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the VAMC and several outpatient clinics. On or about March 11, 2011, MONTAGUE began working as the Medical Center Director of the Dayton VAMC, a career Senior Executive Service position. MONTAGUE had responsibility for executive level management of the Dayton facility.

3. On or about March 15, 2011, MONTAGUE obtained training on the rules governing MONTAGUE working as a consultant while also working as the Dayton VA Director.

4. On or about December 17, 2011, MONTAGUE ended his term at the Dayton VAMC.

5. Business 75 was an integrated design firm with offices throughout the United States, including New York, Illinois, Virginia, Missouri, and California. Business 75 performed work for the VA directly and through its participation in joint ventures and other teaming agreements (collectively hereinafter "Business 75").

6. Business 75 Principal was a Business 75 employee.

7. Business 75 Employee 1 was a senior level executive at Business 75.

8. Business 75 Employee 2 was a senior level executive at Business 75.

9. Business 75 Employee 3 was a vice president of Business 75.

10. Business 75 Employee 4 was a principal of Business 75.

11. Business 75 Employee 5 was a principal of Business 75.

12. Business 75 Employees 6 through 22 were Business 75 employees.

13. VA Employee 14 was a VA employee in the Office of Construction and Facilities Management.

14. VA Employee 15 was a VA employee in Danville, IL.

15. The VA Illiana Health System, located in and around Danville, Illinois, provided health care services to approximately 150,000 veterans from a 34-county area in and around Central Illinois and western Indiana ("Danville VAMC"). The VA administered health benefits by region, dividing the country among approximately 23 Veterans Integrated Service Networks ("VISN"). The Danville VAMC, the nation's eighth oldest VA facility, was located in VISN 11.

16. The VA Greater Los Angeles Healthcare System was among the largest, most complex healthcare system within the VA, providing services to approximately 1.4 million veterans in and around Southern California and Southern Nevada. ("West LA VAMC"). The West LA VAMC was located in VISN 22.

17. The Strategic Capital Investment Plan ("SCIP") was a VA document that discussed construction budgets and priorities for the upcoming fiscal year. The annual SCIP process began in and around the Summer, and continued through in or around the following February. Within the VA, the SCIP was a confidential process, with access limited to certain VA employees. The SCIP information remained non-public until released by high-level Government officials in or around February each year.

The Grand Jury further charges:

COUNT 1

(Conspiracy to Commit Mail and Wire Fraud and Honest Services Mail & Wire Fraud,  
18 U.S.C. §§ 1341, 1343 and 1346, in violation of 18 U.S.C. § 1349 )

18. Paragraphs 1-17 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

### THE CONSPIRACY

19. From in or around January 2010 through on or about the date of this Superseding Indictment, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE and Business 75 (not charged herein), Business 75 Principal (not charged herein) and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate and agree with each other to commit offenses against the United States; that is, to knowingly devise and intend to devise a scheme and artifice:

(1) to defraud and deprive the VA of its right to the honest and faithful services of MONTAGUE, through bribery and kickbacks and the concealment of material information related thereto, and

(2) to defraud the VA and other potential VA contractors and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises,

and for the purpose of executing such scheme and artifice, (1) to cause matters to be placed in any post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service and private and commercial interstate carrier, in violation of Title 18, United States Code, Sections 1341 and 1346 and (2) to cause to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Sections 1343 and 1346.

### OBJECTS OF THE CONSPIRACY

20. It was an object of the conspiracy that MONTAGUE enriched himself and his designees, including House of Montague, by assisting Business 75 in the award and administration of VA business.

21. It was a further object of the conspiracy that Business 75 enriched itself and obtained money and property, including the award and administration of VA business and payments related to that VA business.

22. It was a further object of the conspiracy that Business 75 Principal enriched himself and his employer, Business 75, and obtained money and property.

23. It was a further object of the conspiracy that beginning on or about March 11, 2011, when MONTAGUE became the Dayton VAMC Director, MONTAGUE secretly used his official position to enrich himself, his designees (including House of Montague), Business 75, Business 75 Principal, and their designees, by soliciting and accepting gifts, payments, and other things of value from Business 75, in exchange for favorable official action, and that Business 75, Business 75 Principal and their designees would enrich themselves by secretly obtaining favorable official action for themselves through corrupt means.

#### MANNER AND MEANS

It was part of the conspiracy that:

24. MONTAGUE solicited and accepted things of value from Business 75, including money and a consulting contract between Business 75 and House of Montague.

25. MONTAGUE provided favorable official action for the benefit of Business 75 and its designees, both as requested and as future opportunities arose.

26. Business 75 Principal facilitated MONTAGUE receiving things of value from Business 75, including money and a consulting contract between Business 75 and House of Montague.

27. Business 75 Principal asked MONTAGUE to provide favorable official action for the benefit of Business 75 Principal and Business 75.

28. The conspirators took steps to hide, conceal, and cover up their activity and the nature and scope of Business 75 Principal's and Business 75's dealings with MONTAGUE.

29. Business 75 Principal asked MONTAGUE to obtain information related to VA contracts and projects, which would benefit Business 75, Business 75 Principal and their designees. MONTAGUE gave and offered to give Business 75 information related to the VA contracts and projects, which would benefit Business 75 and its designees. Business 75 Principal shared the VA information that MONTAGUE provided to other Business 75 employees.

30. Business 75 Principal and other Business 75 employees sought ways to use MONTAGUE's access to VA information to give Business 75 and its designees an advantage in obtaining VA contracts and projects. MONTAGUE took steps to give Business 75 and its designees an advantage in obtaining VA contracts and projects.

31. MONTAGUE gave false and misleading information to VA employees about MONTAGUE's reasons for requesting VA documents and information.

32. MONTAGUE failed to disclose to the VA employees from whom MONTAGUE requested VA documents and information that MONTAGUE was forwarding those documents and the information to Business 75.

33. On or about January 19, 2010, Business 75 Employee 22 sent an email to Business 75 Employee 10, Business 75 Employee 7 and Business 75 Employee 16, with a subject, "BILL MONTAGUE retiring from VA Cleveland." Business 75 Employee 22 shared that "BILL MONTAGUE will be retiring from the Cleveland VA effective February 3rd. He was a champion for our firm and for better design in the VA in general. . . . It was clear that he was a man of strength and a 'Washington insider,' and therefore successful at getting funding on a multi-front basis. In my experience people like that don't always retire 'out of the market

place,' they change what they are doing. Perhaps [] should give him a call and find out his plans and perhaps we should do something for him as he retires to thank him for his support and because we care and because he may resurfaces [sic] in another sphere of influence."

34. On or about January 19, 2010, Business 75 Employee 10 replied to Business 75 Employee 22's email, "When we met with BILL last year, he was definitely heading to consulting land and is interested in working with us in that regard."

35. On or about May 28, 2010, Business 75 Principal sent an email to other Business 75 employees (Business 75 Employees 3, 5, 11 and 21) relating that WILLIAM MONTAGUE is "working the revolving door. He's a sharp guy. . . . I requested that he send a proposal for our consideration. I don't know that we can afford his retainer fee." The email further discussed a project in VISN 11 at the Danville, IL medical center, and Business 75 Principal wrote, "I told him [MONTAGUE] that if he could get it to happen, that he could have a task order issued under our contract, where we would work jointly with him."

36. On or about June 2, 2010 at approximately 10:09 a.m., Business 75 Principal sent an email from his to MONTAGUE's sbcglobal.net email account, informing MONTAGUE that Business 75 Principal would review MONTAGUE's proposal. Business 75 Principal then wrote about VISN 11 projects, informing MONTAGUE, "Our contract expires in December of this year, with ample capacity left. So I don't see how it hurts CFM [VA Office of Construction and Facilities Management] to allow a pass-through task order for a project that may not be one of their top priorities." Business 75 Principal proposed several options for pursuing the work and asked MONTAGUE, "Let me know which of these routes, if any, makes the most sense to you." At approximately 2:43 p.m. that day, MONTAGUE replied, "I made my contact at Danville,

aware of the concerns outlined in your e-mail. I sent no paper or e-mails. . . . Neither contracting or the facility anticipate problems.”

37. On or about June 4, 2010 at approximately 5:05 p.m., Business 75 Principal forwarded MONTAGUE’s proposal to Business 75 Employee 21 and wrote, “There’s no doubt in my mind that BILL can help us penetrate the VA further.”

38. On or about June 10, 2010 at approximately 6:29 a.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 75 Principal, “Here’s my proposal for your consideration. Your SCIP documents about the VA’s strategic planning intentions are in the mail. Should one of us notify CFM of the intent to use the IDIQ? Danville and VISN 11 are beginning to process the task order.” At approximately 10:45 a.m., Business 75 Principal sent an email to Business 75 Employees 3, 5, and 20, informing them that Business 75 Principal had just spoken to MONTAGUE. “He has had some discussions with VISN 11 and thinks they have an internal budget that is well below \$300k or \$400k. We may need to structure the proposal in a tiered fashion, or a la carte, so that the final product can be tailored to their budget.” At approximately 1:19 p.m., Business 75 Employee 5 replied, “If MONTEGUE [sic] is on our team I like our chances.” At approximately 12:27 p.m., Business 75 Principal replied, MONTAGUE “will be able to navigate VISN 11 through central office red tape to get their project funded. I think that’s BILL’s real value, even if that is not a line item in the scope of work. He can deliver the project.” At approximately 1:58 p.m., Business 75 Employee 5 replied, “I agree. I would really like to have a strong relationship with MONTEGUE [sic], as I think he may be our strongest tie into the guts of the VA. If this can be our first test. Run with him.”

39. On or about June 11, 2010 at approximately 8:47 a.m., on or about the day after Business 75 received the Scope of Work on the VA Illiana Project from the VA, MONTAGUE

sent an email from his sbcglobal.net email account to Business 75 Principal, with a subject "SOW." MONTAGUE indicated that he "will call VA Employee 15 (the director's coordinator) after you and I talk. . . ."

40. On or about July 7, 2010, Business 75 sent to the VA, via email, a proposal for VA Illiana Health Care System Study for Delivering Health Care to Veterans in Central Illinois, quoting a price of approximately \$84,269.46.

41. On or about July 15, 2010, the VA issued a purchase order to Business 75 for approximately \$84,269.46.

42. On or about August 4, 2010 at approximately 4:04 p.m., Business 75 Employee 4 sent an email to Business 75 Employees 3, 9, 14, 17, and 20 with a subject, "VA Illiana Strategic Study- Hours for # 2590.81." Business 75 Employee 4 wrote that he anticipated an \$84,000 fee, and "\$56.3 K is a/e net and the remainder of the fee is for our consultant (BILL MONTAGUE) and project expenses." On or about August 5, 2010 at approximately 12:50 p.m., Business 75 Employee 20 sent the email to Business 75 Employees 5 and 7.

43. On or about September 30, 2010, Business 75 invoiced the VA approximately \$18,539.28 for work at the Danville VAMC.

44. On or about November 12, 2010, the VA paid Business 75 approximately \$18,539.28, via interstate wire transfer, related to the Danville VAMC project.

45. On or about December 20, 2010 at approximately 9:51 a.m., MONTAGUE sent an email to VA Employee 15, asking him to check on the status of Business 75's payment, explaining, "I don't get paid until they do." MONTAGUE asked, "Any new news about the project?"

46. On or about December 26, 2010 at approximately 8:44 a.m., VA Employee 15 forwarded an internal VA email chain to MONTAGUE about the status of the VA's payment to Business 75 on the Danville VAMC. At approximately 9:54 a.m., VA Employee 15 sent an email from his va.gov account to MONTAGUE's sbcglobal.net email account, stating "regarding the feasibility study. Nothing has happened . . . went to VHA several weeks ago. We are anticipating VHA/OCLA meeting with [a United States Senator's Staff] sometime after the first of the year." MONTAGUE forwarded VA Employee 15's email to Business 75 Employee 4 on or about December 27, 2010 at approximately 9:46 a.m.

47. On or about February 7, 2011, the VA paid Business 75 approximately \$65,730.18, via interstate wire transfer, related to the Danville VAMC project.

48. On or about February 14, 2011 at approximately 10:33 a.m., Business 75 Employee 4 sent an email to MONTAGUE, Business 75 Principal, and Business 75 Employee 3, informing MONTAGUE that Business 75 has received payment from the VA on the Danville VAMC, and that MONTAGUE's check would be cut on Wednesday [February 16th] and mailed to MONTAGUE.

49. On or about February 11, 2011 at approximately 11:03 a.m., Business 75 Principal sent an email to Business 75 Employees 11 and 21 and others with a subject, "MONTAGUE." The email began, "CONFIDENTIAL," and informed the group "BILL MONTAGUE was right about West LA VAMC. He told us on 11/30/10 that it was coming out as a major. It was advertised as a sources sought (SS) several weeks later. Today he told me that the funding was pretty certain. He is speaking to the people with the money. . . . MONTAGUE told me that the San Francisco VAMC project that is advertised as a sources sought notice is very real, and that it will almost certainly get funded. . . . I asked specifically about the

newspaper article in the SF press that said that VAMC SF was going to get an entire replacement hospital. He said to not expect that, because they are getting funded for the realignment project that is now on the street....New lead. MONTAGUE says Reno VAMC is most likely to get added to the budget....That's very important to find the right partner quickly, because they will probably issue the solicitation with a XXX-mile radius restriction for the prime AE. He listed 7 other sites as projects with incremental funding...."

50. On or about March 1, 2011, Business 75 issued a check payable to MONTAGUE in the amount of approximately \$20,000, which MONTAGUE caused to be deposited into the House of Montague's US Bank account.

51. On or about March 11, 2011 at approximately 8:10 a.m., Business 75 Principal sent an email to Business 75 Employees 2, 6, and 21 attaching a reviewed consulting agreement with BILL MONTAGUE. Business 75 Principal explained that "his [MONTAGUE's] job is to help us bring in more work from the VA, in part by helping us access key decision makers." Business 75 Principal further explained, "MONTAGUE was until recently the Director of the VA Cleveland Hospital."

52. On or about March 11, 2011 at approximately 5:19 p.m., Business 75 Employee 1 sent an email to Business 75 Principal, Business 75 Employees 2, 8 and 21, with a subject "RE: Montague," asking why Business 75 was considering a consultant to help maneuver through the VA.

53. On or about March 14, 2011 at approximately 12:48 p.m., Business 75 Employee 21 replied to Business 75 Employee 1's March 11, 2011 email, outlining why MONTAGUE's consulting relationship was a "good investment." Business 75 Employee 21 explained, "We think MONTAGUE can help take us to a new level . . . farther upstream with decision makers

and more importantly with opportunities . . . early thinking and studies that can be paid for because of our IDIQ. . . . We need to position ourselves to get the fee's [sic] when the going gets tight. MONTAGUE can help us on that front. . . . All of the VA 'majors' in the near term are on the west coast and we have not hit with the west coast VA regions even though we have interviewed there several times in the last year or so. . . we think MONTAGUE can help on this front. . . with intelligence and helping us define the issues based on talking to leaders on the ground so we can win an interview. (I assume we will make a short list). . . . Most importantly I think he can help open doors to expanding our services upstream. . . and in several area's [sic] downstream. . . . He can get us in the door. Some of these opportunities could essentially be non-compete if we approach it correctly."

54. On or about March 14, 2011 at 1:45 p.m., Business 75 Principal sent an email to Business 75 Employees 1, 2, 8 and 21, informing the group that Business 75 will end the current "\$15 [million VA] IDIQ contract with just slightly over \$12M in sales. \$3M in fee, therefore, will be left on the table. . . . [O]ne of MONTAGUE's jobs will be to fill up the bucket by directing task orders toward our contract. Going forward, we have two \$15M buckets to fill (Central and Eastern regions). That's a lot of shoveling to get to \$30M. . . . BILL has the relationships to help us maximize the contracts. . . . On the VA 'major construction' front, here is the list of medical centers and their approximate construction cost in the pipeline: West Los Angeles, CA: \$750M, San Francisco, CA: \$125M, Reno, NV: \$115M, Alameda, CA: \$225M. MONTAGUE told us about these before they were advertised, which has allowed us to get an early start in developing the team. If we bring him on board, he can help us pull in one or two of these large projects. The West LA project is a real gem. A must win for the federal practice."

