



U.S. Department of Justice

Criminal Division

11/18-952

Washington, D.C. 20530

OCT 17 2003

Mr. Lawrence H. Norton  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

2003 OCT 20 P 1:17  
OFFICE OF THE  
DIRECTOR  
FEDERAL ELECTION COMMISSION

Dear Mr. Norton:

Enclosed are pleadings in the criminal case of United States v. Mark B. Jimenez. The enclosures include the criminal charge, the plea agreement and the factual proffer supporting the guilty plea that Mr. Jimenez entered.

The charges to which Mr. Jimenez pleaded guilty included two criminal violations of the Internal Revenue Code, and one count (count 8) of conspiracy to defraud the Federal Election Commission and to violate 2 U.S.C. §§ 441a, 441b and 441f of the Federal Election Campaign Act.

At this time, we are referring this matter to the Federal Election Commission for such further action as the Commission may consider warranted.

Most of the facts involved in the FECA charges arose between 1994 and 1996. Prosecution of this aspect of the case was made possible by the fact that Jimenez' absence from the United States tolled the running of the statute of limitations.

Please let us know if we can assist you further in this matter.

Sincerely,

Craig C. Donsanto  
Director, Election Crimes Branch  
Public Integrity Section

2003 OCT 17 10:40 AM

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Case No. 99-00281-CR-Seitz(S)

FILED BY \_\_\_\_\_ D.C.

2003 AUG -1 PM 12:55

UNITED STATES OF AMERICA

vs.

CLARENCE MADDOX  
CLERK U.S. DIST. CT.  
S.D. OF FLA - MIA

MARK B. JIMENEZ  
(a.k.a. "Mario Batacan Crespo")  
\_\_\_\_\_ /

**PLEA AGREEMENT**

The United States of America and MARK B. JIMENEZ (hereinafter referred to as the "defendant") enter into the following agreement pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure:

**I. Pleas**

1. **Guilty Pleas:** Defendant agrees to plead guilty to counts Two, Four and Eight of the superseding indictment, which counts charge him with tax evasion in violation of Title 26, United States Code, Section 7201, and conspiracy in violation of Title 18, United States Code, Section 371.
2. **Statutory Maximum Punishments:**
  - a. **Counts Two and Four:** The maximum penalty that may be imposed for each violation of Title 26, United States Code, Section 7201 is imprisonment for up to five years, a \$250,000 fine and the costs of prosecution, and a term of supervised release.
  - b. **Count Eight:** The maximum penalty that may be imposed for a violation of Title 18, United States Code, Section 371 is imprisonment for up to five years, a \$250,000 fine, and a term of supervised release.



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c. **Maximum Sentence Limited by Binding Plea Agreement:** Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, if the court accepts this plea agreement, the maximum punishment the court may impose in this case will be limited by the terms of this plea agreement. The defendant understands, however, that not all the terms of this plea agreement are binding recommendations that must be accepted by the court. The court will not be bound by any provision of this agreement unless the provision explicitly states that it is binding. Unless limited by a binding recommendation, the court may impose any form of punishment permitted by law.

3. **Factual Resume:** Defendant will enter into a signed stipulation of facts to be affirmed under oath at a Rule 11 proceeding that describes the offenses to which he is pleading guilty. Such stipulation (entitled "Factual Resume") will admit all the essential elements of the offenses, including the following:

- a. that the total amount of additional tax due on income that the defendant willfully failed to report on his 1995 and 1996 U.S. Individual Tax Returns was no less than \$950,000 and no more than \$1.5 million dollars;
- b. that the amount of federal election campaign contributions that the defendant knowingly and unlawfully made to the candidates for federal office listed in Count Eight of the superseding indictment, through reimbursements to his employees, totals \$41,500;
- c. that at all times material to the offenses described in Counts Two, Four, and Eight of the superseding indictment, the defendant acted willfully, that is, with full knowledge of the consequences of his acts, and with the specific intent to defraud;



- d. that the Factual Resume may be used by the court to determine whether the defendant's pleas are pro se and by the United States Probation Officer in preparing the defendant's pre-sentence report; and
- e. that the stipulation provides a factual basis for the defendant's guilty pleas, and relieves the United States of any further obligation to present evidence.

4. **Dismissal of Pending Counts:** Upon announcement of the court's sentence, the United States will move the court to dismiss all remaining charges in the superseding indictment filed in Case No. 99-281 in the Southern District of Florida. As soon as practicable thereafter, the United States will also move to dismiss the charges pending against the defendant in the District of Columbia. The United States will bring no further criminal charges against the defendant or his family members based on information arising from the former Campaign Financing Task Force's investigation of the defendant, Future Tech International, and Mark Vision Holding and currently known to the United States Attorney for the Southern District of Florida and the Public Integrity Section of the Department of Justice's Criminal Division and, or, pursuant to U.S.S.G. §1B1.8, based on information obtained pursuant to this agreement. This agreement, however, will not bar the United States' prosecution of crimes of violence or offenses against the security of the United States, of which none are presently known to the undersigned.

## II. Sentence

5. **Binding Guideline Recommendation:** Pursuant to Rule 11(c)(1)(C), Federal Rules of Criminal Procedure, the United States and defendant agree to make the following binding sentencing recommendations, which recommendations shall be binding on the court if the court accepts this plea agreement. The United States and the defendant agree that they will jointly recommend that

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the court make the following findings and conclusions as to the applicable United States Sentencing Commission Guidelines (the "Guidelines" or "U.S.S.G.") and the sentence to be imposed:

- a. The defendant's sentence should be calculated based on the Guidelines effective November 1, 1998, which are more favorable to the defendant than the current Guidelines.
- b. U.S.S.G. § 2T1.1(a)(1) is the Guideline applicable to Counts Two and Four. Based on the stipulated tax loss above, the defendant's offense level for these offenses will be Level 19, pursuant to U.S.S.G. § 2T4.1(n). The parties agree to leave the applicability of the sophisticated means adjustment under U.S.S.G. § 2T1.1(b)(2) to the discretion of the court, but reserve their right to argue their respective positions before the court. No other specific offense characteristics apply. If the court determines that sophisticated means were used, the defendant's total offense level for his tax offenses will be 21. If the court determines that sophisticated means were not used, the defendant's total offense level for his tax offenses will be 19.
- c. With respect to Count Eight, U.S.S.G. § 2F1.1 is the most analogous 1998 Guideline. The amount of federal election campaign contributions that the defendant knowingly and unlawfully made to the candidates for federal office listed in Count Eight of the superseding indictment, through reimbursements to his employees, totals \$41,500. However, there was no loss to the Federal Election Commission. Based on the amount and number of illegal campaign contributions, the enhancement for more than minimal planning applies. *See* U.S.S.G. § 2F1.1(b)(2). No other specific offense characteristics apply and the offense level for Count Eight and relevant conduct is offense level eight.

