL5H69BB041719.**

If any of the above-described forfeitable property, as a result of any act or omission of the defendant, **GARY T. MEREDITH**,

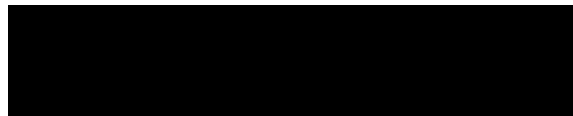
- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;

- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

A TRUE BILL.



FOREPERSON


DAVID J. HALE
UNITED STATES ATTORNEY

DJH:DW:nbw:09122014

UNITED STATES OF AMERICA v. GARY T. MEREDITH

PENALTIES

Counts 1 & 2:	NM 5 yrs./\$250,000/both/3 yrs. Supervised Release (each count)
Counts 3 - 38:	NM 20 yrs/\$250,000/both/3 yrs Supervised Release (each count)
Forfeiture	

NOTICE

ANY PERSON CONVICTED OF AN OFFENSE AGAINST THE UNITED STATES SHALL BE SUBJECT TO SPECIAL ASSESSMENTS, FINES, RESTITUTION & COSTS.

SPECIAL ASSESSMENTS

18 U.S.C. § 3013 requires that a special assessment shall be imposed for each count of a conviction of offenses committed after November 11, 1984, as follows:

Misdemeanor: \$ 25 per count/individual
\$125 per count/other

Felony: \$100 per count/individual
\$400 per count/other

FINES

In addition to any of the above assessments, you may also be sentenced to pay a fine. Such fine is due immediately unless the court issues an order requiring payment by a date certain or sets out an installment schedule. You shall provide the United States Attorney's Office with a current mailing address for the entire period that any part of the fine remains unpaid, or you may be held in contempt of court. 18 U.S.C. § 3571, 3572, 3611, 3612

Failure to pay fine as ordered may subject you to the following:

1. **INTEREST** and **PENALTIES** as applicable by law according to last date of offense.

For offenses occurring after December 12, 1987:

No **INTEREST** will accrue on fines under \$2,500.00.

INTEREST will accrue according to the Federal Civil Post-Judgment Interest Rate in effect at the time of sentencing. This rate changes monthly. Interest accrues from the first business day following the two week period after the date a fine is imposed.

PENALTIES of:

10% of fine balance if payment more than 30 days late.

15% of fine balance if payment more than 90 days late.

2. Recordation of a **LIEN** shall have the same force and effect as a tax lien.
3. Continuous **GARNISHMENT** may apply until your fine is paid.

18 U.S.C. §§ 3612, 3613

If you **WILLFULLY** refuse to pay your fine, you shall be subject to an **ADDITIONAL FINE** of not more than the greater of \$10,000 or twice the unpaid balance of the fine; or **IMPRISONMENT** for not more than 1 year or both. 18 U.S.C. § 3615

RESTITUTION

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663

APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE: Clerk, U.S. District Court
106 Gene Snyder U.S. Courthouse
601 West Broadway
Louisville, KY 40202
502/625-3500

BOWLING GREEN: Clerk, U.S. District Court
120 Federal Building
241 East Main Street
Bowling Green, KY 42101
270/393-2500

OWENSBORO: Clerk, U.S. District Court
126 Federal Building
423 Frederica
Owensboro, KY 42301
270/689-4400

PADUCAH: Clerk, U.S. District Court
127 Federal Building
501 Broadway
Paducah, KY 42001
270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is made.

FORM DBD-34
JUN.85

No. 3:12CR-143-S

UNITED STATES DISTRICT COURT

Western District of Kentucky
Louisville Division

THE UNITED STATES OF AMERICA

vs.

GARY T. MEREDITH

SECOND SUPERSEDING INDICTMENT

**Title 18 U.S.C. §§ 208; 216(a)(2); 207(a)(1);
1343:**

**Prohibition of Acts Affecting the Personal
Financial Interests of a Federal Employee;
Violations Related to Restrictions on Former
Federal Employees; Wire Fraud.**

A true bill

foreman

Filed in open court this 17th day, of September A.D. 2014.

Clerk

Bail, \$

FILED
VANESSA L. ARMSTRONG, CLERK

SEP 17 2014

**U.S. DISTRICT COURT
WEST'N. DIST. KENTUCKY**