55. On or about March 15, 2011 at approximately 8:20 p.m., Business 75 Principal sent an email to Business 75 Employee 21, with a subject "VA scandal." Business 75 Principal wrote, "We may have lost MONTAGUE," who was named as acting director of the Dayton VA to manage a crisis. Business 75 Principal informed Business 75 Employee 21 that Business 75 Principal had sent MONTAGUE a contract that morning and thereafter, read about MONTAGUE's new position in the newspaper. Business 75 Principal informed Business 75 Employee 21 that he emailed MONTAGUE to ask if MONTAGUE was still interested in consulting for Business 75.

56. On or about March 21, 2011 at approximately 5:46 p.m., Business 75 Principal sent an email to MONTAGUE and Business 75 Employee 21, attaching Business 75's signed agreement letter for consulting services with House of Montague Consulting. Business 75 Principal informed MONTAGUE that Business 75 was planning to submit on VA West Los Angeles, VA San Francisco, and VA Alameda Point, and was (leaning toward not submitting on Reno, NV). Business 75 Principal asked for MONTAGUE's insight into those VAMCs. At approximately 5:50 p.m., Business 75 Principal forwarded the email he had sent to MONTAGUE and Business 75 Employee 21 to Business 75 Employee 12, and informed Business 75 Employee 12 that MONTAGUE will "get us in to see influential staffers at the VA, and inform us of projects before they are on the street."

57. On or about April 5, 2011 at approximately 5:50 p.m., MONTAGUE sent Business 75 Principal an email from MONTAGUE's sbcglobal.net email account, with a subject line "Major Construction." The email body indicated, "As promised." On or about June 21, 2011 at approximately 11:12 a.m., Business 75 Principal forwarded the email to Business 75 Employee 7, writing, "This is confidential. Please don't distribute. This document is not

classified or secret, but it is not intended for public distribution." Business 75 Principal attached a file entitled, "Detail of Request.docs."

58. On or about April 18, 2011, Business 75 submitted a proposal to the VA for the West LA VAMC Project.

59. On or about May 3, 2011, MONTAGUE caused to be sent a \$2,750 invoice to Business 75 for "consulting services 3/21/11-4/21/11," for work performed at "Wash/Cleveland/Dayton."

60. On or about May 13, 2011, Business 75 issued a check in the amount of \$2,750, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

61. In or around May 2011, MONTAGUE caused to be sent a \$2,500 invoice to Business 75 for "consulting services 4/21/11-5/21/11," for work performed at "Wash/Cleve/Day."

62. On or about May 26, 2011, MONTAGUE travelled to Washington, D.C. on official VA business. On or about June 17, 2011, MONTAGUE caused to be submitted a Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation (flight)	\$704.40
Hotel	\$211.00
Per Diem	\$177.50
Parking	\$24
Hotel Taxes	\$30.60
Metro/Taxi Shuttle	\$40
<u>Mileage</u>	<u>\$16.52</u>
Total	\$1,204.02

63. On or about May 27, 2011 at approximately 9:23 a.m., Business 75 Principal sent an email to Business 75 Employees 10, 11, 21 and another, in response to Business 75 Employee

10's inquiry about a VA Lexington opportunity. Business 75 Principal wrote, "My monthly meeting with MONTAGUE was yesterday. We discussed Lexington . . . MONTAGUE says that a permanent Director has been named at Lexington, KY VAMC. He is finding out the name and her starting date while at the VA today." On another topic, Business 75 Principal explained that according to MONTAGUE, "when the VA has an explosion of bad media, the VA rushes in to fix the problem." MONTAGUE said that Marion, Illinois VAMC had a "blow-up recently." MONTAGUE suggested "since we have a Heartland IDIQ, that we ought to meet with the Director." Business 75 Principal asked if Business 75 Employee 10 wanted MONTAGUE to help schedule the meeting.

64. On or about June 11, 2011 at approximately 10:43 a.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 75 Principal, updating Business 75 Principal on MONTAGUE's meeting with VA Employee 14 related to various VA projects. Among other things, MONTAGUE informed Business 75 Principal that VA Employee 14 "provided me a comprehensive, though not current, construction monitoring report (attached). He promised a current report once his office move is completed. . . . [a] a schedule of resident engineer staffing for present and future projects. . . . The number of solar and other alternative energy projects is about to increase significantly . . . another initiative by the VA has been stalled, and the money is being put towards alternative energy. . . . I would recommend that special attention be paid to the Chillicothe[sic] VA . . . there is a series of between 20-24 planned and their funding record is remarkable. . . . I have included in one of the attachments a list of cemetery projects. Also included as the last attachment is an outline of cemetery projects in New York, LA, San Francisco, and Chicago. The New York Project, which was just agreed to, will include 52,000 burial sites."

65. On or about June 12, 2011, MONTAGUE caused to be sent a \$2,741.60 invoice to Business 75 for "consulting services," for work performed at "Wash/Cleve/Dayton." The invoice included the following expenses incurred on or about May 26, 2011:

Hotel	\$211.00
Hotel Taxes	\$30.60
Total	\$241.60

66. On or about June 21, 2011 at approximately 11:05 a.m., Business 75 Principal forwarded Montague's June 11, 2011 email to Business 75 Employee 7, with an attachment "May Report.pdf.html." Business 75 Principal wrote, "This document from MONTAGUE may raise your spirits. Look at page 9 of 16. It appears to be a staffing projection chart for the Resident Engineers. It shows JC having staffing in the 3rd quarter of 2012. . . . I'll see what else I can find that MONTAGUE has sent."

67. On or about June 30, 2011 at approximately 8:00 p.m., Business 75 Principal sent MONTAGUE an email on MONTAGUE's sbcglobal.net email account, attaching Business 75's Strategy Matrix for the "critical West LA pursuit." Business 75 Principal asked MONTAGUE to provide comments and insights. At approximately 8:08 p.m., Business 75 Principal sent MONTAGUE a second email, forwarding notice that Business 75 had received from the VA that Business 75 was one of several companies under consideration for the West LA VAMC Project.

68. On or about July 7 through July 8, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

69. On or about July 8, 2011, the VA made a presentation entitled "SCIP Funding Wedge and Way Forward," which MONTAGUE provided to Business 75 Principal with a note,

"This is the new process. It will dictate, to a degree, where the money goes. I think there are lots of opportunity's [sic] for Business 75."

70. On or about July 15, 2011 at approximately 6:38 p.m., Business 75 Principal sent an email to Business 75 Employees 1, 2, 5, 10, 15 and 19, with a subject "VA Lexington." Business 75 Principal wrote that the VISN 10 project had been cancelled and Business 75 now would be pursuing VA Lexington. "FYI, as BILL MONTAGUE predicted, the VA is soliciting quals for VA Lexington. This is design only. It is about a \$300M outpatient clinic. . . ." Business 75 Principal suggested a joint venture with Business 68 on the project and asked for team input.

71. On or about August 2, 2011, MONTAGUE caused to be sent a \$2,500 invoice to Business 75 for "July consulting" and Business 75 Principal caused to be written on the invoice, "VA MKTG."

72. On or about August 23, 2011, Business 75 issued a check in the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

73. On or about September 2, 2011, MONTAGUE facilitated scheduling a meeting between Business 68, Business 75 and VA officials in Lexington, Kentucky to occur on or about September 14, 2011.

74. On or about September 8-9, 2011, MONTAGUE travelled to Washington, D.C. on official VA business, related, in part, to an Enhanced Use Lease with the National Cemetery.

75. On or about September 12, 2011 at approximately 2:24 p.m., Business 75 Principal sent an email to Business 75 employees in response to a previous email sent by another Business 75 employee on September 6, 2011 at approximately 9:48 p.m., which announced

Business 75's selection as the architect and engineer for the VA West LA VAMC. Business 75

Principal wrote,

"I'm reminded – as I approve BILL MONTAGUE's invoice—that it was BILL MONTAGUE (our VA consultant) who alerted me to this project at West LA. I think we may have won this with or without BILL's early warning, but getting in early on a large VA pursuit is critical. We currently are working four large FY13 VA project leads worth over \$1B in aggregate based on information that BILL has provided. I would not have been able to find out what was in the Administration's FY13 budget until early February, when it is sent to Congress. I think we are ahead of virtually all our competitors on these four. BILL has arranged for a meeting with the medical center director at one of the four locations (Lexington). Business 75 Employee 10 will attend this meeting. The risk is that not all four of these leads may make it into the final version of the bill. But so far, BILL's info has proved accurate. . . . I would not have come up with this information on my own, regardless of how many hours I invested. I just don't have access to the VA staffers that control the money. He has the relationships within Capital Asset Managements. Our contacts are all within CFM. So in my opinion, BILL's contacts and experiences broadens [sic] our understanding of VA Processes and expands our relationships."

76. On or about September 12, 2011 at approximately 8:57 p.m., Business 75

Employee 5 replied to Business 75 Principal's email and copied Business 75 Employees 10, 11, 18, 21 and others, "If MONTAGUE is providing us good info that leads to pre knowledge about the VA West LA's of the world, it is worth it."

77. On or about September 13, 2011 at approximately 3:46 p.m., in response to an email from Business 75 Employee 6 to Business 75 Principal and Business 75 Employee 5 asking whether Business 75 would expect to keep MONTAGUE's \$30,000 per year consulting contract in light of Business 75's plan to pursue a marketing person to work with Business 75 Principal in the Federal market, Business 75 Principal replied, "Yes, I may want both for a period of time. But I do not see BILL's contract as running on forever . . . Currently, BILL is the interim Medical Director of VA Dayton. As such, he has extraordinary access right now to information. When that position ends, his access and influence will begin to diminish."

78. On or about September 14, 2011 at approximately 3:46 p.m., Business 75 Employee 5 replied to Business 75 Principal's email, and included Business 75 Employee 11, "Interesting math- At \$30k per year for BILL, we would have to win [\$]300,000 in VA fee[s] every year (\$30k profit) for us to break even. I think VA West LA is worth \$20,000,000."

79. On or about September 25, 2011 at approximately 2:45 p.m., Business 75 Employee 18 sent an email to Business 75 Employees 1, 21 and another, discussing Business 75 Principal. "Business 75 Principal has done more for advancing [the federal] practice" than other Business 75 employees in similar roles. "[H]e has contributed to some important wins, the most recent one being the large VA project in the west coast. Our firm learned about that project way in advanced [sic] thanks to BILL MONTAGUE, a previous VA client and now a consultant, engaged by Business 75 Principal. It allowed us to do the right pre-positioning, teaming strategy, etc."

80. On or about September 27, 2011, Business 75 issued a check in the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

81. On or about October 13, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

82. On or about October 18, 2011 at approximately 6:54 p.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 75 Principal, with a subject "October Report." MONTAGUE wrote about VA funding for projects and attached the fiscal year 2012 and 2013 list of VA partially funded projects, which included the project location, project description, priority score and funding estimates.

83. On or about October 25, 2011, Business 75 issued a check in the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

84. On or about November 9-10, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

85. On or about December 4, 2011 at approximately 5:55 p.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 75 Principal, with a subject "November report" and attached a document "November Report.pdf.html." The attached document contained information related to 2013 VA capital projects.

86. On or about December 4, 2011 at approximately 11:22 p.m., Business 75 Principal sent an email to a Business 75 employee about a \$444 million VA project in San Francisco, California. Business 75 Principal informed the Business 75 employee, "This project scored about 15th in overall rankings, and so did not land 'in the money.' But our VA consultant, BILL MONTAGUE, gave me a list of six projects last week that the VA would fund if they were to get all of the Jobs Bill passed."

87. On or about December 20, 2011, Business 75 issued a check in the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

88. On or about December 21, 2011 at approximately 3:14 p.m., Business 75 Principal wrote an email to a Business 75 employee, with a subject "Re: BILL MONTAGUE." Business 75 Principal informed this employee that he (Business 75 Principal) would like to continue the relationship with MONTAGUE for another six to twelve months, explaining, "He

has been a good investment this year, in my opinion, but I do not want it to become permanent. Plus[,] I think his ability to collect valuable info will diminish over time.”

89. On or about January 2, 2012 at approximately 5:50 p.m., MONTAGUE sent an email on his sbcglobal.net email account to Business 75 Principal, with a subject “NRM List” and attaching a document “NRM List.pdf.html.” The attached document contained information related to VA projects, their ranks and costs.

90. On or about March 20, 2012, Business 75 issued a check in the amount of \$10,241, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

91. On or about March 26, 2012 at approximately 9:05 a.m., Business 75 Principal sent an email to a Business 75 employee with a subject, “MONTAGUE.” Business 75 Principal wrote, “Our VA consultant has provided the following synopsis of FY13 VA budget related to cemeteries,” and listed the “significant cemetery projects” for fiscal year 2013.

92. On or about May 11, 2012, Business 75 issued a check in the amount of \$5,000, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

93. On or about June 14, 2012 at approximately 3:28 p.m., Business 75 Principal sent an email to a Business 75 employee, with a subject, “RE: Who is BILL MONTAGUE?” Business 75 Principal wrote, “He’s the guy that called me when I happened to be at Mare Island the last time to tell me that a big project was going to get funded at VA West LA. I heard it first from him. He has a friend in the Office of Asset Enterprise Management. They are the group that, among other things, evaluates the project applications, and decides which projects get funded. They work with Congress to figure out whose project will get the money. I ended up

hiring him as a consultant. I pay him a small retainer every month that represents about 1 day of his time per month. He's supposed to help us win more work at the VA, or answer VA questions."

94. On or about July 13, 2012, Business 75 issued a check in the amount of \$10,271, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

95. On or about August 9, 2012 at approximately 4:26 p.m., Business 75 Principal sent an email to Business 75 Employee 10 and another Business 75 employee that MONTAGUE heard a rumor that the Lexington VA would not receive construction funding in 2014, which was "slightly at odds" with a rumor Business 75 Principal had heard.

96. On or about August 17, 2012, Business 75 issued a check in the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

97. On or about October 5, 2012, Business 75 issued a check the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

98. On or about December 7, 2012, Business 75 issued a check in the amount of \$5,039.64, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

99. On or about November 30, 2012, Business 75 provided 30 days written notice to MONTAGUE that Business 75 was cancelling its Consulting Agreement with House of Montague Consulting, effective December 31, 2012.

100. On or about March 8, 2013, Business 75 issued a check in the amount of \$2,500, payable to WILLIAM D MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague account at US Bank.

101. MONTAGUE, Business 75 Principal and others transmitted and caused to be transmitted by means of wire communication, in interstate commerce, writings, signs, signals, pictures, and sounds and used and caused to be used the United States mail and private and commercial interstate carriers to send and deliver mail matter, all in furtherance of the conspiracy, including the following mail matter and interstate wire communications sent and received in the Northern District of Ohio:

(A) Email communication between MONTAGUE and Business 75 employees, including transmitting documents via email.

(B) MONTAGUE's interstate telephone conversations with VA employees and with Business 75 employees.

(C) MONTAGUE causing to be sent via U.S. mail and interstate mail carrier House of Montague consulting invoices to Business 75, and Business 75's payment on those invoices.

(D) the VA's payments to Business 75 via interstate wire transfer.

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

The Grand Jury further charges:

COUNT 2

(Hobbs Act Conspiracy, 18 U.S.C. § 1951)

102. Paragraphs 1-17 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

At all times relevant to this count of the Superseding Indictment:

103. Business 75's operations affected interstate commerce.

104. The VA's operations affected interstate commerce.

105. The House of Montague's operations affected interstate commerce.

106. Beginning in or around March 11, 2011 and continuing until on or about March 8, 2013, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE and Business 75 Principal (not charged herein) and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate and agree with each other to obstruct, delay and affect commerce and the movement of articles and commodities in commerce by extortion; that is, MONTAGUE, assisted by Business 75 Principal, obtained property not due to him or his office, namely, consulting fees and expense reimbursements for House of Montague and himself, from Business 75, with its consent, under color of official right.

All in violation of Title 18, United States Code, Section 1951.

The Grand Jury further charges:

COUNT 3

(Hobbs Act, 18 U.S.C. §§ 1951 and 2)

107. Paragraphs 1-17 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

At all times relevant to this count of the Superseding Indictment:

108. Business 75's operations affected interstate commerce.

109. The VA's operations affected interstate commerce.

110. The House of Montague's operations affected interstate commerce.

111. From on or about May 11, 2011 and continuing through on or about March 8, 2013, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, aided and abetted by Business 75 Principal (not charged herein), did knowingly obstruct, delay and affect and attempt to obstruct, delay and affect commerce and the movement of articles and commodities in commerce by extortion; that is MONTAGUE obtained property not due to him or his office, namely consulting fees and expense reimbursements for House of Montague and himself, from Business 75, with its consent, under color of official right.