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- d. The offense alleged in Count Eight should be grouped separately with Counts Two and Four pursuant to U.S.S.G. § 3D1.4, but no additional levels will be assessed because the offense level for Count Eight is more than nine levels less than the more serious offenses alleged in Counts Two and Four.
- e. No other bases for upward or downward departure apply and no other U.S.S.G. Chapter Two or Three adjustments are appropriate, except as provided herein.
- f. The United States agrees that it will make a recommendation at sentencing that the court reduce by three levels the sentencing guideline level applicable to the defendant's offenses, pursuant to U.S.S.G. § 3E1.1, based upon the defendant's recognition and affirmative and timely acceptance of personal responsibility. However, the United States will not be required to make this sentencing recommendation if the defendant: (i) fails or refuses to make full, accurate and complete disclosure to the Probation Office of the circumstances surrounding the relevant offense conduct; (ii) is found to have misrepresented facts to the government prior to entering this plea agreement; or (iii) commits any misconduct after entering into this plea agreement, including but not limited to committing a state or federal offense, violating any term of release, or making false statements or misrepresentations to any governmental entity or official. The defendant shall not be permitted to withdraw from the plea agreement if the United States does not recommend a reduction in his offense level under U.S.S.G. § 3E1.1 because of any of the circumstances stated above.
- g. The applicable guideline range under all of the circumstances of the offenses committed by the defendant is either Level 16 or 18, depending on the court's decision as to the

applicability of the sophisticated means adjustment under U.S.S.G. § 2T1.1(b)(2). Under criminal history category I, Level 16 requires a prison sentence of 21 to 27 months, and Level 18 requires a prison sentence of 27 to 33 months. This does not include credit for time served under 18 U.S.C. § 3585(b). Appellant is in Criminal History Category I.

- h. The United States recommends that the defendant be sentenced at the lowest end of the applicable Guideline range (21 months for Level 16 and 27 months for Level 18), against which the court will credit the defendant with the amount of time served by the defendant pursuant to 18 U.S.C. § 3585(b) as of the date his sentence is imposed. The parties have reached no agreement as to the amount of credit the defendant is entitled to under § 3585(b).

6. **Non-Binding Supervised Release Recommendation:** The United States makes the non-binding recommendation that the court's sentence shall include a three-year period of supervised release without a reporting requirement, conditioned upon the following:

- a. The defendant has fully paid to the United States all of the agreed restitution payments specified below and is in compliance with all other terms of the plea agreement.
- b. The defendant makes prior, pre-paid, travel arrangements for his voluntary departure from the United States, and voluntarily leaves the United States and its territories on the day of his release from the custody of the Bureau of Prisons.
- c. The court includes in its judgment and commitment order the provision that supervised release is conditioned on (i) the defendant's making restitution payments as provided in the plea agreement, (ii) leaving the United States and its territories and (iii) that the willful violation of these conditions may be considered a violation of the conditions of

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supervised release and result in the imposition of an additional period of confinement and/or additional charges.

d. Conditioned on the defendant's compliance with all terms of his supervised release and the plea agreement, the Department of Justice will request that the Bureau of Immigration and Customs Enforcement permit the defendant's voluntary deportation from the United States on the day he is released from the custody of the Bureau of Prisons.

7. **Non-Binding Prison Facility Recommendation:** The Government hereby makes the **non-binding** recommendation that the defendant be incarcerated at a facility in or near the South Florida area, and will not object to the defendant's request that he be incarcerated at F.P.C. Eglin (Eglin Air Force Base) based on his desire to be close to his family. The failure of the court, the Bureau of Prisons, or the State Department to accept such recommendations or applications shall not be considered a breach of the plea agreement.

8. **Restitution:** Defendant agrees to immediately pay at least \$1.2 million to the United States in restitution for the unpaid additional taxes owed by the defendant for tax years 1995 and 1996. "Immediately" shall be construed to require a payment of no less than \$400,000 upon imposition of sentence, an additional \$400,000 six months after sentence is imposed, and an additional \$400,000 twelve months after sentence is imposed. Restitution payments shall be made to the Clerk of the Court. All three payments will be made before the defendant is permitted to leave the United States, and if not paid by the end of the term of incarceration, full satisfaction of these payments shall be made a special condition of supervised release. In consideration of the



concessions made in this plea agreement, the defendant also agrees to the following terms and conditions:

- a. Defendant will file corrected U.S. Individual Tax Returns for tax years 1995 and 1996.
  - b. Defendant will provide the United States with a financial statement, signed under oath, and supported by verifying documentation. Any false or uncorrected items in any U.S. Individual Tax Return filed by defendant may result in additional charges.
  - c. Defendant consents to the United States' release of information obtained in the course of its criminal investigation of the defendant and his companies to civil authorities attempting to collect unpaid taxes, interest, and penalties from defendant and related entities.
  - d. Defendant will execute a limited waiver of any communications or work-product privileges that may apply to documents obtained from the attorney and accountant who assisted in the preparation of the defendant's 1995 and 1996 tax returns and amendments thereto. The United States, however, agrees pursuant to U.S.S.G. § 1B1.8 that information provided through this waiver will not be used against the defendant in a subsequent criminal proceeding (other than a prosecution for a crime of violence) and shall not be used in determining his applicable guideline range.
9. **Special Assessment:** The defendant further understands and acknowledges that, in addition to any sentence imposed under this agreement, a special assessment in the amount of \$<sup>3</sup>600 will be imposed on the defendant and will be paid to the Clerk of the Court. The defendant agrees that the special assessment shall be paid at the time of sentencing.

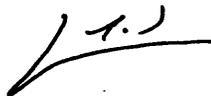
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10. **Court May Condition Acceptance on a Pre-Sentence Investigation:** The parties agree and acknowledge the court will order a pre-sentence investigation to be conducted by the court's Probation Office. The court may condition its acceptance of this plea agreement on its review of the Pre-Sentence Investigation Report. The court may accept the information in the Pre-Sentence Investigation Report as establishing sufficient factual findings regarding the amount of loss sustained by the victims, the financial resources of the defendant, earning ability of the defendant, and any other factors contained in said report. *See* 18 U.S.C. § 3664(a) & (b). The defendant or the United States may withdraw from the plea agreement if the court does not accept the plea agreement's binding sentencing recommendations pursuant to Rule 11(c)(1)(C), Federal Rules of Criminal Procedure. Otherwise, neither party may withdraw from the plea agreement after it is accepted by the court.

### III. Waivers

11. **Limited Right to Withdraw:** The defendant is aware that the law provides certain limited rights to withdraw a plea of guilty. The defendant has discussed these rights with defense counsel and knowingly and expressly waives any right to withdraw the plea once the court has accepted it.
12. **Appeal Rights Waived:** The defendant is aware that Title 18, United States Code, Section 3742 affords the defendant the right to appeal the sentence imposed in this case. Acknowledging this, in exchange for the undertakings made by the United States in this plea agreement, the defendant hereby waives all rights conferred by Title 18, United States Code, Section 3742 to appeal any sentence imposed, including any restitution order, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute or is the result of



an upward departure from the guideline range that the court establishes at sentencing. The defendant further understands that nothing in this agreement shall affect the government's right and/or duty to appeal as set forth in Title 18, United States Code, Section 3742(b). However, if the United States appeals the defendant's sentence pursuant to section 3742(b), the defendant shall be released from the above waiver of appellate rights. The defendant understands that, although defendant will be sentenced in conformity with the Sentencing Guidelines, by this agreement defendant waives the right to appeal the sentence on the basis that the sentence is the result of an incorrect application of the Sentence Guidelines. By signing this agreement, counsel for the defendant acknowledges that they have discussed the appeal waiver with the defendant and that defense counsel, along with the prosecutor, will request that the court enter a specific finding regarding the defendant's knowing and voluntary waiver of his right to appeal the sentence imposed, as set forth in this agreement.

13. **Waiver of Certain Constitutional Rights:** The defendant understands and agrees that by pleading guilty, he is expressly waiving the following rights:
- a. to be tried by a jury;
  - b. to be assisted by an attorney at trial;
  - c. to confront and cross-examine witnesses; and
  - d. not to be compelled to incriminate himself.
14. **FOIA Waiver:** The defendant waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may



be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

15. **Plea Agreement Does Not Bar Civil or Administrative Actions:** Nothing in the plea agreement shall be construed to prohibit the Internal Revenue Service from collecting unpaid interest and penalties for tax years 1995 and 1996; and unpaid taxes, interest, and penalties for any other tax years; nor does it prevent the defendant from contesting the determination of taxes, penalties, and interest by the Internal Revenue Service against the defendant. Likewise, nothing in this agreement shall preclude the Federal Election Commission or state election officials from imposing civil or administrative penalties for the defendant's campaign financing violations.