All in violation of Title 18, United States Code, Sections 1951 and 2.

The Grand Jury further charges:

COUNTS 4-16

(Mail Fraud, 18 U.S.C. §§ 1341 and 2)

112. Paragraphs 1-17 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

113. From in or around January 2010 through on or about the date of this Superseding Indictment, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE and Business 75 Principal (not charged herein), aiding and abetting one another, did knowingly devise and intend to devise a scheme and artifice to defraud the United States Department of Veterans Affairs and other potential VA contractors and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and material omissions.

114. It was part of the scheme that MONTAGUE, with Business 75 Principal's assistance, obtained approximately \$70,801.64 in consulting fees and expense reimbursements for House of Montague and himself from Business 75.

115. It was further a part of the scheme that Business 75 and Business 75 Principal, with the assistance of MONTAGUE, received and attempted to receive an advantage in the award and administration of approximately \$1 billion in VA business.

116. It was a further part of the scheme that Business 75 received and would receive payment related to the VA business.

117. On or about the dates listed below, in the Northern District of Ohio and elsewhere, MONTAGUE, for the purpose of executing the above-described scheme and artifice, caused matters to be placed in any post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service and private and commercial interstate carrier, in accordance with the directions thereon, each constituting a separate Count:

Count	Date	Description
4	March 1, 2011	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
5	May 13, 2011	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
6	August 23, 2011	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
7	September 27, 2011	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
8	October 25, 2011	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
9	December 20, 2011	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
10	March 20, 2012	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
11	May 11, 2012	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
12	July 13, 2012	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
13	August 17, 2012	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
14	October 5, 2012	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
15	December 7, 2012	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH
16	March 8, 2013	Payment sent from Business 75 in Grand Island, NY to MONTAGUE in Brecksville, OH

All in violation of Title 18, United States Code, Sections 1341 and 2.

**Part II: General Allegations Related to WILLIAM MONTAGUE,  
Michael Forlani and The VA Development Project**

At all times relevant herein unless otherwise indicated:

118. The VA administered health benefits by region, dividing the country among approximately 23 Veterans Integrated Service Networks ("VISN"). VISN 10 served most of Ohio.

119. The Louis Stokes Cleveland VA Medical Center ("Cleveland VAMC") was approximately the fifth largest VAMC in the country, serving approximately 95,000 veterans annually. The Cleveland VAMC offered a full range of primary, secondary and tertiary care services to an eligible veteran population covering approximately 24 counties in Northeast Ohio.

120. The VA had been operating medical facilities in both Brecksville, Ohio, and the Wade Park neighborhood of Cleveland, Ohio. In or around the early 2000s, the VA began exploring the feasibility of consolidating the Brecksville and Wade Park facilities into one location (hereinafter "VA Development Project"). The combined facility would include a domiciliary, office space, and parking.

121. As part of the VA Development Project, the VA contemplated using an enhanced use lease ("EUL"), which was a method of funding construction or renovations on federal property by allowing a private developer to lease underutilized property, with the developer paying rent in cash or in-kind. The VA selected Business 42 to develop and manage the VA Development Project.

122. Michael Forlani ("Forlani") was the sole member of Business 42. In addition to serving in that role, Forlani had various business interests, including president and part-owner of Northeast Ohio Electric LLC dba Doan Pyramid LLC ("Doan") and a member of the Board of Managers for Veterans Development Domiciliary, LLC. The various businesses in which Forlani had a financial interest worked together on projects and assisted each other in obtaining and performing work.

123. Business Executive or Employee 52 ("BE52") was employed by Doan and later, Business 66, and helped Forlani on the VA Development Project.

124. In or around 2007, the VA was considering which components would lease office space within the VA Development Project. The Cleveland VAMC was one component that would move into the office space. MONTAGUE worked to have other VA components commit to leasing office space within the VA Development Project, including Employee Education Services Group ("EES"), Office of Information and Technology ("OI&T"), and Regional Counsel. The VA had guidelines, rules and procedures that governed the other VA components' procurement of office space. The procedures included the VA identifying potential cities or suburbs in which to locate the office space and thereafter soliciting proposals from potential landlords within that geographic region. The VA began the process of soliciting potential landlords. The VA received proposals from Business 67 and Business 42.

125. In and around 2008, Forlani was experiencing difficulty obtaining financing for the VA Development Project. Forlani sought and received assistance from several people, including public officials, to help him obtain financing. Forlani bribed several public officials in return for their assistance on the VA Development Project.

126. On July 28, 2008, federal agents, as part of a wide-ranging criminal investigation of public corruption, executed search warrants at the homes and offices of County officials and contractors, including Forlani's office. The search warrant called for records related to the VA Development Project. Forlani and Doan received federal grand jury subpoenas requiring production of all documents related to the VA Development Project.

127. VA Employee 2 worked for the VA and had responsibility for assisting the VA departments lease office space.

128. VA Employee 9 was a high ranking VA employee who reported to MONTAGUE.

129. VA Employee 11 was a VA employee who worked in the Office of Asset Management in Washington, D.C.

The Grand Jury further charges:

COUNT 17

(Conspiracy to Commit Mail and Wire Fraud and Honest Services Mail & Wire Fraud, 18 U.S.C. §§ 1341, 1343 and 1346, in violation of 18 U.S.C. § 1349 )

130. Paragraphs 1-2 and 118-29 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

THE CONSPIRACY

131. From in or around 2007 through on or about May 31, 2012, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, and Michael Forlani (not charged herein), and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate and agree with each other to commit offenses against the United States; that is, to knowingly devise and intend to devise a scheme and artifice:

(1) to defraud and deprive the VA of its right to the honest and faithful services of MONTAGUE, through bribery and kickbacks and the concealment of material information related thereto, and

(2) to defraud the VA and other potential VA contractors related to the VA Development Project, and VA projects in Ohio, Erie, PA and Buffalo, NY, including Business 67, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises,

and for the purpose of executing such scheme and artifice, (1) to cause matters to be placed in any post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service and private and commercial interstate carrier, in violation of Title 18, United States Code, Sections 1341 and 1346 and (2) to cause to be transmitted by means of wire

communication in interstate commerce, writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Sections 1343 and 1346.

#### OBJECT OF THE CONSPIRACY

132. It was the object of the conspiracy that MONTAGUE secretly used his official position to enrich himself, his designees (including House of Montague), Forlani, and Forlani's designees (including Business 42 and Business 66), related to the VA Development Project, and VA projects in Ohio, Erie, PA and Buffalo, NY, by soliciting and accepting gifts, payments, and other things of value from Forlani and Business 66, in exchange for favorable official action, and that Forlani and his designees enriched themselves by secretly obtaining favorable official action for themselves related to the VA Development Project, and VA projects in Ohio, Erie, PA and Buffalo, NY through corrupt means.

#### MANNER AND MEANS

It was part of the conspiracy that:

133. MONTAGUE solicited and accepted gifts, payments, and other things of value from Forlani and Business 66, including a consulting contract between Business 66 and House of Montague.

134. MONTAGUE provided favorable official action on VA business in the State of Ohio, Erie, PA and Buffalo, NY for the benefit of Forlani and his designees, including Business 42 and Business 66 both as requested and as future opportunities arose.

135. The conspirators took steps to hide, conceal, and cover up their activity and the nature and scope of Forlani's dealings with MONTAGUE.

136. MONTAGUE gave and offered to give Forlani information related to the VA Development Project, and VA projects in Ohio, Erie, PA and Buffalo, NY, which would benefit Forlani and his designees.

137. MONTAGUE took steps to give Forlani and his designees an advantage related to the VA Development Project, and VA projects in Ohio, Erie, PA and Buffalo, NY over Forlani's competitors.

138. In or around 2007, the VA was considering which components would lease office space within the VA Development Project. The VA Medical Center was one component that would move into the office space. MONTAGUE worked to have other VA components commit to leasing office space within the VA Development Project, including EES, OI&T, and Regional Counsel. The VA had guidelines, rules and procedures that governed the other VA components' procurement of office space. The procedures included the VA identifying potential cities or suburbs and thereafter, soliciting proposals from potential landlords. MONTAGUE used his power to try and steer the leases to benefit Forlani.

Acts in furtherance of the conspiracy

139. In or around 2007, MONTAGUE asked a VA attorney to authorize approval of a proposed lease for office space between the VA and Business 42. When VA attorneys told MONTAGUE that they could not approve the lease because it was an anticipatory lease, MONTAGUE told the VA attorneys that Forlani had been unable to secure financing for the VA Development Project, and the anticipatory lease agreement would likely allow Business 42 to secure the necessary financing because it would show potential investors an income stream.

140. MONTAGUE continued to pursue the Business 42 lease. When a VA attorney confronted MONTAGUE about its impropriety, MONTAGUE stated that Forlani needed to

obtain financing and the anticipatory lease would help Forlani demonstrate an income stream. MONTAGUE told the attorney that a particular VA department could withdraw from the lease later, after Forlani secured the financing.

141. When the initial VA lease contained a two-year term, the VA's standard lease term, Forlani enlisted MONTAGUE's assistance to secure a longer lease, which would help Forlani finance the VA Development Project by demonstrating a greater income stream.

142. On or about January 10, 2008, in response to questions about whether the OI&T and EES would move to the VA Development Project, MONTAGUE explained, "The EUL project will be priced into the Bond Markets on February 1, 2008. In order to get an AAA insured bond rating, the administrative building has to be 100% leased." MONTAGUE further explained, "If the developer for the EUL wins the contract, the building will be seven stories. If the developer does not win the contract, the building will be six stories and the price per square foot will increase. The medical center understands that either scenario is possible."

143. On or about March 19, 2008, MONTAGUE and Forlani had a conversation in which MONTAGUE asked Forlani for "your version" of the VA Development Project status. Forlani told MONTAGUE that he was pursuing a bond rating from S&P, but was experiencing delays. MONTAGUE asked Forlani, "Do you want some good news, even though it's small potatoes?" Forlani replied, "Yes, anything is good." MONTAGUE said, "Alright, (UI) I may have found some more tenants for your building in front of the garage . . . Ah, about 75 more employees." MONTAGUE continued, "Yeah, ah, [a VA department] is growing ... and apparently now, the EES is growing too. . . So . . . and . . . I got the guy from the national energy center here, and he's growing too but he's, he's not growing as much." Forlani responded, "Ok."

144. Later in the conversation, Forlani told MONTAGUE, "I'll stay in touch, thank you. And I'm hearing again not to ah, it would certainly help the S&P's condition if we had the one 11,000 square foot lease and I know, I think we're waiting for (UI) or [VA Employee 2] to get her authority back or whatever (UI) you call it." MONTAGUE said, "It's in the mail ... so we should be able to get that signed." Forlani said, "Ok ... I'll just, again, that would close any loophole that there would be in regards to the S&P. I mean because they could see another stream of money to cover the equity portion I have in there. It would only just enhance it." MONTAGUE told Forlani, "We'll get it signed."

145. On or about March 31, 2008 at approximately 12:19 p.m., Forlani learned about a potential contract for laundry services at the VA from a contractor, Business Executive or Employee 70 ("BE70"), which would involve a design build job for Forlani's company. Forlani said, "Ok, I see MONTAGUE tomorrow so I'll ask him."

146. On or about March 31, 2008 at approximately 1:23 p.m., MONTAGUE and Forlani had a conversation in which Forlani told MONTAGUE, "BILL, there is something I think that maybe can be done to help the process." MONTAGUE asked, "And that would be?" Forlani explained, "Um, Standard and Poors, um, is the rating agency. They've had this deal in front of them for like six weeks. So let me give you my business logic of what's going on. Standard and Poors has a lot of repetitive annuity type clients that need, because of the conditions of the marketplace, probably they're inundated with having to re-rate existing situations. And since we're a one time deal, they are probably just keep shoving our shit to the bottom of the pile. For a lack of a better, you know, let's look at this from a standpoint of layman's terms. I'm wondering if the government, somebody, um, would have some influence

with S&P to ask them to move, you know, to quicken the process. 'Cause there's, it never takes this long, BILL." MONTAGUE replied, "Well, I, I would imagine, ah, I, you know, I would imagine that if government business could be framed as an annuity, how would we do that? I mean we would have to get somebody else to do it. But I mean, that's the goal right, is to. . . ." Forlani explained, "Right, somebody in the system might be able to ah, you know, maybe it's [a private business], I doubt it but, you know, somebody at the VA, like um, the head of the VA could say, the government, ah, provides a lot of opportunities for S&P, we need and understand where the status of this, ah, this one is and like, you know, like to see if it can come out quicker." MONTAGUE told Forlani, "Hmm, it ah . . . let me search around and see if I can figure out who that guy is." Forlani told MONTAGUE he would bring the telephone number for the S&P analyst the following morning. MONTAGUE said, "Yeah, I sure as hell ain't gonna have it before tomorrow morning. So yeah, but I'll ah, how dare them trifle with us, don't they know we're Mikey and BILLY."

147. MONTAGUE changed topics and said, "Now, after this is done tomorrow are you going to be in a frame of mind to talk about some, I, I've got a couple, ah, I'll give you three projects that are design build that you probably need to know about now. I mean, you've, you've heard about them (UI) it's getting to the point where somebody's, you're going to have to tell someone to pay attention. I don't know if it's [] or who you tell to pay attention but. . . ." Forlani responded, "Yeah, sure, we'll discuss that and I hopefully can keep my head screwed on straight." MONTAGUE promised Forlani, "Alright well I will think, ah, and I'll do a little scraping around and see if we got any leverage as an agency," to which Forlani responded, "Yeah, that's all I want you to do, BILL. Figure if anybody's got some leverage."

148. On or about April 2, 2008 at approximately 2:03 p.m., MONTAGUE and Forlani had a conversation in which Forlani asked MONTAGUE, "Is there, BILL, do you have some need to, like work with UH and potentially somebody else to, to take your laundry services off site, or subcontract them out?" MONTAGUE said, "When we close, when we close Brecksville we will have to contract out our laundry services." Forlani told MONTAGUE that Forlani was going to a meeting the following day, to which MONTAGUE responded, "Alright well you may be getting the laundry . . . I get, I get credit (laughing)."

149. On or about April 5, 2008, MONTAGUE and Forlani had a conversation in which Forlani told MONTAGUE, "When somebody went at FED BIZOPS, it looked like the Chillicothe and Erie jobs were requesting design only, but maybe they don't know what they're looking at. Are, and you're pretty sure it's a design build?" MONTAGUE replied, "It's really strange and I don't understand this, Michael. Let's start with Erie, I talked to the chief engineer at Erie and she said it is going to be design build. In Chillicothe, I said, 'It's on the street to hire an architect.' So I personally stopped the director later [and asked], 'I thought you were going to go design build' We are. So I'm wondering if it's almost a semantics thing. The director at one place and the chief engineer at another place both swore to me these things were going to be design build. We'll try to respond and see if we get some clarification." Forlani replied, "I appreciate that." MONTAGUE spoke to Forlani on another topic, stating, "The other thing is if, um, Cleveland Foundation is kind of getting some hints that the only way they can probably put this laundry deal together is do it as a development deal. . . . So, if you made an off the beat comment that, you know, your experience with doing a development deal rather than them trying to procure it themselves that might help . . . us move that along quicker." MONTAGUE

responded, "I can do that in two different venues. Number one, I've got a meeting with [a VA employee]. This is a big general meeting, um, um, this week. I'm going to a reception with him. But the other thing that's even more important is we've, we've got the thing for the Fisher House being considered for one of their grants . . . I will make sure he knows how much I think of you and that we intend for you to be our partner in the Fisher House if the Fisher Foundation doesn't, you know, for some reason, have somebody that we have to use. Or, you know, I'll get it done."

150. On or about April 10, 2008 at approximately 5:50 p.m., MONTAGUE told Forlani, "The next time you and I see each other I have a list of possible energy projects I'm going to give you that ah, you may want to give to your, the guy that runs your department or something like that. (UI)" Forlani replied, "That would be nice, BILL, yeah. Anything would be nice right now." MONTAGUE said, "Well . . . maybe, right now if I . . . I may have to give some money to the energy project (UI). The hospital is, is kind of rolling in dough." Forlani told MONTAGUE, "You know, it's still rough out there buddy. I'm trying, I'm exhausted." MONTAGUE said, "I know you are, but I have a list of potential energy projects, and if you just tell, the guy can tell me which kind you are interested in." Forlani said, "Yeah great."

151. On or about April 16, 2008 at approximately 5:47 p.m., MONTAGUE and Forlani had a conversation in which MONTAGUE told Forlani, "Question number one or two, the decision as to place for Parma will not be made until July, or June . . . Ok, ah, there is no favorite, ah, you know, we like [Business 72] but we like Mike Forlani. We, I mean, if you get some kind of wind that [Business 72's] got the inside, that is very much not the case." Forlani said, "June, BILL, you are saying June. I'm trying to think about my options, how long they run. They are going to make a decision in June they're telling you." MONTAGUE later told Forlani,

"And then item number one, um, I had [VA Employee 9] try to call [], ah, to get a read on ah, to get a read on [VA Employee 11] and how to (UI) so I can figure out my strategy whether I went to [VA Employee 11] or I just went straight to [VA Employee 11's] supervisor. She also emailed him, he neither called nor emailed her back. We're going to give him one more try tomorrow morning and if I don't get him I'll probably just go to [VA Employee 11's] supervisor because I think I can get better information from him . . . So that's the plan so I didn't ah, accomplish that one, but we did, we did try." MONTAGUE also told Forlani, "Um, and then this is just, just for information. Um, apparently Tom was at a meeting today where the contracting Nazis informed him that, um, him and whoever else was there, apparently that all business was going to go to veteran disowned companies, disabled companies, veteran disabled companies and he is apparently quite piqued because of course his company is not a veteran disabled company, it's a you know, it's a minority enterprise . . . So he fired off a bunch of (UI) and stuff like that which just reminds me to repeat what I told you last night is that, there is nobody better at, at exploring options to a contractor than I know than. Now did you get my message last night as you were going home?" Forlani replied, "Yes, yes." MONTAGUE stated, "I cannot imagine that ah, with the time that has been taken since you were selected and what's going on in the country that we cannot package up a commodities, ah, reconsideration, it's just timing becomes the issue. So I will see if I can do a little poking around and find out how that might be done."

152. On or about April 18, 2008 at approximately 3:27 p.m., MONTAGUE and Forlani had a conversation in which Forlani asked, "Ah, you didn't hear from your boy VA Employee 11's supervisor did you?" MONTAGUE replied, "Um, I did not and I just, I just talked to [VA Employee 9]. I have been holding out for [] to call back, he must be on vacation or something. .

.. Yeah, I, I'm sorry Michael, you know, I, I keep saying well should I call him this morning, well maybe he'll call [VA Employee 9] so . . . I've been a bad boy."

153. On or about April 21, 2008 at approximately 5:19 p.m., MONTAGUE left a voice mail message for Forlani, "[VA Employee 11] realizes they're going to be double A bonds so there is no issue. Thanks bye."

154. On or about April 22, 2008 at approximately 4:33 p.m., Forlani and BE52 discussed a lease cost estimate the VA received from a third party contractor.

155. On or about April 22, 2008 at approximately 4:20 p.m., Forlani discussed the third party contractor report with VA Employee 9. VA Employee 9 told Forlani, "Mr. MONTAGUE and I were going to talk with him and figure out what the next plan was and who moves forward with [VA Employee 2]. I need to talk to Mr. MONTAGUE about, about who calls tomorrow [UI] and says we got to do something here, because every time we say something they threaten to report us to the IG [Inspector General]." VA Employee 8, who also participated in the conversation, said, "There are two lease proposals, you and another. According to [a third party], both are too high. We will send it back to both offerors and both have a week to respond with a lower quote. So I called [BE52] to see if he received anything yet." Forlani replied, "I guess I got to leave that to you guys. I don't know the procedures." VA Employee 9 told Forlani, "We need to see if there's anything we can do to alter this."

156. On or about April 22, 2008 at approximately 4:54 p.m., MONTAGUE and Forlani discussed the third party lease report. MONTAGUE said, "I have no doubt, I mean, that you are correct, what I'm trying to figure out is how do we approach this strategically." MONTAGUE told Forlani, "Let me think this thing through, [VA Employee 9 and VA Employee 8] called me

ah, about 15 minutes ago and there's got to be a way to approach this. This [VA Employee 2] I'm going to take out and shoot when I get a chance." Forlani said, "I guess they tell me that, every time you guys get a little ... you know, she threatens to go to IG and all this other (UI)." MONTAGUE replied, "Right, we have to be very careful. So what we're thinking, I'm thinking about doing as a preemptive move and have the lawyers come at her. Because see what (UI) we'll call the lawyers. So, if the lawyers are the ones that (UI). Unfortunately the lawyer I want to deal with isn't here (UI). By tomorrow morning after we have dazzled our friends from the bond insurance place, we will solve this, we always solve them right Michael."

157. On or about May 1, 2008 at approximately 11:57 a.m., Forlani asked VA Employee 8 if he had heard anything from VA Employee 2. VA Employee 8 updated Forlani. Forlani told VA Employee 8, "Ok, I want to make sure they all understand, you know, the level of security, the level of all of the access to the data network and all the other things that you know are so entwined in here." VA Employee 8 responded, "No, no, and the other thing and you didn't hear this from me, I guess your bid and the other person's bid was very similar." Forlani answered, "Uh huh, Ok." VA Employee 8 continued, "And so like I would say before A, you know, the level of, especially the IT stuff, in our opinion, that offered in this building is far better and that would even go to show me even more that this other person's appraisal, is you know, (UI), if both of your bids were similar, and then this one was quite a bit, I guess the appraisal was quite a bit less, maybe it is something wrong with our [UI]." Forlani asked, "Ok, um and at this stage, that's the only thing holding up 'cause, uh, then you guys would just vote? Or the votes have already . . . ok, ok." VA Employee 8 replied, "Yeah, yeah, we have to wait for that to be done, then we convene a board and then we vote and then we're done." Forlani asked VA

Employee 8 to keep him informed, "'cause I got so many moving parts right now and I'm getting pressure from every different angle."

158. On or about May 5, 2008 at approximately 11:59 a.m., MONTAGUE and Forlani had a conversation in which MONTAGUE told Forlani, "Michael I have good news for you." Forlani stated, "You won the lottery and the super rate, or whatever you call that, the mega..." MONTAGUE said, "Not only did my ticket win, I had put your name on it. The judge signed the order giving us the land on Friday, late Friday afternoon. So we now own the land. The bed tower notice to proceed late this week or early next week. It's a done deal (UI) and I think (UI) . . . [VA Employee 8] is sending an email to [BE52] so he can do your (UI) for you but I wanted to tell you personally."

159. On or about June 2, 2008, at approximately 4:52 p.m., after Forlani had learned about the federal investigation into bribery, fraud and corruption in Cuyahoga County, he told MONTAGUE, "I'm using multiple phones to shield myself from the enemy." MONTAGUE questioned, "And that would be?" Forlani replied, "Everybody." MONTAGUE assured Forlani, "I am not the enemy . . . I am working to achieve our mutual goals." Forlani told MONTAGUE, "I am making some very big in-roads because I've asked our union friends to step in and buy bonds, and it looks like some friends of our from the east are maybe going to do a substantial buy here which will really help our situation. And also buy it at a good rate." MONTAGUE replied, "Oh, they're going to bid them down. Michael, I, I bask in your aura." Forlani told MONTAGUE, "One thing, BILL, that I know we are going to need. I had [BE52] email [VA Employee 8]. Remember the famous MOU of which [VA Employee 11] was a party to, and that was the staggered accepting, ah, acceptance of a construction contract. Meaning that if the

garage got there before the office building . . . you would accept the project and, you know, we would pay liquidated damages to provide the parking . . . We need you to get regional counsel, somebody to write a legal opinion saying it's authority, you know." MONTAGUE asked, "So what exactly do I need to do? I'm getting pen and paper." Forlani explained, "We just need a legal opinion that just, ah, lends credence that, ah, you, you know, have the authority to do that."

160. MONTAGUE then said, "Let me explain what I'm doing on another front. . . . This is one thing you have to explain to BE52 and your boys that they cannot make a mistake on . . . We are going to send back to each of the proposed (UI) you know for the leases. How do you intend to meet the IT expectations. The, you know, the computer stuff . . . [BE52] cannot just blow this off, he's got to go to your IT types and just nail it. Level three, this, that, I mean you've got to send me something that talks about IT like you are going to protect it like, ah, the CIA." Forlani responded, "Got it." MONTAGUE reiterated, "And tell him, no, no half ass . . . you've got the A team, there's no doubt about it. We gotta use the A team on this one. . . . Because I'm trying to blow the other guys out of the water."

161. MONTAGUE turned to another topic. "Number two, um, you and I. Well let me just tell you up front. You know these contracting people that hate [a company that works with Forlani's companies] and, ah, have tried to blow them out. Well fortunately they are very lazy people and, ah, they cannot get their job done so they are subcontracting it to the Corps of Engineers in Buffalo, NY. And you may have gotten this message already because [VA Employee 9] told it to [BE52] . . . But I think if you have the correct disabled veteran enterprise and, ah, you're willing to work with the Corps of Engineers in Buffalo, NY you may have the

key to the mint." Forlani replied, "Great, ok. Very good." MONTAGUE told Forlani, "I'll find out exactly what (UI) in Washington."

162. On or about June 9, 2008 at approximately 7:05 p.m., Forlani and MONTAGUE discussed an issue related to the VA Development parking garage. Forlani told MONTAGUE, "Ok, that's your mission." MONTAGUE said, "Alrighty." Then Forlani said, "Your mission is VA Employee 11, too, don't forget you got a [VA Employee 11] mission." MONTAGUE responded, "I know I got a [VA Employee 11] mission but I've been at HB all afternoon, so I did not perform this afternoon. I'm a bad boy."

163. On or about June 10, 2008 at approximately 3:51 p.m., MONTAGUE and Forlani had a conversation in which Forlani said, "Uncle BILL," and MONTAGUE replied, "Yes Uncle Mikey. I have a mixture of news, most of it is very positive." They first discussed an issue related to a back-up plan if the VA Development Project parking garage was not completed prior to the other buildings. Then MONTAGUE asked Forlani to clarify Forlani's position as to whether the VA should issue the lease through GSA or request permission to issue the lease directly. Forlani explained, "Let me say this to you, BILL, it's, it's more desirable for me because there is 10-year financing which makes the financing easier, um, as opposed to ah, adjusting the ah, enhanced use lease this late in the game. Which would mean that I really don't want go and get any more bond money, which means it would be a little tricky for me to pick up the balance of the money through a loan. That's why we were talking about that 10-year provision would be important . . . it would be easier if it was GSA, I would say yes. But it would not benefit you as much." MONTAGUE then updated Forlani about the third party lease report, stating, "I have an email now from [VA Employee 10] that says we can ignore the appraisals.

Because the guy that did the appraisals wrote right in there that there is no construction in the University Circle area that meets this criteria. Therefore you are going to have to build new. He put it right in the document. So that gives us authority to go to scoring." Forlani replied, "Send [VA Employee 10] a case of Sam Adams on me." MONTAGUE said, "This, this, this lady I mean I'm rapidly falling in love. I want you to know, I have invested lots of personal shoe leather walking over there." Forlani said, "Ok, so when we go to scoring now what's going to become important is that um ... A the other technical requirements," and MONTAGUE interjected, "Which are IT and Transportation . . . And we're working on that, I got [VA Employee 8], that's why I got [VA Employee 8] here, I've got the engineers getting the correct questions from [VA Employee 9] to ask you. So you haven't gotten the questions yet, but when you do A team, ok." MONTAGUE said, "Alright so I will not approach [VA Employee 11] other than to change the service agreements if this keeps proceeding down the right road . . . Alright, we agree to the strategy?" Forlani said, "Yes." MONTAGUE told Forlani, "Alright go bayonet the wounded." Forlani asked, "You know BILL, in regard to that, do you want me to now drop the rate some if it does go GSA?" MONTAGUE said, "Ah, I want you to play it out and I don't want to get in the middle of that, that probably certainly wouldn't hurt if you got a best and final offer request."

164. On or about June 11, 2008 at approximately 4:32 p.m., MONTAGUE left a voice mail message for Forlani, "Michael, it's his eminence, both letters are signed I am told and have been sent, I hope that's true. [VA Employee 8] says [BE52] has sent the changes . . . so that should be done too. So we're on a roll, talk to you when you feel so inclined. Bye."

165. On or about June 13, 2008 at approximately 2:42 p.m., MONTAGUE and Forlani had a conversation in which Forlani and MONTAGUE discussed an issue related to the VA Development Project parking garage. MONTAGUE said, "I want to make sure I'm being helpful . . . (UI)." Forlani answered, "I'll tell you what would be helpful if you can get the both of them and if you can ask them if they can state the rate at \$7 a day per space." Forlani later said, "If you could do that, BILL, that would really help and then I'll tell the guys the other stuff they are asking for they can shove it." MONTAGUE responded, "Alright, let me . . . so you need me to get both Case and, and UCI to modify their letter to say \$7 a day. I, I will get to work on that immediately. I don't think I can get it done by the end of the day. I'll have the letter re-written and I'll have it forwarded to each of them and I'll follow up on Monday. Ok."

166. On or about June 17, 2008, VA Employee 2 sent an email to BE52, seeking additional information about the lease proposals. She received a response on or about June 20, 2008.

167. On or about June 25, 2008 at approximately 8:34 p.m., Forlani updated MONTAGUE on the status of the VA Development Project financing. MONTAGUE said, "Now, now Michael you understand, I mean, have you ever had a client more on your side than us?" Forlani complained, "And, BILL, I can't tell you how much on the hook I am with construction costs right now, I mean, you know, it's not my fault." MONTAGUE replied, "Michael I know and I will fight on your behalf, I'm as tough as they come." MONTAGUE further said, "Ok, Michael, we will get there, we always win. Correct. And relax, that's an order."

168. On or about June 26, 2008 at approximately 1:44 p.m., MONTAGUE and Forlani had a conversation in which MONTAGUE told Forlani, "I just got some good news for both of us . . . . I'm expecting a call back from [VA Employee 11] momentarily, but I have tried to find out some information I haven't found anything beyond what you told me. . . ." Forlani interrupted MONTAGUE and said, "If I can't get this opinion I can't get the optimum and then just forget it. Without the opinion I can't sell anything. And I just I just want to let you know, I mean, that's where it's at." MONTAGUE returned to the "good news" and said, "Can please, now sit still, the other vendor who's the grocery store on the leases . . . Has stated, he sent back when he got the IT question, said he had no intention of providing IT services so the likelihood is we can disqualify him and move on to just using new construction costs 'cause you're the only game in town but you gotta get the boys to answer the IT question . . . ." Forlani told MONTAGUE that he submitted the IT information the prior Friday. Forlani later said, "The only problem is, BILL, can you figure out a way to suspend a 7th floor up in the (UI)?" They both laughed.

169. On or about June 26, 2008 at approximately 6:11 p.m., Forlani was complaining to MONTAGUE about delays in the VA's decision making process. MONTAGUE said, "Ok, so my job is to get them to say yea or nay?" Forlani replied, "Yeah so you know I guess all I can ask, BILL, is they look at it quickly and say yay or nay. It's not like it's nuclear science. . . There is there is no hope for me, BILL, big brother, I love you big brother, but there is no hope for me right now, I am, I'm beaten senseless. I'm absolutely insane. I can't, I'm not going to something . . . And nothing is going to make me any better right now, unless something. . . ." MONTAGUE

interrupted, "Uh no no your big brother is going to make you better." Forlani told MONTAGUE, "Try to get [VA Employee 11] to reach . . . Get [VA Employee 11] to react, he can't sit on it."

170. On or about July 1, 2008 at approximately 3:32 p.m., Forlani complained to MONTAGUE that VA Employee 11 had not responded, which was delaying Forlani's S&P rating. MONTAGUE said, "I'm glad you called and I now know my assignment." MONTAGUE promised to contact VA Employee 11 at 8:00 the following morning.

171. On or about July 2, 2008 at approximately 10:16 a.m., MONTAGUE and Forlani had a conversation in which MONTAGUE told Forlani, "I have, I have, spoken to both [VA Employee 13] and [VA Employee 11], um [VA Employee 11] isn't overly sold on this concept but he says if the lawyers say ok it's ok with him and he is expecting, I mean he thinks he's not sure that it indicates, er, he's he's worried that just the words mean separation, but if the lawyers say it doesn't mean separation, it's fine by him they expect an answer back today or by the latest tomorrow." MONTAGUE promised to call Forlani "immediately" after he received the answer.