#### IV. Conclusion

16. The defendant understands that if he breaches this agreement, or violates any federal, state or local law, or any order of any court, including any condition of pre-trial, pre-sentence, or post-sentence release, the United States may void this agreement. In that event, the defendant's plea of guilty and the resulting guilty verdict will stand, and the United States will be free to proceed on any properly-filed dismissed, pending, superseding, or additional charges.
17. The United States reserves the right to inform the court and the probation office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, the United States further reserves the right to make any recommendation as to the quality and quantity of punishment.
18. This is the entire agreement and understanding between the United States and the defendant. There are no other agreements, promises, representations, or understandings.



SO AGREED:

FOR THE UNITED STATES:

MARCOS DANIEL JIMENEZ  
UNITED STATES ATTORNEY



MICHAEL E. SAVAGE  
Trial Attorney  
United States Department of Justice  
Criminal Division  
Public Integrity Section

7/31/03  
Date



MONIKA L. BICKERT  
Trial Attorney  
United States Department of Justice  
Criminal Division  
Public Integrity Section

7/31/03  
Date

FOR THE DEFENDANT MARK B. JIMENEZ:



DAVID S. MARKUS  
Attorney for Defendant Mark B. Jimenez

7/31/03  
Date



MARK B. JIMENEZ  
Defendant

7/31/2003  
Date

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Case No. 99-00281 -CR-Seitz (S)

FILED BY \_\_\_\_\_ D.C.

2003 AUG -1 PM 12:55

CLARENCE MADDOX  
CLERK U.S. DIST. CT.  
S.D. OF FLA - MIA

UNITED STATES OF AMERICA

vs.

MARK B. JIMENEZ  
(a.k.a. "Mario Batacan Crespo")

**FACTUAL RESUME**

IT IS HEREBY STIPULATED, by MARK B. JIMENEZ, defendant herein, that the following facts are true and correct, and that he understands and agrees, with the express consent of his counsel, that this stipulation may be used by the Court to determine whether his plea is provident and by the probation officer and Court in determining an appropriate sentence for the offenses to which he is pleading guilty:

**I.**

**INTRODUCTION**

At all times relevant to this Factual Resume and the Superseding Indictment:

1. Defendant, **MARK B. JIMENEZ**, (a.k.a. "Mario Batacan Crespo") (hereinafter "JIMENEZ"), was the Chief Executive Officer ("CEO") and majority shareholder of Future Tech International, Inc. ("FTI"). JIMENEZ and his wife were permanent residents of the United States residing in the Miami Division of the Southern District of Florida.
2. **Future Tech International, Inc. ("FTI")** was a closely held corporation headquartered and incorporated in Miami, Florida, that was engaged primarily in the business of distributing

computer components and peripherals to clients in South America. FTI distributed computer equipment manufactured by leading United States companies, including Quantum Corporation. Initially, FTI's offices were located at 3000 N.W. 72nd Avenue in Miami-Dade County, Florida. In approximately May 1995, FTI's offices were moved to 7630 N.W. 25th Street in Miami-Dade County, Florida. At all times material to this Factual Resume and the Superseding Indictment, FTI's offices were located in the Southern District of Florida.

3. **FTI Executives:** Up until 1994, JIMENEZ operated as a single entity – FTI. As a result of a 1994 Internal Revenue Service audit, JIMENEZ hired the outside tax counsel and certain Deloitte & Touche accountants who assisted FTI in the audit. FTI's tax counsel became in-house counsel and the former Deloitte & Touche accountants took positions as FTI's chief financial officer ("CFO"), comptroller and head of accounting. An executive with one of FTI's major computer vendors, who serviced FTI's account, became FTI's president and was placed in charge of marketing.
4. **MarkVision Holdings, Inc.** was a company headquartered in the British Virgin Islands. MarkVision Holdings, Inc. was created by FTI's in-house counsel and executives, with the approval of JIMENEZ and Deloitte & Touche. MarkVision Holdings, Inc. was to conduct the same business that FTI formerly conducted in certain South American countries. MarkVision International, Inc., a subsidiary of MarkVision Holdings, was an Uruguayan corporation with offices in Montevideo, Uruguay. MarkVision Zona Franca, a subsidiary of MarkVision Holdings, Inc., was also a Uruguayan corporation. MarkVision Holdings, Inc.'s contract with Quantum Corporation provided that MarkVision Holdings, Inc. would be the



exclusive distributor of Quantum products in certain South American countries. (MarkVision Holdings, Inc., MarkVision International, Inc. and MarkVision Zona Franca are collectively referenced in this indictment as "MVH"). Initially, MVH's operations in the United States were conducted from FTI's offices. In approximately April of 1996, MVH's operations in the United States were conducted from offices located at 7620 NW 25th Street in Miami-Dade County, Florida, in the Southern District of Florida.

5. JIMENEZ' daughter was the owner of MVH. JIMENEZ' brother was an officer of MVH in Uruguay. JIMENEZ exerted substantial control over the operations of MVH and the disposition of that entity's assets.
6. **MarkVision Computers, Inc. ("MVC")**, was a Florida corporation that leased employees to FTI. JIMENEZ named his son as the owner of MVC. JIMENEZ exerted substantial control over the operations of MVC.
7. **Kalisol, S.A. ("Kalisol")** was initially a legitimate company incorporated in Uruguay that was organized to provide marketing services to FTI and MVH. Kalisol's only clients were FTI and MVH. Kalisol was owned by the wife of JIMENEZ' brother. Kalisol had bank accounts in Uruguay. Kalisol's books and records were maintained by employees of MVH. Kalisol's banking transactions were directed, in pertinent part, by JIMENEZ and JIMENEZ' brother in Uruguay.
8. **The Internal Revenue Service ("IRS")**, a division of the Department of Treasury, was an agency of the United States government headquartered in Washington, D.C., responsible for collecting taxes due to the United States. The United States levies income taxes upon

income derived from compensation for personal services of every kind and upon profits earned from any business, regardless of their nature, and from interest, dividend, rents and the like. The United States maintains a voluntary tax system in that persons who earn income in the United States are required to file a United States Individual Tax Return on which they voluntarily disclose the amount of taxable income they earned in a calendar year and the amount of taxes due and owing to the United States. In 1996 and 1997, Florida residents, including JIMENEZ, filed their personal tax returns for the previous years (1995 and 1996) in the IRS' Atlanta Service Center.

**Elections Financing:**

9. The Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq. ("FECA"), in particular, Title 2, United States Code, Section 441b(a), specifically prohibited corporations from making contributions or expenditures in connection with the nomination and election of candidates for federal office. Section 441b(a) also forbade any officer of a corporation to consent to a prohibited contribution or expenditure.
10. The FECA, in particular Title 2, United States Code, Section 441a(a)(1), specifically prohibited individuals from contributing more than \$1,000 to any federal candidate for a single election. Section 441a(a)(3) prohibited individuals from making overall annual contributions in excess of \$25,000.
11. The FECA, in particular Title 2, United States Code, Section 441f, specifically prohibited any person from making a contribution in the name of another person or knowingly permitting his or her name to be used to effect such a contribution. Section 441f was

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violated if a person gave funds to a straw donor, known as a "conduit," for the purpose of having the conduit pass the funds on to a federal candidate as his or her own contribution. A violation would also occur if a person reimbursed a donor who already had given to a candidate, thereby converting the donor's contribution to his or her own.

12. The FECA, in particular Title 2, United States Code, Section 434, required that each treasurer of a political committee file periodic reports of receipts and disbursements, which reports were to identify each person who made a contribution to such committee during the relevant reporting period whose contribution or contributions had an aggregate amount or value in excess of \$200 within the calendar year, together with the date and the amount of any such contribution.
13. The Federal Election Commission ("FEC") was an agency of the United States government, headquartered in Washington, D.C., and entrusted with the responsibility of enforcing the reporting requirements of the FECA and of directing, investigating and instituting civil enforcement actions with respect to violations of the FECA, including the provisions referred to above. In addition, the FEC was responsible for making available to the public specific information about the amounts and sources of political contributions to federal candidates and their political committees.
14. United States Senator Edward M. Kennedy was a candidate for re-election in Massachusetts during the campaign preceding the 1994 federal election. The Committee to Reelect Senator Edward M. Kennedy '94 ("Kennedy Committee") was a political committee authorized to



- support his candidacy. The committee was subject to the reporting provisions and campaign financing limitations of the FECA.
15. President William Jefferson Clinton and Vice President Albert Gore, Jr., were candidates for President and Vice President of the United States during the campaign preceding the 1996 federal election. The Clinton/Gore '96 Primary Committee ("Clinton/Gore Committee") was a political committee authorized to support their candidacies, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.
  16. Alabama State Senator Roger H. Bedford was a candidate for United States Senate from Alabama during the campaign preceding the 1996 federal election. Roger H. Bedford for U.S. Senate ("Bedford Committee") was a political committee authorized to support his candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.
  17. Thomas L. Strickland was a candidate for United States Senate from Colorado during the campaign preceding the 1996 federal election. Friends of Tom Strickland, Inc. ("Strickland Committee") was a political committee authorized to support his candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.
  18. Ann Henry was a candidate for the United States House of Representatives from Arkansas during the campaign that preceded the 1996 federal election. Ann Henry for Congress ("Henry Committee") was a political committee authorized to support her candidacy, and the

committee was subject to the reporting provisions and campaign financing limitations of the FECA.

19. Robert G. Torricelli was a candidate for United States Senate from New Jersey during the campaign preceding the 1996 federal election. Torricelli for U.S. Senate, Inc. ("Torricelli Committee") was a political committee authorized to support his candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

## II. INCOME TAX EVASION

20. In 1995 and 1996, JIMENEZ and FTI implemented a legitimate plan to divide FTI's operations between the United States and South America through the creation of MVH. The plan was premised upon the assumption that FTI's vendors would split with MVH the credit terms it formerly offered FTI, as FTI and MVH were planning to use the same marketing and sales channels that FTI held when it was a single company. The vendors, however, ultimately refused to split the same credit line with MVH unless MVH was independently capitalized and subject to United States' jurisdiction. The success of the plan and MVH depended on MVH's retention of favorable payment terms and exclusive sales contracts from FTI's vendors. Confronted with this dilemma, FTI executives suggested to JIMENEZ that FTI transfer funds to capitalize MVH through Kalisol. Since MVH was to be a completely separate company from FTI, JIMENEZ agreed that the funds used to capitalize MVH would be from his ownership share of FTI.

21. In 1995 and 1996, JIMENEZ invested approximately five million dollars in MVH. JIMENEZ did not have five million dollars in cash or liquid assets, so JIMENEZ and FTI executives caused FTI to transfer the money from his ownership share of FTI. JIMENEZ knew that a direct distribution of five million dollars from FTI to himself would be a taxable shareholder distribution.
22. JIMENEZ had been the subject of an IRS investigation and audit that was closed in 1994. No criminal charges or fraud penalties were assessed as a result of the 1994 audit. As a result of this audit he knew that distributions from FTI to himself constituted taxable income that must be reported on his U.S. Individual Tax Return for the year(s) in which the distributions occurred. As a further consequence of his prior experience with the IRS, JIMENEZ also knew that the IRS could audit the records of corporations and, if they did so with FTI, the transfer of funds from FTI to JIMENEZ or MVH could be questioned.
23. JIMENEZ eventually used Kalisol to disguise the movement of his five million dollar investment outside the United States. As noted above, Kalisol was organized as a legitimate company to provide advertising services to FTI and MVH in South America and did provide those services. In 1995 and 1996, however, JIMENEZ used Kalisol to create the appearance that Kalisol was providing marketing services to FTI and MVH, when it was also being used to transfer JIMENEZ' income outside the United States. In 1995 and 1996, Kalisol regularly billed FTI for marketing services, even though most of the services were never actually performed and the expenses for services that were performed were often inflated as a result of false invoices created by FTI executives. Initially, JIMENEZ did not know that FTI

employees were creating false invoices and supporting documentation to make it appear as though FTI was receiving actual advertizing services from Kalisol. JIMENEZ later learned, after it was apparent that the tax plan which FTI had spent millions promoting failed and changes had been made in its market channel, that FTI executives were paying false Kailsol invoices. After JIMENEZ learned of the fraud, he did not correct the practice and permitted it to continue in 1995 and 1996.

24. In 1995, FTI executives purusant to the tax plan and with JIMENEZ' knowledge, issued checks to Kalisol totaling approximately \$4.39 million. In 1996, FTI executives acting under JIMENEZ' authority issued checks to Kalisol totaling approximately \$921, 000. MVH executives deposited said checks in Kalisol's bank account in Uruguay. MVH executives then transferred the funds from Kalisol's account to MVH.
25. On or about October 8, 1996, JIMENEZ, then a permanent resident of the United States, living in the Miami Division of the Southern District of Florida, signed a U.S. Individual Income Tax Return, Form 1040, for calendar year 1995 (hereinafter "1995 Personal Tax Return"), that declared his and his wife's joint income for 1995. JIMENEZ' 1995 Personal Tax Return was prepared by accountants with Deloitte & Touche L.L.P. JIMENEZ' accountants received information used to prepare JIMENEZ' 1995 Personal Tax Return from JIMENEZ and FTI and MVH executives. Deloitte & Touche did not know that JIMENEZ' 1995 Personal Tax Return was false.
26. As a result, JIMENEZ knew when he signed his 1995 Personal Tax Return, and caused it to be filed with the IRS, that it was false as to a material matter -- i.e., the amount of his taxable

income -- in that said Form 1040 substantially understated his income by omitting the income he received from FTI through the Kalisol scheme described above. Thus, JIMENEZ owed substantial income tax -- in excess of one million dollars -- on his unreported 1995 income in addition to that declared in his filed 1995 Personal Tax Return.

27. On or about October 5, 1997, JIMENEZ and his wife, then permanent residents of the United States, living in the Miami Division of the Southern District of Florida, signed a power of attorney authorizing certain employees of FTI to sign their U.S. Individual Income Tax Return, Form 1040, for calendar year 1996 (hereinafter "1996 Personal Tax Return"). On or about October 15, 1997, JIMENEZ' representative signed and caused to be filed JIMENEZ' 1996 Personal Tax Return, that declared JIMENEZ' and his wife's joint income for 1996. ~~JIMENEZ' 1996 Personal Tax Return was prepared by accountants with Deloitte & Touche L.L.P.~~ JIMENEZ' accountants received information used to prepare JIMENEZ' 1996 Personal Tax Return from JIMENEZ and FTI and MVH executives. Deloitte & Touche did not know that JIMENEZ' 1996 Personal Tax Return was false.
28. As a result, JIMENEZ knew when his representative signed his 1996 Personal Tax Return, and caused it to be filed with the IRS, that it was false as to a material matter -- i.e., the amount of his taxable income -- in that said Form 1040 substantially understated his income by omitting the income he received from FTI through the Kalisol scheme described above. Thus, JIMENEZ owed substantial income tax -- in excess of \$330,000 -- on his unreported 1996 income in addition to that declared in his filed 1996 Personal Tax Return. The total amount of additional tax due on income that JIMENEZ willfully failed to report on his 1995

and 1996 U.S. Individual Tax Returns was no less than \$950,000 and no more than \$1.5 million dollars.