172. On or about July 2, 2008, the VA sent a letter via Federal Express to Business 67, providing notice that its proposal could not comply with the necessary IT requirements.

173. On or about July 7, 2008, MONTAGUE asked Forlani's assistant, Business Executive or Employee 60 ("BE60"), if Forlani received any news. When the assistant told MONTAGUE that Forlani was in a meeting, MONTAGUE replied, "What I need is my instructions. Have we gotten any place or um he must send me on a quest." MONTAGUE laughed.

174. On July 28, 2008 at approximately 3:45 p.m., while federal agents were still executing a search warrant at Forlani's office, MONTAGUE called Forlani and asked, "Are you

alone?" When Forlani replied, "Yes." MONTAGUE told Forlani that the Cleveland Plain Dealer called the VA and asked questions about Forlani's VA Development Project. MONTAGUE told Forlani that VA Employee 8 only answered "stuff he had to answer."

175. On or about September 22, 2008, MONTAGUE formed House of Montague Wealth Management and Consulting, LLC ("House of Montague") as an Ohio Domestic Limited Liability Company.

176. After the search warrants were executed on July 28, 2008, MONTAGUE continued to lobby within the VA to support the EUL.

177. On or about April 21, 2009, MONTAGUE attended a meeting with VA officials, Forlani, potential financing sources and others, regarding the VA Development Project. MONTAGUE and Forlani each gave presentations on why attendees should finance the project.

178. On or about June 17, 2009, Business 42 obtained the use of approximately 432 parking spaces at a rate of \$7/day, in the event the administration building and domiciliary were completed prior to the parking garage.

179. On or about October 28, 2009, the VA and Business 42 executed documents related to the VA Development Project, all dated October 1, 2009.

180. On or about January 1, 2010, Business 66 began operations, having purchased Doan's assets. Business 66 operated out of Doan's former office space and retained many Doan employees and management, including BE52.

181. On or about January 11, 2010, MONTAGUE announced his intent to retire from the VA effective February 3, 2010.

182. On or about February 3, 2010, MONTAGUE retired from the VA.

183. On or about February 15, 2010, Business 66 issued a check to House of Montague for \$2,750, the first of many approximately monthly checks.

184. On or about November 3, 2010, MONTAGUE became a Trustee of the Patricia M. Lawley Trust, which was funded by ninety-nine percent of the units of Conglomerate Holdings Northeast Ohio Electric, LLC.

185. On or about December 29, 2010, MONTAGUE became a member of the Business 66 Board of Advisors.

186. From on or about February 15, 2010 through on or about May 2012, Business 66 paid House of Montague \$156,750.

#### EXECUTION OF THE SCHEME

187. Throughout the conspiracy, MONTAGUE, Forlani and others, for the purpose of executing the above-described scheme and artifice, caused documents to be delivered and sent through the United States mails, and caused interstate wire communications, including interstate telephone calls and email communications. For example, on or about July 2, 2008, the VA sent Business 67 a letter via Federal Express, providing official notification of its elimination from competition, which resulted in Forlani's company remaining as the sole bidder. The March 19, 2008 conversation described in paragraph 143 above between MONTAGUE and Forlani, occurred while MONTAGUE was in Cleveland, Ohio and Forlani was in Florida.

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

The Grand Jury further charges:

COUNT 18

(Bribery of Public Officials, 18 U.S.C. §§ 201(b)(2) & (c)(1)(B) and 2)

188. Paragraphs 1-2 and 118-29 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

189. From in or around 2007 through on or about May 31, 2012, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, a public official, (1) directly and indirectly did corruptly demand, seek, receive, accept, and agree to receive and accept something of value personally and for another person and entity, in return for being influenced in the performance of an official act, being influenced to commit and aid in committing and to collude in, and allow, and to make opportunity for the commission of a fraud on the United States, and being induced to do an act and omit to do an act in violation of his official duty; and (2) otherwise than as provided by law for the proper discharge of official duties, directly and indirectly did demand, seek, receive, accept, and agree to receive and accept something of value personally for and because of an official act performed and to be performed by MONTAGUE.

All in violation of Title 18, United States Code, Sections 201(b)(2) and (c)(1)(B) and 2.

The Grand Jury further charges:

COUNTS 19-21

(Disclosing Public Contract Information, 41 U.S.C. §§ 2101, 2102 & 2105)

190. Paragraphs 1-2 and 118-29 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

191. On or about the dates set forth below, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, a person described in §

423(a)(2), did knowingly disclose contractor bid and proposal information and source selection information, as defined in Title 41 U.S.C. § 2101, before the award of a federal agency procurement contract to which the information related, in exchange for a thing of value and to obtain and give a person a competitive advantage in the award of a federal agency procurement contract.

Count	Date	Description
19	June 2, 2008	MONTAGUE's conversation with Forlani summarized in Count 17.
20	June 10, 2008	MONTAGUE's conversation with Forlani summarized in Count 17.
21	June 26, 2008	MONTAGUE's conversation with Forlani summarized in Count 17.

All in violation of Title 41, United States Code, Sections 2101, 2102 and 2105.

### **Part III: General Allegations Related to MONTAGUE's Other Consulting Clients**

The Grand Jury further charges:

At all times relevant unless otherwise indicated:

#### MONTAGUE's Consulting Clients

192. On or about September 22, 2008, MONTAGUE formed House of Montague Wealth Management and Consulting, LLC ("House of Montague") as an Ohio Domestic Limited Liability Company.

193. During MONTAGUE's employment at the Cleveland VAMC, MONTAGUE pursued and obtained consulting clients for himself and for House of Montague. MONTAGUE continued growing his consulting business during the one-year cooling off period following his Cleveland VAMC employment and during his tenure at the Dayton VAMC. Each of these

consulting clients had worked, were then presently working or were then seeking work on VA projects.

Business 68

194. Business 68 was a publically traded company with multiple divisions, including Federal Services, Energy/Construction, Oil/Gas and Construction/Design. Business Executive or Employee 71 ("BE71") primarily worked in the Construction/Design division of Business 68.

195. In or around June 2009, MONTAGUE told BE71 he was considering retiring as the Cleveland VA Director and pursuing a career in private consulting. MONTAGUE asked BE71 if Business 68 would be interested in hiring him if he retired. At the time, Business 68 was attempting to advance its position with the VA for architectural, program management and other consulting services. Among other things, Business 68 wanted MONTAGUE to (1) advise on the VA's 5-year capital plan and strengthen Business 68's understanding of the project types and geographic regions where investments are planned to occur; (2) assist in arranging face-to-face introductory meetings with key decision makers at the national, regional, and local levels; and (3) provide insight on key selection criteria, in general and for specific pursuits.

196. In or around October 2009, Business 68 and MONTAGUE negotiated a consulting agreement pursuant under which MONTAGUE would receive approximately \$2,500 per month.

197. On or about January 15, 2010, Business 68 drafted a proposed work order for consulting service with MONTAGUE.

198. On or about February 4, 2010, the day after MONTAGUE retired from the Cleveland VA, Business 68 hired MONTAGUE as a consultant.

#### Business 69 & 70

199. Business 69 was a service disabled, veteran owned business located in Cleveland, Ohio. Business Executive or Employee 72 ("BE72"), was a high level executive at Business 69.

200. Business 70 was a business located in Cleveland, Ohio. Business Executive or Employee 73 ("BE73") was a high level executive at Business 70. Business 70 partnered with Business 69 on certain projects. Business 71 was a construction company with which Business 69 sought to partner on certain projects. Business 71 was one of MONTAGUE's clients.

201. In or around Fall 2010 (following MONTAGUE's Cleveland VA retirement), MONTAGUE met with representatives from Business 69 to discuss MONTAGUE providing consulting services to Business 69. Business 69 was interested in pursuing solar power projects and sought MONTAGUE's assistance pursuing VA solar power projects, including learning the VA's plans for solar power and identifying companies that specialized in solar panels. Business 69 agreed to pay MONTAGUE for his services.

#### Business 71

202. Business 71 was a construction company, headquartered in Illinois with offices throughout the United States and Canada.

203. Business 71 Employee 1 and Business 71 Employee 2 were high level employees of Business 71.

204. On or about May 1, 2010, Business 71 entered into a consulting contract with House of Montague. As part of the contract, House of Montague agreed to "Provide a synthesized list of VA projects, by VISN and or medical center prioritizing projects more likely to be funded . . . Provide assistance in improving Business 71's relationship with the VA through

access to relevant VA officials as necessary... Assure that House of Montague is a key resource to contacts at the VA to ensure current information...identify viable VA projects to reduce the cost to Business 71 of reviewing projects unlikely to go ahead.” Business 71 agreed to pay House of Montague \$2,000 per day.

### Business 73

205. Business 73 was a non-profit organization that provided a variety of human service programs to help people in need, including providing social services to veterans. Business 73 had branches around the United States, including in Cleveland, Ohio, and was headquartered in Virginia.

206. Business Executive or Employee 69 (“BE69”), was a high-level executive for Business 73.

207. In or around 2007 and 2008, while MONTAGUE was employed at the Cleveland VAMC, Business 73 had business with the Cleveland VA, including participating in the VA Homeless Providers Grant and Per Diem Program, through which Business 73 provided transitional housing and training for homeless veterans.

208. In or around 2007 and 2008, Business 73 determined that some of its branches were struggling. Business 73 considered replicating the successful Business 73 veteran service program at the Cleveland branch at those other branches. In approximately late 2007, BE69 asked MONTAGUE if he could schedule a meeting with a VA official in Charleston, South Carolina to discuss Business 73 providing services to that facility. MONTAGUE arranged for the meeting. MONTAGUE asked BE69 if Business 73 would pay him for arranging the meeting and any future meetings. Business 73 considered hiring MONTAGUE as a consultant to help Business 73 expand services provided to the VA. MONTAGUE informed Business 73 that he

was about to retire from the VA and expressed interest in helping Business 73 strategically develop joint ventures and/or expand services provided to the VA. MONTAGUE emphasized his ability to access key decision makers in the VA quickly and effectively.

209. On or about July 1, 2008, while MONTAGUE was employed at the Cleveland VAMC, MONTAGUE entered into a consulting agreement with Business 73, in which MONTAGUE would receive approximately \$2,500 per day, payable in monthly installments of \$5,000, for a minimum of 24 days, from on or about July 1, 2008 through on or about July 1, 2009. MONTAGUE would also receive reimbursement for reasonable and necessary expenses.

210. MONTAGUE did not retire from the VA as represented to Business 73, remaining employed by the VA until on or about February 3, 2010.

211. MONTAGUE told BE69 that MONTAGUE had contacted the VA ethics panel and received authorization to work as a Business 73 consultant, as long as MONTAGUE took vacation time to perform the consulting work. In fact, MONTAGUE had not received such authorization.

#### Business 74

212. Business 74 was a design/build, construction management, and general contracting firm with offices in Cleveland, Ohio and other states. BE75 and BE76 were Business 74 employees. Business 74 performed work on the VA Development Project.

213. In or around 2010, Business 74 was interested in pursuing other VA projects, including projects in other states, and considered hiring MONTAGUE to help in that pursuit.

214. On or about August 5, 2010, BE75 informed Business 74 employee, BE76, that Business 74 intended to use MONTAGUE to help us on this Nashville project "as a test of his

ability to help us globally on VA work. MONTAGUE can get in to see directors of VA's [sic] all over the country."

215. In or around the Fall 2010, Business 74 agreed to pay MONTAGUE a quarterly consulting fee of approximately \$5,000.

#### MONTAGUE's Work for the Consulting Clients

216. As part of his consulting contract with Business 73, MONTAGUE helped Business 73 pursue work with the VA in various states, including North Carolina. MONTAGUE, while still employed at the Cleveland VA, contacted VA officials in various states on behalf of Business 73 and was successful in scheduling meetings for Business 73 to present proposals to VA officials.

217. On or about April 24, 2008, MONTAGUE, as Cleveland VA Director, signed a Form 10-0361c, Medical Center Director Review Sheet, following a February 8, 2008 inspection related to Business 73's participation in the VA Homeless Providers Grant and Per Diem Program. MONTAGUE approved placing veterans at the Business 73 facility and re-appointing a project liaison and his signature authorized the VA to release funds to pay Business 73 under the program.

218. On July 28, 2008, shortly after MONTAGUE signed the consulting contract with Business 73, the FBI executed search warrants at Michael Forlani's office and elsewhere.

219. Although permitted under the contract, MONTAGUE did not bill Business 73 for consulting work at either the end of July 2008 or the beginning of August 2008.

220. On or about May 12, 2009, MONTAGUE completed a Government Form SF278 Executive Branch Personnel Public Financial Disclosure Report, but failed to report his future

employment Business 73, well knowing at the time that he was party to a consulting agreement with Business 73 from July 1, 2008 to July 1, 2009.

221. On or about February 3, 2010, MONTAGUE retired from the Cleveland VA.

222. On or about February 5, 2010, MONTAGUE completed a Government Form SF278 Executive Branch Personnel Public Financial Disclosure Report, but failed to report his employment relationship with Business 68.

223. In or around February 2010, MONTAGUE met with VA Employee 4 regarding Business 68.

224. On or about February 26, 2010, MONTAGUE met with VA Employee 3 regarding Business 68.

225. On or about March 2, 2010, MONTAGUE sent MONTAGUE's task list to a Business 68 employee.

226. On or about March 11, 2010, Business 68 made its first \$2,500 payment to MONTAGUE.

227. On or about March 27, 2010, MONTAGUE left a message for a VA National Energy Business Center ("NEBC") employee and attempted to meet with an NEBC employee regarding Business 68, which at the time, was pursuing national VA contracts through the NEBC.

228. On or about April 8, Business 68 issued a \$2,500 check to MONTAGUE.

229. On or about April 14, 2010, MONTAGUE sent an email from his sbcglobal.net email account to Business 68 employee BE74, reporting that MONTAGUE had met with "lots of VA people, got a briefing on where the construction program is going, obtained the information

to predict which FY11 [Fiscal Year 2011] projects will be funded and come close to predicting FY12 [Fiscal Year 2012].”

230. On or about April 23, 2010 at approximately 8:57 a.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 68 employee BE74, with a subject, “Energy IDIQ.” MONTAGUE reported, “I have now [finally] had a meeting with the deputy director of the VA National Energy Business Center. I have another scheduled in 2 weeks. The reviews of the 330's to determine the short lists by VISN are proceeding [sic] a [sic] varying rates. Some are ahead of schedule, some are behind. Here is the schedule according to [a VA employee].” Later in the email, MONTAGUE wrote, that a VA employee “stresses that these dates were ‘very loose’ and that he would have more substantive information for me next time. He did answer [a Business 68 employee’s] question. Yes, most of the decisions have not been made and the short lists are going to trickle out. It is called SCIP. You will get your copy early next week.”

231. On or about May 25, 2010; Business 71 issued a \$4,813.30 check to House of Montague.

232. On or about May 27, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

233. On or about June 8, 2010 at approximately 6:14 a.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 68 employee, BE74, with a subject “Fw: Re: JLL.” The email forwarded an email MONTAGUE had received from VA Employee 16, which stated, “The only HCCs we have approved are the ones in the FY10 budget. . . . There were 7 more we had in the FY11 budget but OMB nixed the FBB initiative so they got pulled. . . . There are many others being submitted as part of this Strategic Capital Investment Planning (SCIP)

process for FY12 consideration. I can let you know the top priority once they're scored at the end of July."

234. On or about June 28, 2010 at approximately 9:11 a.m., MONTAGUE sent an email from his sbcglobal.net account to Business 68 employee, BE74, with a subject "Master List of Leases minus Austin in Process." The email attached a .pdf file, "Leased Clinics minus Austin.pdf."

235. On or about July 6, 2010 at approximately 7:35 a.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 68 employee, BE74, with a subject, "Re: [VA Employee 17]." The email indicated, "I did learn one important thing from VA Employee 17. The National Energy Business Center is using GSA as a means and methods for Energy contracts. Therefore, just scanning VA data bases will miss a significant # of projects. I will investigate further but we should talk about this. I will also check it out in Wash. on Fri."

236. The VAMC was unable to perform every test and procedure that patients required. When patients required a test or procedure that the VAMC could not offer, the VA contracted with local medical offices under a purchase care agreement. The medical center performed the required service and billed the VA. In or around July 2010, MONTAGUE told VA Employee 1 that MONTAGUE was working on a project with a non-profit organization and asked for a list of all medical offices that performed purchase care work for the VA.