**III.**  
**CAMPAIGN FINANCING OFFENSES**

29. Beginning in about September 1994 and continuing through about December 1996, JIMENEZ, FTI, MVC, certain FTI and MVC officers and employees, and others agreed to defraud the FEC and to violate the laws of the United States by making approximately \$41,500 in illegal campaign contributions to various candidates for federal office. The conspiracy was accomplished by the following manner and means, among others:
- a. From at least as early as September of 1994, and continuing until in and around November 1996, JIMENEZ, FTI, MVC, and their co-conspirators devised and executed a scheme whereby corporate money belonging to FTI was used to make secret, disguised and illegal corporate campaign contributions to various federal, state, and local candidates and their political committees.
  - b. In this scheme, JIMENEZ identified candidates that he wished to support. Thereafter, JIMENEZ solicited, or instructed his co-conspirators and others to solicit campaign contributions from numerous persons, including employees of FTI, MVH and MVC. JIMENEZ agreed to reimburse these conduit campaign contributions with corporate funds from FTI and MVC, or funds drawn on his personal bank account.
  - c. The scheme to make illegal corporate campaign contributions as alleged above included a plan to reimburse employees for their personal checks to campaigns



through the payroll accounts of FTI and MVC. The payroll systems of FTI and MVC were administered by ADP, an outside service.

- d. Later in the course of the scheme, JIMENEZ modified the manner in which he reimbursed conduits for their personal checks to federal, state, and local campaigns. Rather than reimbursing employees through the payroll systems of FTI and MVC, JIMENEZ implemented an alternative method by which reimbursements were made in cash to conduit contributors. JIMENEZ directed FTI employees to exchange checks from JIMENEZ' personal bank account for cash. FTI employees distributed that cash to conduit campaign contributors as reimbursement for their checks to federal and state campaigns. The decision to alter the reimbursement method from ~~the traceable payroll method to the less traceable cash method~~ was made in an attempt to continue to impede and impair the lawful function of the FEC.
- e. JIMENEZ and his co-conspirators used conduits to disguise illegal corporate and individual contributions in order to interfere with the accurate reporting of campaign contributions and to cause false information to be conveyed to the FEC. As a result of their scheme, JIMENEZ and his co-conspirators interfered with the accurate reporting of campaign contributions and caused false information to be conveyed to the FEC on numerous and separate occasions.
- f. By submitting false contributor information to political committees, knowing that false and inaccurate contributor information would be reported to the FEC, JIMENEZ and his co-conspirators knowingly and willfully caused political

committees of candidates for federal office to make false reports to the FEC. Such committees included the Kennedy Committee, the Clinton/Gore Committee, the Bedford Committee, the Strickland Committee, the Henry Committee, and the Torricelli Committee.

30. In furtherance of this conspiracy and to accomplish its unlawful objectives, the conspirators committed the following overt acts in the Southern District of Florida and elsewhere:

**The Kennedy Campaign:**

- a. In and around September 1994, JIMENEZ, FTI and their co-conspirators caused \$6,000 of FTI's corporate funds to be contributed to the Kennedy Committee and disguised that contribution as contributions from FTI employees.
- b. In and around September 1994, JIMENEZ instructed FTI's CFO and other FTI employees to issue their personal checks payable to the Kennedy Committee in amounts of \$1,000 or \$2,000.
- c. On or about September 20, 1994, JIMENEZ collected, or caused to be collected, four personal checks from FTI employees made payable to the Kennedy Committee. JIMENEZ then delivered, or caused to be delivered, these four checks, totaling \$6,000, to the Kennedy Committee.
- d. On or about September 27, 1994, JIMENEZ instructed an FTI employee to reimburse, through FTI's payroll, those persons who wrote checks to the Kennedy Committee. JIMENEZ instructed FTI's CFO and others to hide the fact of FTI's payroll reimbursements from FTI's auditors.



- e. On or about September 27, 1994, a person known to the grand jury caused ADP to generate checks for conduit reimbursements. ADP was instructed to charge FTI's payroll account for an amount large enough to cover the amount of the conduit contributions and federal payroll withholding tax, such that the "net amount" of the reimbursement checks, after taxes, would be approximately the amount of the employees' conduit contributions.

**The Clinton/Gore Campaign:**

- f. In or around July 1995, JIMENEZ pledged to raise \$25,000 in connection with a Clinton/Gore Committee fund-raising event to be held at the Sheraton Bal Harbour in Miami, Florida, on September 19, 1995.
- g. In or around September 1995, JIMENEZ informed certain FTI employees that he needed \$25,000 from 25 employees in the form of personal checks payable to Clinton/Gore in the amount of \$1,000 each. JIMENEZ instructed FTI's CFO and others to reimburse FTI and MVC employees who had written personal checks to the Clinton/Gore Committee through FTI's and MVC's payroll. JIMENEZ instructed FTI employees to hide the fact of the payroll reimbursements from FTI's and MVC's auditors.
- h. On or about September 6, 1995, JIMENEZ directed his co-conspirators and others to solicit FTI and MVC employees to write personal checks in the amount of \$1,000 payable to the Clinton/Gore Committee.



- 24 04 407 4690
- i. Between on or about September 6, 1995, and September 8, 1995, JIMENEZ solicited R.S., a FTI employee, for a personal check payable to the Clinton/Gore Committee in the amount of \$1,000 and promised R.S. that he would be reimbursed for the amount of the contribution.
  - j. Between on or about September 6, 1995, and September 8, 1995, JIMENEZ collected or caused to be collected 25 checks payable to the Clinton/Gore Committee in the amount of \$1,000.
  - k. Between on or about September 6, 1995, and September 8, 1995, FTI's CFO instructed FTI's Assistant Treasurer, to contact ADP and arrange for FTI and MVC to reimburse 15 non-executive employees who had been or were about to be asked to write personal checks in the amount of \$1,000 each to the Clinton/Gore Committee.
  - l. Between on or about September 6, 1995, and September 8, 1995, FTI's CFO instructed ADP to reimburse eight executive FTI employees who had or would write personal checks in the amount of \$1,000 each to the Clinton/Gore Committee.
  - m. On or about September 8, 1995, ADP executed the requested reimbursements to 23 FTI and MVC employees with payroll checks or credits each in the net amount of approximately \$1,000. The illegal reimbursements were coded as "bonus" or "other" payments on the books and records of FTI in order to conceal the fact of the reimbursements from auditors, lawyers and the IRS.



- 24 04 407 4091
- n. On or about September 13, 1995, JIMENEZ delivered or caused to be delivered 25 personal checks payable to the Clinton/Gore Committee in the amount of \$1,000 each.
  - o. JIMENEZ, FTI's CFO, and others caused the 23 reimbursements to be included in false 1995 Forms W-2 for the 23 contributing employees, which forms were filed with the IRS.
  - p. In and around September 1995, JIMENEZ and his co-conspirators submitted or caused to be submitted false contributor information to the Clinton/Gore Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and his co-conspirators, by submitting personal checks and donor cards with false contributor names, caused the Treasurer of the Clinton/Gore Committee to falsely report to the FEC that the source of these contributions were the individuals listed on the personal checks and donor cards, when the co-conspirators then and there well knew and believed that FTI was the actual source of the contributions.

**The Cash Reimbursement Scheme:**

- q. Sometime in 1996, FTI's In-House Counsel learned that FTI and MVC employees had caused reimbursements of federal campaign contributions with corporate funds to be run through the payroll systems of FTI and MVC. FTI's In-House Counsel confirmed for JIMENEZ and others that it was illegal to reimburse individuals for their contributions to individual federal election campaigns.

- r. Thereafter, in and around May 1996, JIMENEZ and his co-conspirators decided that reimbursements made through FTI's and MVC's payroll systems would render the reimbursements for political contributions easy to detect. JIMENEZ and his co-conspirators, therefore, decided that subsequent reimbursements to employees would be made with cash in order to remove evidence of those reimbursements from the books and records of FTI and MVC and to conceal the fact of reimbursements from the FEC and others who might inquire about the reason for the reimbursements.

**The Strickland Campaign:**

- s. On or about September 24, 1996, JIMENEZ and FTI's CFO caused a conduit contribution in the amount of \$2,000 to be made to the Strickland Committee in the names of FTI's CFO and his wife.
- t. On or about September 24, 1996, FTI's CFO issued his personal check in the amount of \$2,000 made payable to "Strickland for Senate."
- u. On or about September 25, 1996, FTI's CFO was reimbursed for his and his wife's contributions to the Strickland Committee with cash from the proceeds of a check drawn on JIMENEZ' personal account, in the amount of \$10,500, which was cashed by an FTI employee with currency available at FTI.
- v. On or about September 26, 1996, JIMENEZ delivered or caused to be delivered the check from FTI's CFO and his wife to Tom Strickland in FTI's offices in Miami, Florida.



- 24 04 407 4695
- w. In and around October 1996, JIMENEZ and FTI's CFO submitted false contributor information to the Strickland Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and FTI's CFO, through their false representations to candidate Strickland and others, thereby caused the Treasurer of the Strickland Committee to falsely report the actual source of these contributions to the FEC.

**The Bedford for Senate Campaign:**

- x. On or about September 24, 1996, JIMENEZ, FTI and others made, or caused to be made, conduit contributions totaling \$4,000, to the Bedford Committee in the names of one FTI and one MVC employee.
- y. On or about September 26, 1996, JIMENEZ collected, or caused to be collected, checks from one FTI employee and one MVC employee payable to the Bedford Committee and delivered them, or caused them to be delivered, to Roger Bedford.
- z. On or about September 25, 1996, JIMENEZ caused FTI and MVC employees who wrote checks payable to the Bedford Committee to be reimbursed with cash from the proceeds of a check drawn on JIMENEZ' personal account in the amount of \$10,500. JIMENEZ' check was cashed by an FTI employee with currency available at FTI's offices.
- aa. In and around October 1996, JIMENEZ and his co-conspirators submitted false contributor information to the Bedford Committee knowing that the false contributor information would be reported to the FEC. The co-conspirators caused the Treasurer

of the Bedford Committee to falsely report the source of the contributions to the FEC through their false representations to Roger Bedford and the Bedford Committee.

**The Henry for Congress Campaign:**

- bb. On or about October 8, 1996, JIMENEZ and his co-conspirators made, or caused to be made, conduit contributions to the Henry Committee in the name of one FTI and one MVC employee.
- cc. On or about October 8, 1996, JIMENEZ collected, or caused to be collected, checks from said FTI and MVC employees, totaling \$2,000, payable to the Henry Committee, which checks JIMENEZ delivered, or caused to be delivered, to the Henry Committee. On or about October 8, 1996, JIMENEZ caused the employees who wrote checks payable to the Henry Committee to be reimbursed with cash from the proceeds of a check drawn on JIMENEZ' personal account in the amount of \$2,000. JIMENEZ' check was cashed by an FTI employee with currency available at FTI's offices.
- dd. On or about December 2, 1996, JIMENEZ and his co-conspirators submitted false contributor information to the Henry Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and his co-conspirators thereby caused the Treasurer of the Henry Committee to falsely report the actual source of these contributions to the FEC.

**The Torricelli for U.S. Senate Campaign:**



- ee. On or about October 29, 1996, JIMENEZ and his co-conspirators made, or caused to be made, conduit contributions to the Torricelli Committee in the names of five persons who were FTI, MVC, and MVH employees.
- ff. On or about October 29, 1996, JIMENEZ collected, or caused to be collected, checks from the five employees, totaling \$2,500, payable to the Torricelli Committee, which checks JIMENEZ caused to be delivered to the Torricelli Committee.
- gg. In or around November 1996, JIMENEZ, his co-conspirators, and others, caused the employees who wrote checks to the Torricelli Committee to be reimbursed in cash.
- hh. On or about December 5, 1996, JIMENEZ and his co-conspirators submitted false contributor information to the Torricelli Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and his co-conspirators thereby caused the Treasurer of the Torricelli Committee to falsely report the actual source of these contributions to the FEC.

**III.**  
**KNOWING AND WILLFUL INTENT**

31. At all times material to this Factual Resume and the Superseding Indictment, JIMENEZ admits that he willfully and knowingly attempted to evade U.S. corporate income taxes for 1995 and 1996 by disguising income he received from FTI and MVH as advertising expenses paid to Kalisol. JIMENEZ, through this Factual Resume and by his pleas of guilty, admits that such actions were the result of knowing and willful conduct by himself and not the result of mistake, negligence or inadvertence.



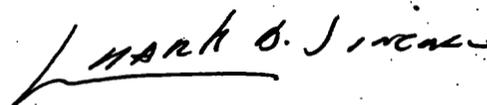
32. At all times material to this Factual Resume and the Superseding Indictment, JIMENEZ admits that he willfully and knowingly agreed to participate in the conspiracy to defraud the United States and to violate the campaign financing laws of the United States. JIMENEZ, through this Factual Resume and by his pleas of guilty, admits that his actions in providing illegal campaign contributions through his employees were the result of knowing and willful conduct by himself and not the result of mistake, negligence or inadvertence.

**IV.**  
**SIGNATURES AND ACKNOWLEDGMENTS**

**JIMENEZ' SIGNATURE AND ACKNOWLEDGMENT**

I, MARK B. JIMENEZ, have read this Factual Resume and Counts Two, Four and Eight of the Superseding Indictment and have discussed them with my attorneys. I fully understand the contents of this Factual Resume and Counts Two, Four and Eight of the Superseding Indictment and agree without reservation that they accurately describe the events and my acts.

Dated: July 31 / 2003

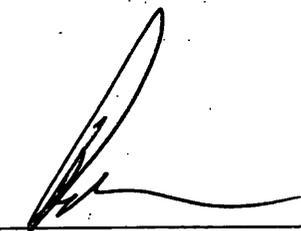
  
\_\_\_\_\_  
MARK B. JIMENEZ  
Defendant

**DEFENDANT'S COUNSEL'S SIGNATURE AND ACKNOWLEDGMENT**

I have read this Factual Resume and Counts Two, Four and Eight of the Superseding Indictment, and have reviewed them with my client, MARK B. JIMENEZ. Based upon my discussions with the

defendant, MARK B. JIMENEZ, I am satisfied that he understands the Factual Resume and Counts Two, Four and Eight of the Superseding Indictment.