237. On or about July 6, 2010 at approximately 9:39 a.m., in response to MONTAGUE's request, VA Employee 1 sent MONTAGUE an email attaching two VA documents, "Medical Care.xlsx" and "Nursing Homes and Home Care.xls."

238. On or about July 6, 2010 at approximately 1:37 p.m., in response to MONTAGUE's request, VA Employee 1 sent MONTAGUE an email attaching a VA document,

“Greater Cleveland Vendors.xls.” The email stated, in part, “Here is the ‘master’ list for Greater Cleveland. We spent a good amount of time trying to clean it up and make it useable. Hopefully there is good information you can use from the list.”

239. On or about July 7, 2010, Business 71 issued a \$4,828.40 check to House of Montague.

240. On or about July 8, 2010, MONTAGUE invoiced Business 73 for \$5,000, for “Research and identify all quality clinical providers by category in NE Ohio and identify all providers used by a federal system in Cuyahoga County.”

241. On or about July 21, 2010, Business 71 issued a \$4,814.80 check to House of Montague.

242. On or about July 29, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

243. In or around August 2010, MONTAGUE asked VA Employee 1 for the Cleveland VA Fee Schedule for medical procedures.

244. On or about August 5, 2010 at approximately 8:33 a.m., in response to MONTAGUE’s request, VA Employee 1 sent an email to MONTAGUE attaching the following VA documents: “Cleveland Local VA Fee Schedule FY 2010.xlsx,” “Cleveland Local VA Fee Schedule 2008.xlsx,” and “Cleveland Local VA Fee Schedule FY 2009.xlsx.”

245. On or about August 5, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

246. On or about August 11, 2010 at approximately 2:29 p.m., MONTAGUE, who was in Ohio, called VA Employee 18, in Nashville, Tennessee.

247. On or about August 11, 2010 at approximately 2:59 p.m., MONTAGUE sent an email from his sbcglobal.net account to Business 74 Employee BE75, subject "Re: Nashville Next Thursday 8/12." MONTAGUE informed Business 74 Employee BE75 that the Nashville meeting with VA Employee 18 was cancelled. According to MONTAGUE, VA Employee 18 intended to send MONTAGUE an e-mail that afternoon or the following morning that would "outline the staff in both the VISN and at the hospital that he will make available, but not by tomorrow. I will forward that [sic] email and call to arrange our next step." MONTAGUE had "two lengthy discussions [with VA Employee 18] and we will get there but not tomorrow."

248. On or about August 23, 2010, Business 71 issued a \$4,824.80 check to House of Montague.

249. In or around September 2010, MONTAGUE asked VA Employee 1 for information about the most common out-patient medical procedures requested and billed by the Cleveland VA.

250. On or about September 2, 2010, Business 74 issued a \$1,250 check to MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague US Bank account on or about September 14, 2010.

251. On or about September 3, 2010, MONTAGUE received a \$5,000 check from Business 73.

252. On or about September 30, 2010 at approximately 3:34 p.m., in response to MONTAGUE's request, VA Employee 1 sent an email to Montague providing VA data and documents, including an attachment entitled, "Top 25 CPTs and DRGs .xls."

253. On or about September 30, 2010, Business 71 issued a \$5,055.40 check to House of Montague.

254. On or about September 30, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

255. On or about October 14, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

256. On or about October 28, 2010, Business 71 issued a \$4,754.05 check to House of Montague.

257. On or about November 3, 2010, MONTAGUE asked VA Employee 3 to provide VA documents, which documents related to VA projects that Business 68 was pursuing with the VA, including documents related to logistics, construction funding, and the VA Facilities Management Transformation Initiative, which documents helped Business 68 remain efficient with time and money related to VA projects.

258. On or about November 4, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

259. On or about November 5, 2010 at approximately 7:17 a.m., MONTAGUE forwarded an email from his sbcglobal.net email account that MONTAGUE had received from VA Employee 3, to Business 68 employee, BE74, with an attachment "FULL\_LOGISTICS\_FUTURES-BRIEF\_(AJ)\_.10-8-10.ppt."

260. On or about November 24, 2010, Business 71 issued a \$4,819.30 check to House of Montague.

261. On or about December 7, 2010, Business 69 issued a check to WILLIAM MONTAGUE for \$10,000, as payment for consulting services.

262. On or about December 16, 2010, Business 68 issued a \$2,500 check to MONTAGUE.

263. On or about January 5, 2011, Business 71 issued a \$4,050.00 check to House of Montague.

264. On or about January 20, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

265. On or about January 28, 2011, MONTAGUE asked VA Employee 4 to meet with Business 69 and Business 70, which MONTAGUE explained to VA Employee 4 would help Business 69 and Business 70 successfully complete their strategic goal of competing effectively for larger energy projects.

266. On or about January 21, 2011, Business 74 issued a \$5,000 check to WILLIAM D. MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague US Bank account on or about January 21, 2011.

267. On or about January 28, 2011, Business 71 issued a \$4,824.80 check to House of Montague.

268. On or about February 2, 2011 at approximately 1:52 p.m., Business 74 employee BE76 sent an email to MONTAGUE's sbcglobel.net email account, related to a VA project in Charleston. BE76 asked, "Would you have any connections at the Charleston VAMC? Are you aware of any local favorites? Know of any local SDVOSBs?" She also asked if their meeting on

February 11, 2011 was firm. At approximately 2:17 p.m., MONTAGUE replied, "I know the director[.] I will ask[.] Not yet[.] The 11th is firm[.]"

269. On or about February 4, 2011 at approximately 2:32 p.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 70 and Business 69, with a subject, "Meeting NEBC Cleveland," discussing meeting logistics between Business 70 and a VA employee.

270. On or about February 23, 2011 at approximately 8:30 a.m., VA Employee 16 sent an email to MONTAGUE's sbcglobal.net email account, replying to an inquiry MONTAGUE had made on or about February 8, 2011. VA Employee 16 wrote, "Here's the update on Louisville: We have started the due diligence of five sites. Downtown, Zorn Ave, and three Greenfield sites. Material is expected to be available for a decision in late summer. VAMC is planning a town hall but date not set. It's not much, but I hope it helps!"

271. On or about February 28, 2011, Business 71 issued a \$4,839.80 check to House of Montague.

272. On or about March 1, 2011 at approximately 9:42 a.m., MONTAGUE forwarded an email from his sbcglobal.net email account to Business 68 Employee BE74, which MONTAGUE had received from VA Employee 16 regarding "the update on Louisville."

273. On or about March 11, 2011, MONTAGUE began working as the Medical Center Director of the Dayton VAMC, a career Senior Executive Service position. MONTAGUE had responsibility for executive level management of the Dayton facility.

274. On or about March 15, 2011, MONTAGUE received training on the rules governing MONTAGUE working as a consultant while also working as the Dayton VA Director.

275. On or about March 17, 2011 at approximately 9:31 a.m., Business 74 employee, BE76, sent a email to MONTAGUE and Business 74 employee, BE75, with a subject "FW: VA Deck in Kentucky." Business 74 employee, BE76, asked MONTAGUE to "find out if there is funding as we don't want to waste our time on this." Business 74 employee, BE75, replied to Business 74 employee, BE76, and MONTAGUE at approximately 10:06 p.m., asking MONTAGUE to call the following day "Regarding both this project and one down in Charleston SC."

276. On or about March 31, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

277. In or around April 2011, MONTAGUE asked VA Employee 5 and VA Employee 6, who worked under MONTAGUE, to research alternative energy projects the VA was administering across the country. VA Employee 5 and VA Employee 6 began collecting the data MONTAGUE requested, by among other means, contacting VA facilities across the country to gather information related to installation costs, energy savings value, energy sources used, and contact information for the VA contracting officials. VA Employee 5 and VA Employee 6 used their official positions at the VA to obtain some of this information. As VA Employee 5 and VA Employee 6 received information from other VA employees, VA Employee 6 created a spreadsheet to summarize the information.

278. In or around April 2011, MONTAGUE asked VA Employee 6 to research solar panel manufacturers. VA Employee 6 identified solar panel companies and further vetted the companies through references. VA Employee 6 used his official position at the VA to obtain some of this information.

279. On or about April 5, 2011 at approximately 5:49 p.m., MONTAGUE sent Business 68 Employee BE74 an email from MONTAGUE's sbcglobal.net email account, with a

subject line "Major Construction," and an attachment, "Detail of Request.docx," which contained information related to VA projects. The email body read, "As promised."

280. On or about April 12, 2011, MONTAGUE caused to be sent an email to VA Employee 12 related to an ethics opinion on MONTAGUE having private employment while also working as the Dayton VA Director. MONTAGUE described his business, in part, as "I take public information, such as budget documents, SCIP plans, and other official documents and predict which will be funded. I also provide consultive services for bids and teaming agreements." MONTAGUE further stated, "I realize that I can do nothing involving the Dayton VAMC, I can never present my opinion as that of the Dayton VAMC Director, and I cannot provide any service on duty time or utilize government equipment."

281. On or about April 13, 2011, MONTAGUE received an email from VA Employee 12 containing draft ethics guidance, which included the following: "As the Director has pointed out, his [MONTAGUE's] business activities must be kept out of the VAMC and not involve use of VA office equipment or supplies. . . . Further, his business activities may not involve the use of non-public information."

282. On or about April 15, 2011, MONTAGUE caused to be sent an invoice to Business 71 for work performed at "Wash/Cleve/Dayton," and which further explained, "Cleveland/Dayton[:] compile major cost through 2022, analyzed all energy projects, set up meeting with VISN 12, Meeting at National Energy Bus Cent."

283. On or about April 18, 2011 at approximately 11:17 a.m., VA Employee 6 sent an email to VA Employee 5 attaching a spreadsheet containing the data he had obtained related to energy projects.

284. On or about April 19, 2011 at approximately 11:37 a.m., VA Employee 5 forwarded the spreadsheet entitled "Preferred Energy Source.xls," to MONTAGUE's me.com email address.

285. On or about April 20, 2011, MONTAGUE asked VA Employee 7 to scan a document and send it via e-mail to VA Employee 5. VA Employee 7 did as instructed and sent VA Employee 5 an e-mail with the attachment titled "VA Construction Program0001.pdf."

286. Thereafter, on or about April 20, 2011 at approximately 4:37 p.m., VA Employee 5 sent an e-mail to MONTAGUE's me.com e-mail account, writing, "Here is the information that you requested," and attaching documents "VA Construction Program0001.pdf" and "Preferred Energy Source.xls."

287. On or about April 21, 2011, MONTAGUE provided the documents "VA Construction Program0001.pdf" and "Preferred Energy Source.xls." to Business 71.

288. On or about April 26, 2011, Business 71 sent a check to House of Montague as payment on the April 15, 2011 invoice.

289. On or about May 5, 2011, Business 71 issued a \$4,819.30 check to House of Montague.

290. On or about May 8, 2011 at approximately 10:16 a.m., MONTAGUE sent an email to BE74 (a Business 68 employee), stating, "As promised," and attaching the documents "VA Construction Program0001.pdf" and "Preferred Energy Source.xls."

291. On or about May 8, 2011, MONTAGUE sent an email to Business 74 employees and himself, with a subject, "Garage Predictions.dox." The body stated, "FY 12 Listing includes only remaining possibilities. BILL." Attached was a spreadsheet providing information about VA Projects, including the project name, project type and total cost.

292. On or about May 9, 2011 at approximately 10:30 a.m., VA Employee 6 sent an email from VA Employee 6's VA email account to MONTAGUE's VA email account, updating MONTAGUE on the solar panel project.

293. On or about May 19, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

294. On or about May 22, 2011 at approximately 7:49 p.m., MONTAGUE sent an email from his sbcglobal.net email account to representatives of Business 69 and Business 70, attaching the spreadsheet that VA Employee 6 and VA Employee 5 had created.

295. On or about May 26, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

296. On or about June 11, 2011 at approximately 10:42 a.m., MONTAGUE sent an email from his sbcglobal.net email account to BE74, with a subject, "May VISN to VA Central Office," updating BE74 on MONTAGUE's meeting with VA Employee 14 related to various VA projects. Among other things, MONTAGUE informed BE74 that VA Employee 14 "provided me a comprehensive, though not current, construction monitoring report (attached). He promised a current report once his office move is completed. . . . [a] a schedule of resident engineer staffing for present and future projects. The number of solar and other alternative energy projects is about to increase significantly . . . another initiative by the VA has been stalled, and the money is being put towards alternative energy. . . . I would recommend that special attention be paid to the Chillicothe[sic] VA . . . there is a series of between 20-24 planned and their funding record is remarkable. I have included in one of the attachments a list of cemetery projects. Also included as the last attachment is an outline of cemetery projects in New York, LA, San Francisco, and Chicago. The New York Project, which was just agreed to, will include 52,000 burial sites."

297. On or about June 16, 2011, VA Employee 6 sent an email from VA Employee 6's VA email account to MONTAGUE's VA email account, attaching an internet link to a solar power company.

298. On or about June 16, 2011, MONTAGUE forwarded VA Employee 6's email from MONTAGUE's VA email account to MONTAGUE's me.com email account. Shortly thereafter, MONTAGUE forwarded that email to Business 69 Employee, BE72, and added, "My engineers still rate [a named company] as the best and most favored by the government."

299. MONTAGUE did not disclose to VA Employee 6 or to VA Employee 5 that he was working as a consultant for companies pursuing energy contracts with the VA. MONTAGUE did not tell VA Employee 6 or VA Employee 5 that he (MONTAGUE) provided the data they collected to MONTAGUE's clients.

300. VA Employee 6 and VA Employee 5 performed these tasks during their regularly scheduled work day, using VA equipment and resources. VA Employee 6 and VA Employee 5 received their regular VA salary for the work performed at MONTAGUE's request.

301. On or about June 16, 2011, Business 74 issued a \$1,250 check to WILLIAM D. MONTAGUE, which MONTAGUE caused to be deposited into the House of Montague US Bank account on or about June 27, 2011.

302. On or about June 16, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

303. On or about June 28, 2011, Business 71 issued a \$2,795.40 check to House of Montague.

304. On or about July 7 through July 8, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

305. On or about July 7, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

306. On or about July 17, 2011 at approximately 6:19 p.m., MONTAGUE sent an email from his sbcglobal.net email account to Business 71 Employees 1 and 2 and others, with a subject, "July Visit Report." MONTAGUE informed the group, "Last week, my July visit to VA Central Office took place on July 7. This was the most successful visit thus far. I got exactly what Business 71 employee 1 asked for when we first met: a priority listing of every project the VA intends to do next year. Unfortunately, it is quite lengthy and I would be at my home scanner forever. I am sending this document plus the latest EUL presentation to the secretary and two extremely recent SCIP process updates via snail mail to [Business 71 employee 2]. . . .BILL."

307. On or about July 30, 2011, in response to an email Business 74 employee, BE76, sent on or about July 28, 2011 suggesting that Business 74 "put on hold [MONTAGUE's] quarterly stipends," MONTAGUE sent an email from his sbcglobal.net email account to Business 74 employee, BE76, with a carbon copy to Business 74 employee, BE75, with a subject "Re: VA contract update." MONTAGUE informed Business 74 "I have had difficulty [sic] figuring out what [Business 74] wants or needs. I have just, for example, obtained the priority scored list of all scored projects for next fiscal year. It is unpublished and unavailable elsewhere. This is considered the motherlode [sic] by my other clients, all of whom pay more than \$5000 a quarter. These lists would be excellent examples of a project by project system. This is every project in the entire VA in priority order by category. I also have obtained all planned Major projects through 2022."

308. On or about August 2, 2011, MONTAGUE caused to be sent an invoice to Business 71 for "Work Performed at Washington D.C. July 7&8."

309. On or about August 3, 2011, Business 71 issued a \$2,443.40 check to House of Montague.

310. On or about August 5, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

311. On or about August 19, 2011, Business 71 issued a \$5,159.80 check to House of Montague.

312. On or about September 2, 2011, MONTAGUE facilitated scheduling a meeting between Business 68, VA officials and others in Lexington, Kentucky to occur on or about September 14, 2011.

313. On or about September 8-9, 2011, MONTAGUE travelled to Washington, D.C. on official VA business, related, in part, to an Enhanced Use Lease with the National Cemetery.