Dated: 7/19/15

  
\_\_\_\_\_  
DAVID S. MARKUS  
Attorney for the Defendant

24 04 407 4697

*(Handwritten mark)*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MIAMI DIVISION

Case No. 99-0281-CR-SEITZ (s)

18 U.S.C. § 371  
26 U.S.C. § 7201  
18 U.S.C. § 1343  
18 U.S.C. § 1001  
2 U.S.C. § 441f  
18 U.S.C. § 2

UNITED STATES of AMERICA )  
 )  
 v. )  
 )  
 MARK B. JIMENEZ )  
(a.k.a. "Mario Batacan Crespo"), )  
 Defendant. )  
 )

**SUPERSEDING INDICTMENT**

THE GRAND JURY CHARGES THAT:

**INTRODUCTION**

At all times material to this superseding indictment:

1. Defendant, **MARK B. JIMENEZ**, (a.k.a. "Mario Batacan Crespo") (hereinafter "JIMENEZ"), was the Chief Executive Officer ("CEO") and majority shareholder of Future Tech International, Inc. ("FTI").

**Future Tech International, Inc.:**

2. FTI, an unindicted co-conspirator herein, was a closely held corporation headquartered and incorporated in Miami, Florida, that was engaged primarily in the business of

Certified to be a true and correct copy of the document on file with the court.  
Clarence Maddox, Clerk,  
U.S. District Court  
Southern District of Florida  
By [Signature]  
Deputy  
Date 11/18/99

computer components and peripherals to clients in South America. FTI distributed computer equipment manufactured by leading United States companies, including Quantum Corporation. Initially, FTI's offices were located at 3000 N.W. 72nd Avenue in Miami, Dade County, Florida. In approximately May 1995, FTI's offices were moved to 7630 N.W. 25th Street in Miami, Dade County, Florida. At all times material to this indictment, FTI's offices were located in the Southern District of Florida.

3. A person known to the Grand Jury was FTI's President (hereinafter "FTI's President").

4. A person known to the Grand Jury was FTI's Executive Vice President and 20% owner (hereinafter "FTI's Executive VP").

5. A person known to the Grand Jury served as outside counsel to FTI from approximately 1992 until January 1996, when he became in-house counsel to FTI and counsel to MarkVision Holdings, Inc. (hereafter "FTI's In-House Counsel").

6. A person known to the Grand Jury was the Chief Financial Officer ("CFO") at FTI (hereinafter "FTI's CFO"). FTI employed several internal accountants and external auditors who reported directly or indirectly to FTI's CFO.

7. A person known to the Grand Jury was FTI's Treasurer (hereinafter "FTI's Treasurer").

8. A person known to the Grand Jury was FTI's Assistant Treasurer (hereinafter "FTI's Assistant Treasurer").

9. The returned merchandise account (the "RMA") was a bookkeeping account maintained by FTI for the purposes of tracking products that were returned to FTI by customers of FTI because of defects or other problems. Most FTI customers who returned products were given

replacements or credit. The few FTI customers who asked for refunds were given checks. FTI customers who returned merchandise were not given cash.

**The MarkVision Companies:**

10. **MarkVision Holdings, Inc. was a company headquartered in the British Virgin Islands.**

MarkVision Holdings, Inc. was created at JIMENEZ' direction to conduct the same business that FTI formerly conducted in certain South American countries. MarkVision International, Inc., a subsidiary of MarkVision Holdings, was an Uruguayan corporation with offices in Montevideo, Uruguay. MarkVision Zona Franca, a subsidiary of MarkVision Holdings, Inc. was also a Uruguayan corporation. MarkVision Holdings, Inc.'s contract with Quantum Corporation provided that MarkVision Holdings, Inc. would be the exclusive distributor of Quantum products in certain South American countries. (MarkVision Holdings, Inc., MarkVision International, Inc. and MarkVision Zona Franca are collectively referenced in this indictment as "MVH"). Initially, MVH's operations in the United States were conducted from FTI's offices. In approximately April of 1996, MVH's operations in the United States were conducted from offices located at 7620 NW 25th Street in Miami, Dade County, Florida, in the Southern District of Florida.

11. **JIMENEZ named a relative as the owner of MVH. A person known to the grand jury was a relative of JIMENEZ and an officer of MVH in Uruguay (MVH's President). JIMENEZ exerted substantial control over the operations of MVH and the disposition of that entity's assets.**

12. **MarkVision Computers, Inc. ("MVC"), was a Florida corporation that leased employees to FTI. JIMENEZ named a relative as the owner of MVC. JIMENEZ exerted substantial control over the operations of MVC.**

**Kalisol:**

13. Kalisol, S.A. ("Kalisol") was an Uruguayan company that purportedly provided marketing services. Kalisol's only clients were FTI and MVH. Kalisol was purportedly owned by an in-law of JIMENEZ. Kalisol had bank accounts in Uruguay. Kalisol's books and records were maintained by employees of MVH. Kalisol's banking transactions were directed by JIMENEZ and MVH's President in Uruguay.

14. A person known to the grand jury, who was a relative of JIMENEZ' former wife, was installed by JIMENEZ as president of Kalisol (hereinafter "the Kalisol President"). The Kalisol President worked in FTI's offices in Miami, Florida, under the direction of JIMENEZ. In approximately August 1996, JIMENEZ had a dispute with the Kalisol President and removed him from Kalisol and FTI.

**Quantum Corporation:**

15. Quantum Corporation ("Quantum") was a manufacturer of computer hard drives with its principal offices in Malpitas, California. Quantum and FTI and Quantum and MVH had contracts whereby FTI and MVH were the exclusive distributors of Quantum products in their respective South American markets.

16. Quantum Peripherals (Europe) SA ("QPE") was the European subsidiary of Quantum. QPE sold Quantum goods to FTI and MVH in South America. FTI sent payments for its purchase of Quantum's products from Miami to QPE's offices in Switzerland.

17. The Co-op Marketing Program ("Co-op") was an arrangement described in Quantum's contracts with FTI and MVH, whereby Quantum credited a percentage of FTI's and MVH's purchases of Quantum products to reimburse FTI and MVH for marketing programs that

included Quantum's products. Co-op marketing proposals by FTI and MVH were pre-approved by Quantum. On occasion, Quantum would grant credit to FTI for Co-op expenses without pre-approval if the expenses otherwise met Quantum's criteria for Co-op marketing credit. Before granting Co-op credit, Quantum required that FTI and MVH submit their own invoices to Quantum's California offices, showing that an expense was incurred for the approved marketing costs. Quantum also required that FTI's and MVH's invoices to Quantum for Co-op credit be supported by the invoice of a third party advertising or marketing agency and a sample of the advertisement as published. If Quantum determined that the expenses submitted by FTI and MVH qualified for Co-op credit, Quantum forwarded a request for credit, the FTI or MVH invoice and the third party invoice by facsimile from its California offices to QPE's Swiss offices. QPE gave final approval for the Co-op credit, deducted the amount of the Co-op credit from the amount that FTI or MVH owed QPE for their purchases of Quantum products, and generated a credit memorandum. QPE sent a copy of these credit memos to FTI and MVH. FTI and MVH applied the credit amounts to their payment checks to QPE, which checks were sent to QPE's offices by mail or international courier.

**The Internal Revenue Service:**

18. The Internal Revenue Service ("IRS"), an agency within the Department of Treasury, was an agency of the United States government headquartered in Washington, D.C.

**Elections Financing:**

19. The Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq. ("FECA"), in particular, Title 2, United States Code, Section 441b(a), specifically prohibited corporations from making contributions or expenditures in connection with the nomination and

election of candidates for federal office. Section 441b(a) also forbade any officer of a corporation to consent to a prohibited contribution or expenditure.

20. The FECA, in particular Title 2, United States Code, Section 441a(a)(1), specifically prohibited individuals from contributing more than \$1,000 to any federal candidate for a single election. Section 441a(a)(3) prohibited individuals from making overall annual contributions in excess of \$25,000.