314. On or about September 11, 2011, MONTAGUE sent an email from his sbcglobal.net email account to Business 70 employee, BE73, writing, "Attached are two copies of my first quarter bill. . . . Payment of the invoice should be made to [Province Lane, Brecksville, OH]. As stated in our conversation the other day, I have every VA project ranked by category for fiscal year 13. I also have those projects in priority order that are likely to be funded by the President's jobs bill. Also in the mill are significant cemetery projects about which I have been contacted by the VAs [sic] Chief Cemetery Architect/Engineer and our plans with ECOLUMENS. Your father and I had a discussion several months ago, during which I reduced the quarterly price to \$7500. Hopefully, with the amount of VA stuff in the pipeline, your investment will prove to be shrewd. Congratulations on Chillicothe [sic]. There's much more in the pipeline at that facility."

315. On or about September 29, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

316. On or about October 13, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

317. On or about October 27, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

318. On or about November 9-10, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

319. On or about November 10, 2011, Business 69 issued a \$7,500 check to MONTAGUE.

320. On or about November 17, 2011, Business 71 issued a \$2,424.40 check to House of Montague.

321. On or about December 6, 2011, Business 68 employee, BE74, informed others, "I spoke with BILL MONTAGUE last Tuesday. I briefed him on the meetings/calls we have had to date with VA Employee 14 and the Lexington Chief Engineer. He agreed to call VA Employee 14 to again express our team's interest in the project and to determine if there was an ability for us to gain any insight on the local firm's [sic] from VA Lexington's perspective."

322. On or about December 22, 2011, Business 68 issued a \$2,500 check to MONTAGUE.

323. On or about January 2, 2012, MONTAGUE sent an email from his sbcglobal.net email account to Business 71 Employee 1, Business 71 Employee 2 and other Business 71 employees, with a subject "December Report" and an attachment, "NRM List.pdf." MONTAGUE's email explained, "Attached is the NRM [Non-Recurring Maintenance] List,

should the \$4 billion construction budget be approved....There is an alternate plan for the San Francisco Hospital that has been conceived. . . The research corporation at San Francisco is a \$50 million a year operation and has hired consultants to help conceive and present a proposal. I was involved in their last conference call and expect to be included in the future. I did state for the group that I doubted San Francisco would get out of line for a major that is so close. I do believe, however, that this initiative will evolve into a huge research building for the San Francisco VA....”

324. On or about January 5, 2012, Business 71 issued a \$2,509.50 check to House of Montague.

325. On or about January 31, 2012, Business 71 issued a \$2,484.00 check to House of Montague.

326. On or about February 1, 2012 at approximately 10:50 a.m., MONTAGUE sent an email from his sbcglobal.net email account to himself, with a subject “re: IDIQ.” MONTAGUE wrote, “Talked to VA Employee 14 [Director, Lexington]. Project was not in the passback to VA from OMB. It is now a two phase project. . . . VA Employee 14 was pleased that Business 68 was interested enough to again want his input. He will keep me informed. BILL. He wants this project and I’m betting on him.” MONTAGUE forwarded that email to Business 68 employee, BE74, at approximately 11:05 a.m.

327. On or about February 22, 2012, Business 71 issued a \$2,484.40 check to House of Montague.

328. On or about March 21, 2012, Business 71 issued a \$4,902.80 check to House of Montague.

The Grand Jury further charges:

COUNTS 22-44  
(Mail Fraud, 18 U.S.C. § 1341)

329. Paragraphs 1-2, 17 and 192-328 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

The Scheme

330. From in or around 2007 through on or about March 8, 2013, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE did knowingly devise and intend to devise a scheme and artifice to defraud the United States Department of Veterans Affairs and certain potential VA Contractors and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and material omissions.

It was part of the scheme that:

331. MONTAGUE used his position as a current and former high-ranking official with the VA to obtain and promise to obtain VA documents, VA employee insights, meetings with VA officials, and other VA information (collectively "VA information") to benefit Business 68, Business 69, Business 70, Business 71, Business 73, and Business 74, all of whom were MONTAGUE's consulting clients (collectively hereinafter "MONTAGUE's consulting clients").

332. While employed at the VA, MONTAGUE used VA resources, including employee time and government equipment, to collect the VA information.

333. MONTAGUE, both directly and through House of Montague, obtained fees from MONTAGUE's consulting clients to whom MONTAGUE gave and promised to give the VA information.

334. MONTAGUE's consulting clients obtained and sought to obtain the VA information in order to gain and attempt to gain an advantage in the award and administration of VA business.

335. MONTAGUE gave materially false and misleading information to VA employees from whom MONTAGUE asked for VA information. Moreover, MONTAGUE failed to disclose material facts as to why MONTAGUE sought the VA information.

336. MONTAGUE concealed and attempted to conceal the nature of his consulting relationship with the MONTAGUE consulting clients and his use of VA resources to further his consulting business.

Execution of the Scheme

337. On or about the dates listed below, in the Northern District of Ohio and elsewhere, MONTAGUE, for the purpose of executing the above-described scheme and artifice, caused matters to be placed in any post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service and private and commercial interstate carrier, in accordance with the directions thereon, each constituting a separate Count:

Count	Date	Description
22	3/11/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
23	4/8/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
24	5/27/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
25	7/29/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.

26	8/5/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
27	9/3/10	\$5,000 payment from Business 73 to MONTAGUE sent from Virginia to Brecksville, Ohio.
28	9/30/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
29	10/14/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
30	11/4/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
31	12/16/10	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
32	1/20/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
33	3/31/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
34	4/26/11	\$2,418.40 payment from Business 71 to MONTAGUE sent from Illinois to Brecksville, Ohio.
35	5/19/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
36	6/16/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
37	6/28/11	\$2,795.40 payment from Business 71 to MONTAGUE sent from Illinois to Brecksville, Ohio.
38	7/7/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
39	8/3/11	\$2,443.40 payment from Business 71 to MONTAGUE sent from Illinois to Brecksville, Ohio.
40	9/19/11	\$5,159.80 payment from Business 71 to MONTAGUE sent from Illinois to Brecksville, Ohio.
41	9/29/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.

42	10/27/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
43	12/22/11	\$2,500 payment from Business 68 to MONTAGUE sent from Texas to Brecksville, Ohio.
44	1/5/12	\$2,484 payment from Business 71 to MONTAGUE sent from Illinois to Brecksville, Ohio.

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

The Grand Jury further charges:

COUNTS 45-53  
(Wire Fraud, 18 U.S.C. § 1343)

338. Paragraphs 1-2, 17, 192-328 and 331-36 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

The Scheme

339. From in or around 2007 through on or about March 31, 2012, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE did knowingly devise and intend to devise a scheme and artifice to defraud the United States Department of Veterans Affairs and potential VA Contractors and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and material omissions.

Execution of the Scheme

340. On or about the dates listed below, in the Northern District of Ohio and elsewhere, MONTAGUE, for the purpose of executing the above-described scheme and artifice, caused to be transmitted by means of wire communication, in interstate commerce, writings, signs, signals, pictures, and sounds, in the Northern District of Ohio, including the following, each constituting a separate Count:

Count	Date	Description
45	July 6, 2010	E-mail from VA Employee 1's VA e-mail account to MONTAGUE's sbcglobal.net email account, attaching a VA documents, "Greater Cleveland Vendors.xls." The email stated, in part, "Here is the "master" list for Greater Cleveland. We spent a good amount of time trying to clean it up and make it useable. Hopefully there is good information you can use from the list."
46	August 5, 2010	E-mail from VA Employee 1's VA e-mail account to MONTAGUE's sbcglobal.net email account, attaching the following VA documents: "Cleveland Local VA Fee Schedule FY 2010.xlsx," "Cleveland Local VA Fee Schedule 2008.xlsx," and "Cleveland Local VA Fee Schedule FY 2009.xlsx."
47	September 30, 2010	Email from VA Employee 1's VA e-mail account to MONTAGUE's sbcglobal.net email account, providing VA data and documents, including an attachment entitled, "Top 25 CPTs and DRGs .xls."
48	February 23, 2011	Email from VA Employee 16's VA email account to MONTAGUE's sbcglobal.net email account, replying to an inquiry MONTAGUE had made on or about February 8, 2011. 16 wrote, "Here's the update on Louisville: We have started the due diligence of five sites. Downtown, Zorn Ave, and three Greenfield sites. Material is expected to be available for a decision in late summer. VAMC is planning a town hall but date not set. It's not much, but I hope it helps!"
49	April 20, 2011	Email from VA Employee 5's VA e-mail account to MONTAGUE's me.com e-mail account, stating, "Here is the information that you requested," and attaching the VA Construction Program0001.pdf from VA Employee 7 and another copy of the "Preferred Energy Source.xls" spreadsheet.
50	May 8, 2011	Email from MONTAGUE's sbcglobal.net email account to BE74, stating, "As promised," and attaching the "VA Construction Program0001.pdf" and the "Preferred Energy Source.xls" spreadsheet.

51	May 22, 2011	Email from MONTAGUE's sbcglobal.net email account to BE72, attaching the spreadsheet that VA Employee 6 and VA Employee 5 created.
52	June 16, 2011	Email from MONTAGUE's va.gov email account to MONTAGUE's me.com email account, subject matter "FW:Solar Power Company Link."
53	June 16, 2011	Email from MONTAGUE's me.com account to BE72, subject matter "FW: Solar Power Company Link," and adding "My engineers still rate [company] as the best and most favored by the most favored by the government."

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

**Part IV: General Allegations Regarding MONTAGUE Double-Billing the VA and Business 71 for MONTAGUE's Travel Expenses**

341. On or about May 1, 2010, Business 71 entered into a consulting agreement with House of Montague. As part of that agreement, Business 71 agreed to pay House of Montague \$2,000 per day of dedicated service to Business 71, as well as to reimburse normal travel expenses directly related to providing Business 71 consulting services.

342. VA employees must follow federal rules and regulations when travelling on official Government business and when claiming reimbursement for such travel.

The Grand Jury further charges:

COUNTS 54-57  
(Mail Fraud, 18 U.S.C. § 1341)

343. Paragraphs 1-2, 202 and 341-42 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

### The Scheme

344. From on or about May 26, 2011 through on or about January 5, 2012, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE did knowingly devise and intend to devise a scheme and artifice to defraud the United States Department of Veterans Affairs and Business 71 and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and material omissions.

It was part of the scheme that:

#### **May 26, 2011 Washington, D.C. Trip**

345. On or about May 26, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

346. On or about June 17, 2011, MONTAGUE caused to be submitted a Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation	\$704.40
Hotel	\$211.00
Per Diem	\$177.50
Parking	\$24.00
Hotel Taxes	\$30.60
Metro/Taxi Shuttle	\$40.00
<u>Mileage</u>	<u>\$16.52</u>
Total	\$1,204.02

347. On or about May 26, 2011, MONTAGUE caused to be submitted an expense report to Business 71, seeking reimbursement for the following expenses associated with the same trip:

Transportation	\$730.40
Hotel	\$0
Per Diem	\$45.00

Parking	\$10.00
Hotel Taxes	\$0
Metro/Taxi Shuttle	\$10.00
<u>Mileage</u>	<u>\$0</u>
Total	\$795.40

#### **July 7-8, 2011 Washington, D.C. Trip**

348. On or about July 7 through July 8, 2011, MONTAGUE travelled to Washington, D.C. on official VA business.

349. On or about July 15, 2011, MONTAGUE caused to be submitted a Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation	\$186.42
Hotel	\$89.00
Per Diem	\$106.50
Hotel Taxes	\$11.57
<u>Metro/Taxi Shuttle</u>	<u>\$15.90</u>
Total	\$409.39

350. In or around July or early August 2011, MONTAGUE caused to be submitted an expense report to Business 71, seeking reimbursement for the following expenses associated with the same trip:

Transportation	\$313.40
Hotel	\$0
Per Diem	\$60.00
Parking	\$20.00
Hotel Taxes	\$0
Metro/Taxi Shuttle	\$24.00
<u>Mileage</u>	<u>\$26.00</u>
Total	\$443.40

#### **August 5, 2011 Washington, D.C. Trip**

351. On or about August 5, 2011, MONTAGUE travelled to Washington, D.C. on official VA business. On or about September 6, 2011, MONTAGUE caused to be submitted a

Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation	\$280.04
Per Diem	\$53.25
Parking	\$14.00
Mileage	\$103.84
<u>Metro/Taxi Shuttle</u>	<u>\$15.00</u>
Total	\$466.13

**September 8-9, 2011 Washington, D.C. Trip**

352. On or about September 8-9, 2011, MONTAGUE travelled to Washington, D.C. on official VA business, related, in part, to an Enhanced Use Lease with the National Cemetery. On or about September 15, 2011, MONTAGUE caused to be submitted a Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation	\$585.40
Hotel	\$211.00
Per Diem	\$106.50
Hotel Taxes	\$30.60
<u>Mileage</u>	<u>\$35.00</u>
Total	\$968.50

353. On or about September 9, 2011, MONTAGUE caused to be submitted an expense report to Business 71, seeking reimbursement for the following expenses associated with the August 5, 2011 and September 8-9, 2011 trips:

<u>August 5, 2011</u>	
Transportation	\$313.40
Hotel	\$0
Per Diem	\$45.00
Parking	\$10.00
Hotel Taxes	\$0
Metro/Taxi Shuttle	\$24.00
<u>Mileage</u>	<u>\$26.00</u>
Total	\$418.40

September 8-9, 2011

Transportation	\$591.40
Hotel	\$0
Per Diem	\$60.00
Parking	\$10.00
Hotel Taxes	\$0
Metro/Taxi Shuttle	\$10.00
Mileage	\$70.00
Total	\$741.40

354. MONTAGUE wrote on the invoice, "Hotel room 9/8 my choice no charge."

**October 13, 2011 Washington, D.C. Trip**

355. On or about October 13, 2011, MONTAGUE travelled to Washington, D.C. on official VA business. On or about October 27, 2011, MONTAGUE caused to be submitted a Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation	\$769.40
Per Diem	\$5.00
Parking	\$12.00
Metro/Taxi Shuttle	\$20.00
Mileage	\$105.37
Total	\$911.77

356. On or about November 6, 2011, MONTAGUE caused to be submitted an expense report to Business 71, seeking reimbursement for the following expenses associated with the same trip:

Transportation	\$313.40
Hotel	\$0
Per Diem	\$45.00
Parking	\$10
Hotel Taxes	\$0
Metro/Taxi Shuttle	\$30.00
<u>Mileage</u>	<u>\$26.00</u>
Total	\$424.40

**November 9-10, 2011 Washington, D.C. Trip**

357. On or about November 9-10, 2011, MONTAGUE travelled to Washington, D.C. on official VA business. On or about November 15, 2011, MONTAGUE caused to be submitted a Government expense report seeking reimbursement for the following expenses associated with that trip:

Transportation	\$619.40
Hotel	\$183.00
Per Diem	\$106.50
Parking	\$12.00
Hotel Taxes	\$26.54
Metro/Taxi Shuttle	\$6.10
<u>Mileage</u>	<u>\$86.33</u>
Total	\$1,036.87

358. In or around mid-October to early January 2012, MONTAGUE caused to be submitted an expense report to Business 71, seeking reimbursement for the following expenses associated with the same trip:

Transportation	\$379.40
Hotel	\$0
Per Diem	\$60.00
Parking	\$20.00
Hotel Taxes	\$0
Metro/Taxi Shuttle	\$24.00
<u>Mileage</u>	<u>\$26.00</u>
Total	\$509.40

358a. MONTAGUE did not disclose to Business 71 that the VA would pay for MONTAGUE's expenses associated with these trips, nor did MONTAGUE disclose to the VA that Business 71 would pay for MONTAGUE's expenses associated with these trips

359. On or about the dates listed below, in the Northern District of Ohio and elsewhere, MONTAGUE, for the purpose of executing the above-described scheme and artifice, caused matters to be placed in any post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service and private and commercial interstate carrier, in accordance with the directions thereon, each constituting a separate Count:

Count	Date	Description
54	June 28, 2011	Payment sent from Business 71 in Chicago, IL to MONTAGUE in Brecksville, OH to reimburse expenses associated with the May 26, 2011 Washington, D.C. Trip
55	August 3, 2011	Payment sent from Business 71 in Chicago, IL to MONTAGUE in Brecksville, OH to reimburse expenses associated with the July 7-8, 2011 Washington, D.C. Trip
56	September 19, 2011	Payment sent from Business 71 in Chicago, IL to MONTAGUE in Brecksville, OH to reimburse expenses associated with the August 5, 201 and September 8-9, 2011 Washington, D.C. Trips
57	January 5, 2012	Payment sent from Business 71 in Chicago, IL to MONTAGUE in Brecksville, OH to reimburse expenses associated with the November 9-10, 2011 Washington, D.C. Trip

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

**Part V: General Allegations Related to MONTAGUE Spending  
House of Montague Proceeds**

The Grand Jury further charges:

At all times relevant:

360. MONTAGUE caused to be deposited the checks received from consulting clients into the House of Montague bank account at US Bank, Account No. XXX9704.

361. Thereafter, MONTAGUE caused to be written checks from the US Bank account, which disbursed the money received from the House of Montague consulting clients, including using House of Montague money to pay MONTAGUE's personal expenses.

The Grand Jury further charges:

COUNT 58  
(Money Laundering, 18 U.S.C. § 1957)

362. Paragraphs 1-2 and 360-61 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

363. On or about August 14, 2010, in the Northern District of Ohio, Eastern Division, Defendant WILLIAM D. MONTAGUE did knowingly engage and attempt to engage in a monetary transaction, by, through and to a financial institution, affecting interstate and foreign commerce, in a criminally derived property of a value greater than \$10,000, that is, withdrawing funds from the House of Montague Wealth Management and Consulting bank account, US Bank Account No. XXX9704, by issuing check number 1014 payable to Third Federal, in the amount of \$12,400, as payment on a mortgage for a residence on Province Lane, Brecksville, Ohio, such property having been derived from a specified unlawful activity, that is proceeds of Counts 1-18

and 22-53 of this Superseding Indictment, in violation of Title 18, United States Code, Sections 201, 1341, 1343, 1349, and 1951.

All in violation of Title 18, United States Code, Section 1957.

**Part VI: General Allegations Related to Government Ethics and Disclosure Requirements**

The Grand Jury further charges:

At all times relevant:

364. As a high-ranking federal government employee, MONTAGUE was subject to certain federal rules and laws governing his VA employment and governing his ability to seek and negotiate future employment.

365. Upon MONTAGUE's separation from the VA, MONTAGUE was subject to certain other federal rules and laws governing his ability to communicate with the VA and work on matters involving the VA.

The Grand Jury further charges:

COUNT 59

(Acts Affecting a Personal Financial Interest, 18 U.S.C. § 208)

366. Paragraphs 1-2, 205 and 364 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

367. On or about April 24, 2008, the exact date being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, being an officer and employee of the executive branch of the United States Government and an officer and employee of an independent agency of the United States, knowingly and willfully participated personally and substantially as a Government officer and employee, through a decision, approval, disapproval, recommendation, rendering of advice,

investigation and otherwise, in a proceeding, application, request for a ruling and other determination, contract, claim, controversy, charge, and other particular matter in which Defendant and an organization with whom he was negotiating and had any arrangement concerning prospective employment, namely Business 73, had a financial interest.

It was part of the offense that:

368. On or about January 11, 2008, the VA conducted a periodic inspection at a Business 73 facility related to the VA Homeless Providers Grant and Per Diem Program.

369. On or about February 8, 2008, the VA conducted a periodic inspection at a Business 73 facility related to the VA Homeless Providers Grant and Per Diem Program.

370. On or about April 24, 2008, MONTAGUE, as Cleveland VA Director, signed a Form 10-0361c, Medical Center Director Review Sheet, following the February 8, 2008 inspection. MONTAGUE approved placing veterans at the Business 73 facility and re-appointing a project liaison.

All in violation of Title 18, United States Code, Section 208.

The Grand Jury further charges:

COUNT 60

(Activities of Employees in Claims Against and Other Matters Affecting the Government,  
18 U.S.C. § 205)

371. Paragraphs 1-2, 205, and 364-65 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

372. In or around 2007, Business 73 was performing work for the Cleveland VA, including participating in the VA Grant and Per Diem Program. Beginning in or around the end of 2007, Business 73 tried to implement programs similar to that in Cleveland in other VA facilities.

373. From on or about July 1, 2008 through on or about July 1, 2009, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, being an officer and employee of the United States in the executive branch of the Government and in any agency of the United States, other than in the proper discharge of his official duties, did knowingly and willfully act as an agent for anyone before any department and agency in connection with any covered matter in which the United States was a party and had a direct and substantial interest.

It was part of the offense that:

374. As part of his consulting contract with Business 73, MONTAGUE helped Business 73 pursue work with the VA in various states, including North Carolina.

375. MONTAGUE contacted VA officials in various states on behalf of Business 73.

376. MONTAGUE was successful in scheduling meetings for the Business 73 to present its services to VA officials.

All in violation of Title 18, United States Code, Section 205.

The Grand Jury further charges:

COUNT 61

(Falsify, Conceal, and Cover Up a Material Fact to the United States, 18 U.S.C. § 1001)

377. Paragraphs 1-2 and 205 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

378. In or around 2008, WILLIAM D. MONTAGUE and Business 73 entered into a consulting agreement that covered the period from on or about July 1, 2008 through on or about July 1, 2009. The agreement provided that Business 73 would pay MONTAGUE approximately \$2,500 per day, payable in monthly installments of \$5,000, for a minimum of 24 days in the 12

months commencing on or about July 1, 2008. The agreement further provided that MONTAGUE would provide tailored support to affiliates with an interest in developing services for veterans as requested by Business 73.

379. As a Senior Executive Service employee at the VA in calendar year 2008, MONTAGUE was required to provide a completed Executive Branch Personnel Public Financial Disclosure Report ("2008 Financial Disclosure Report") to the United States Office of Government Ethics. The Financial Disclosure Report contained a signature line next to a "Certification" section that read: "I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge."

380. The 2008 Financial Disclosure Report included Schedule C, Part II: Agreements or Arrangements, which required reporting individuals to "Report your agreements or arrangements for : . . . (4) future employment." The form further instructed the reporting individual to "show any agreements or arrangements as of the date of filing."

381. On or about May 12, 2009, in the Northern District of Ohio, Eastern Division, Defendant knowingly and willfully falsified, concealed and covered up by any trick, scheme and device a material fact on his 2008 Financial Disclosure Report, filed with the United States Office of Government Ethics, in a matter within the jurisdiction of the executive branch of the Government of the United States, that is; in response to Schedule C, Part II, Defendant failed to report his future employment with Business 73, well knowing at the time that the response was not true, complete and correct, because Defendant was party to a consulting agreement with Business 73 that covered a twelve-month period from July 1, 2008 to July 1, 2009.

All in violation of Title 18, United States Code, Section 1001.

The Grand Jury further charges:

COUNT 62

(Restrictions on Former Officers, Employees and Elected Officials of the Executive and Legislative Branches, 18 U.S.C. § 207(c))

382. Paragraphs 1-2, 205 and 364-65 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

383. On or about February 3, 2010, MONTAGUE retired from the Cleveland VA.

384. During the period in or around July 2010 through in or around September 2010, MONTAGUE worked as a consultant for Business 73.

385. At all times relevant herein, VA Employee 1, was employed by the VA. When MONTAGUE was employed by the Cleveland VA, he served as an informal mentor to VA Employee 1.

386. The VAMC was unable to perform every test and procedure that patients required. When patients required a test or procedure that the VAMC could not offer, the VA contracted with local medical offices under a purchase care agreement. The medical center performed the required service and billed the VA.

387. From in or around July 2010, through in or around September 2010, the exact dates unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, who was an officer and employee of the executive branch of the United States, namely the United States Department of Veterans Affairs, and who was employed at a rate of pay and in a position set forth in Title 18, United States Code, Section 207(c)(2), within one year after the termination of his service and employment as such officer and employee, did knowingly and willfully make, with the intent to influence, a communication to and appearance before an officer and employee of the United States

Department of Veterans Affairs, on behalf of Business 73 in connection with a matter on which MONTAGUE sought official action by an officer and employee of the United States Department of Veterans Affairs.

It was part of the offense that:

388. In or around July 2010, MONTAGUE told VA Employee 1 that MONTAGUE was working on a project with a non-profit organization and asked for a list of all medical offices that performed purchase care work for the VA.

389. On or about July 6, 2010 at approximately 9:39 a.m., in response to MONTAGUE's request, VA Employee 1 sent MONTAGUE an email attaching two VA documents, "Medical Care.xlsx" and "Nursing Homes and Home Care.xls."

390. On or about July 6, 2010 at approximately 1:37 p.m., in response to MONTAGUE's request, VA Employee 1 sent MONTAGUE an email stating attaching a VA documents, "Greater Cleveland Vendors.xls." The email stated, in part, "Here is the 'master' list for Greater Cleveland. We spent a good amount of time trying to clean it up and make it useable. Hopefully there is good information you can use from the list."

391. On or about July 8, 2010, MONTAGUE invoiced Business 73 for \$5,000, for "Research and identify all quality clinical providers by category in NE Ohio and identify all providers used by a federal system in Cuyahoga County."

392. In or around August 2010, MONTAGUE asked VA Employee 1 for the Cleveland VA Fee Schedule for medical procedures.

393. On or about August 5, 2010, in response to MONTAGUE's request, VA Employee 1 sent an email to MONTAGUE attaching the following VA documents: "Cleveland

Local VA Fee Schedule FY 2010.xlsx," "Cleveland Local VA Fee Schedule 2008.xlsx," and Cleveland Local VA Fee Schedule FY 2009.xlsx."

394. In or around September 2010, MONTAGUE asked VA Employee 1 for information about the most common out-patient medical procedures requested and billed by the Cleveland VA.

395. On or about September 3, 2010, MONTAGUE received a \$5,000 check from Business 73.

396. On or about September 30, 2010, in response to MONTAGUE's request, VA Employee 1 sent an email to Montague providing VA data and documents, including an attachment entitled, "Top 25 CPTs and DRGs .xls."

All in violation of Title 18, United States Code, Section 207(c).

The Grand Jury further charges:

COUNT 63

(Falsify, Conceal, and Cover Up a Material Fact to the United States, 18 U.S.C. § 1001)

397. Paragraphs 1-2 and 194 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

398. As a Senior Executive Service employee at the VA in calendar year 2009 and into 2010, MONTAGUE was required to provide a completed Executive Branch Personnel Public Financial Disclosure Report ("2009 Financial Disclosure Report") to the United States Office of Government Ethics. The Financial Disclosure Report contained a signature line next to a "Certification" section that read: "I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge."

399. The 2009 Financial Disclosure Report includes Schedule C, Part II: Agreements or Arrangements, which requires reporting individuals to "Report your agreements or arrangements for : . . . . (4) future employment." The form further instructs the reporting individual to "show any agreements or arrangements as of the date of filing." Schedule D, Part I: Positions Held Outside U.S. Government instructed "Report any position held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution."

400. On or about February 5, 2010, in the Northern District of Ohio, Eastern Division, Defendant knowingly and willfully falsified, concealed and covered up by any trick, scheme and device a material fact on his 2009 Financial Disclosure Report, filed with the United States Office of Government Ethics, in a matter within the jurisdiction of the executive branch of the Government of the United States, that is; (1) in response to Schedule C, Part II, Defendant failed to report his future employment with Business 68 ; and (2) in response to Schedule D, Part I, Defendant failed to report his position held with Business 68 ; well knowing at the time that both responses were not true, complete and correct.

All in violation of Title 18, United States Code, Section 1001.

The Grand Jury further charges:

COUNT 64

(Restrictions on Former Officers, Employees and Elected Officials of the Executive and Legislative Branches, 18 U.S.C. § 207(c))

401. Paragraphs 1-2, 194 and 365 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

402. From in or around February 2010, through in or around November 2010, the exact dates unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, who was an officer and employee of the executive branch of the United States, namely the United States Department of Veterans Affairs, and who was employed at a rate of pay and in a position set forth in Title 18, United States Code, Section 207(c)(2), within one year after the termination of his service and employment as such officer and employee, did knowingly and willfully make, with the intent to influence, a communication to and appearance before an officer and employee of the United States Department of Veterans Affairs, on behalf of Business 68 in connection with a matter on which MONTAGUE sought official action by an officer and employee of the United States Department of Veterans Affairs.

It was part of the offense that:

403. In or around February 2010, MONTAGUE met with VA Employee 4 regarding Business 68.

404. On or about February 26, 2010, MONTAGUE met with VA Employee 3 regarding Business 68.

405. On or about March 27, 2010, MONTAGUE left a message for an NEBC employee and attempted to meet with an NEBC employee regarding Business 68, who at the time, was pursuing national VA contracts through the NEBC.

406. On or about April 14, 2010, MONTAGUE reported to Business 68 that he met with "lots of VA people, got a briefing on where the construction program is going, obtained the information to predict which FY11 [Fiscal Year 2011] projects will be funded and come close to predicting FY12 [Fiscal Year 2012]."

407. On or about April 23, 2010, MONTAGUE met with an NEBC employee and obtained information for Business 68 related to the status and timing of VA decisions regarding "short-listing" the contractors who bid energy IDIQ (Indefinite Delivery/Indefinite Quantity) contracts, which contracts Business 68 was pursuing.

408. On or about November 3, 2010, MONTAGUE asked VA Employee 3 to provide VA documents, which documents related to VA projects that Business 68 was pursuing with the VA, including documents related to logistics, construction funding, and the VA Facilities Management Transformation Initiative, which documents helped Business 68 remain efficient with time and money related to VA projects.

All in violation of Title 18, United States Code, Section 207(c).

The Grand Jury further charges:

COUNT 65

(Restrictions on Former Officers, Employees and Elected Officials of the Executive and Legislative Branches, 18 U.S.C. § 207(c))

409. Paragraphs 1-2, 199-200 and 365 of this Superseding Indictment are re-alleged and incorporated by reference as if fully set forth herein.

410. On or about January 28, 2011, in the Northern District of Ohio, Eastern Division and elsewhere, Defendant WILLIAM D. MONTAGUE, who was an officer and employee of the executive branch of the United States, namely the United States Department of Veterans Affairs, and who was employed at a rate of pay and in a position set forth in Title 18, United States Code, Section 207(c)(2), within one year after the termination of his service and employment as such officer and employee, did knowingly and willfully make, with the intent to influence, a communication to and appearance before an officer and employee of the United States Department of Veterans Affairs, on behalf of Business 69 and Business 70 in connection with a matter on which MONTAGUE sought official action by an officer and employee of the United States Department of Veterans Affairs, to wit: MONTAGUE asked VA Employee 4 to meet with Business 69 and Business 70, which MONTAGUE explained to VA Employee 4 would help Business 69 and Business 70 successfully complete their strategic goal of competing effectively for larger energy projects.

All in violation of Title 18, United States Code, Section 207(c).

**FORFEITURE: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)**

411. The allegations of Counts 1, 2-3, 4-16, 17, 18, 22-44, 45-53 and 54-57 are hereby re-alleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c). As a result of the foregoing offenses, defendant WILLIAM D. MONTAGUE shall forfeit to the United States all property, real and personal, which constitutes, or is derived from, proceeds traceable to the commission of such offenses; including, but not limited to, the following:

a.) 9252 Province Lane, Brecksville, Cuyahoga County, Ohio (Permanent Parcel Number 602-12-068); more particularly: proceeds totaling \$26,151.58, more or less, were used to make payments on the property.

b.) MONEY JUDGMENT: defendant WILLIAM D. MONTAGUE shall forfeit property, including, but not limited to, a sum of money equal to the proceeds of Counts 1, 2-3, 4-16, 17, 18, 22-44, 45-53 and 54-57

**FORFEITURE: 18 U.S.C. § 982(a)(1)**

412. The allegations of Count 58 are hereby re-alleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 982(a)(1). As a result of the foregoing offense, defendant WILLIAM D. MONTAGUE shall forfeit to the United States all property, real and personal, involved in such offense, and all property traceable to such property; including, but not limited to, the following:

a.) 9252 Province Lane, Brecksville, Cuyahoga County, Ohio (Permanent Parcel Number 602-12-068).

b.) MONEY JUDGMENT: defendant WILLIAM D. MONTAGUE shall forfeit property, including, but not limited to, a sum of money equal to the value of all property involved in Count 58.

## **SUBSTITUTE PROPERTY**

413. In the event that any property subject to forfeiture under 18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461(c) and/or 18 U.S.C. § 982(a)(1), as a result of any act or omission of the defendant:

- a.) cannot be located upon exercise of due diligence;
- b.) has been transferred or sold to, or deposited with a third party;
- c.) has been placed beyond the jurisdiction of this Court;
- d.) has been substantially diminished in value; or,
- e.) 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) [as incorporated by 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(b)(1)], to seek forfeiture of any other property of the defendant, up to an amount equivalent to the value of the forfeitable property described above.

**TRUE BILL**

Original document -- Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.