21. The FECA, in particular Title 2, United States Code, Section 441f, specifically prohibited any person from making a contribution in the name of another person or knowingly permitting his or her name to be used to effect such a contribution. Section 441f was violated if a person gave funds to a straw donor, known as a "conduit," for the purpose of having the conduit pass the funds on to a federal candidate as his or her own contribution. A violation would also occur if a person reimbursed a donor who already had given to a candidate, thereby converting the donor's contribution to his or her own.

22. The FECA, in particular Title 2, United States Code, Section 434, required that each treasurer of a political committee file periodic reports of receipts and disbursements, which reports were to identify each person who made a contribution to such committee during the relevant reporting period whose contribution or contributions had an aggregate amount or value in excess of \$200 within the calendar year, together with the date and the amount of any such contribution.

23. The Federal Election Commission ("FEC") was an agency of the United States government, headquartered in Washington, D.C., and entrusted with the responsibility of enforcing the reporting requirements of the FECA and of directing, investigating and instituting

civil enforcement actions with respect to violations of the FECA, including the provisions referred to in paragraphs 19 through 22 above. In addition, the FEC was responsible for making available to the public specific information about the amounts and sources of political contributions to federal candidates and their political committees.

24. United States Senator Edward M. Kennedy was a candidate for re-election in Massachusetts during the campaign preceding the 1994 federal election. The Committee to Reelect Senator Edward M. Kennedy '94 ("Kennedy Committee") was a political committee authorized to support his candidacy. The committee was subject to the reporting provisions and campaign financing limitations of the FECA.

25. President William Jefferson Clinton and Vice President Albert Gore, Jr., were candidates for President and Vice President of the United States during the campaign preceding the 1996 federal election. The Clinton/Gore '96 Primary Committee ("Clinton/Gore Committee") was a political committee authorized to support their candidacies, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

26. Alabama State Senator Roger H. Bedford was a candidate for United States Senate from Alabama during the campaign preceding the 1996 federal election. Roger H. Bedford for U.S. Senate ("Bedford Committee") was a political committee authorized to support his candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

27. Thomas L. Strickland was a candidate for United States Senate from Colorado during the campaign preceding the 1996 federal election. Friends of Tom Strickland, Inc. ("Strickland

Committee") was a political committee authorized to support his candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

28. Ann Henry was a candidate for the United States House of Representatives from Arkansas during the campaign that preceded the 1996 federal election. Ann Henry-for-Congress ("Henry Committee") was a political committee authorized to support her candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

29. Robert G. Torricelli was a candidate for United States Senate from New Jersey during the campaign preceding the 1996 federal election. Torricelli for U.S. Senate, Inc. ("Torricelli Committee") was a political committee authorized to support his candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

### COUNT ONE

30. The factual allegations contained in paragraphs 1 through 18 above are realleged and reincorporated by reference herein.

31. From in or about September 1994, the exact date being unknown to the grand jury, and continuing thereafter to in or about March 1998, within the Southern District of Florida and elsewhere, the defendant

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

and other unindicted co-conspirators, did knowingly and willfully combine, conspire, confederate, and agree with and among each other and with persons both known and unknown to the grand jury:

a. to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful functions of the IRS in the ascertainment, computation, assessment, and collection of the revenue, that is, income taxes owed by FTI and

~~JIMENEZ, individually, and to commit offenses against the United States, to wit:~~

b. to devise a scheme and artifice to defraud and to obtain money and property from Quantum and QPE by means of false and fraudulent pretenses, representations and promises, using the United States mails and private and commercial interstate carriers, in violation of Title 18, United States Code, Section 1341; and

c. to devise a scheme and artifice to defraud and to obtain money and property from Quantum and QPE by means of false and fraudulent pretenses, representations and promises, using wire communications in interstate and foreign commerce, in violation of Title 18, United States Code, Section 1343.

32. It was a purpose and object of the conspiracy that JIMENEZ and others, in order to defraud the United States, specifically the IRS, out of income taxes owed by both JIMENEZ and FTI, would transfer income earned by FTI and JIMENEZ outside the United States through the manner and means set forth below without paying any federal income tax on such income and would file false U.S. Corporate Income Tax Returns claiming deductions for false and improper expenses for advertising, returned merchandise, and political contributions.

33. It was a further purpose and object of the conspiracy that JIMENEZ and others, in order to engage in a scheme and artifice to defraud Quantum out of money and property, would misuse Quantum's Co-op program through the manner and means set forth below.

2025 RELEASE UNDER E.O. 14176

## MANNER AND MEANS OF THE CONSPIRACY

JIMENEZ, unindicted co-conspirators and others, carried out the conspiracy in the following manner and by the following means:

### Scheme To Defraud the IRS Involving Kalisol:

34. JIMENEZ caused FTI to transfer a substantial amount of its income outside the United States without paying any income taxes on such income.

~~35.~~ In order to conceal the movement of said investment income outside the United States, JIMENEZ set up Kalisol and installed the Kalisol President in FTI's Miami offices. JIMENEZ used the Kalisol President to create the appearance that Kalisol was providing marketing services to FTI and MVH. Kalisol regularly billed FTI for marketing services, even though most of the services were never actually performed or the expenses of services which were performed were inflated. Through payment of Kalisol's invoices, JIMENEZ transferred over five million dollars of FTI's funds out of the United States, thereby evading the payment of income taxes on FTI's income.

36. After transferring FTI's income out of the United States through Kalisol, JIMENEZ caused a substantial portion of such income to be transferred, in turn, to MVH and then to personal accounts held by him and his brother in Uruguay.

### Scheme to Defraud the IRS Using FTI's RMA Account:

37. JIMENEZ routinely directed FTI employees to provide him with cash from FTI to be used for entertainment and personal expenses. JIMENEZ knew that personal expenses paid on his behalf by FTI constituted his personal income. JIMENEZ also knew that not all types of entertainment expenses qualified as tax deductions and even those which are deductible required

documentation. JIMENEZ nonetheless caused FTI's Treasurer to provide him with cash for entertainment and personal expenses without attributing such income to him personally or providing the required documentation. JIMENEZ and FTI's Treasurer disguised cash provided to JIMENEZ for entertainment and personal expenses as RMA expenses.

38. Upon JIMENEZ' request, FTI's Treasurer obtained cash from FTI and gave it to JIMENEZ. In order to balance FTI's books, FTI's Treasurer, with JIMENEZ' knowledge and consent, created false documentation to support the appearance that cash was given to an FTI customer for returned merchandise, when in fact it was given to JIMENEZ.

**Scheme to Defraud Quantum:**

39. JIMENEZ and others, known and unknown to the grand jury, caused FTI and MVH to submit false invoices to Quantum for advertising expenses that FTI and MVH never in fact incurred. FTI and MVH employees, with JIMENEZ' knowledge and consent, created invoices on Kalisol letterhead detailing fictitious or inflated advertising expenses. It was part of the scheme that Quantum was led to believe that Kalisol was a third party advertising agency, independent of JIMENEZ, FTI and MVH. JIMENEZ, through FTI and MVH, fraudulently obtained over \$600,000 in credits from Quantum. In order to provide proof to Quantum that the advertising had actually occurred, JIMENEZ caused that fictitious newspapers ads and magazine inserts be submitted to Quantum with the invoices.

**Fictitious Newspaper Ads:**

40. Certain FTI employees in Miami, Florida, and the Kalisol President created fictitious newspaper advertisements as follows:

- a. The Kalisol President purchased various editions of different Puerto Rican and South American newspapers in Miami, Florida.
- b. A copy of a Quantum advertisement was copied onto a page of the Puerto Rican and South American newspapers in place of an existing ad, for a different product. Both sides of the entire newspaper page were reproduced by an outside printing services company, located near FTI's offices in Miami.
- c. The reproduced newspaper pages were delivered to FTI's Executive VP, who tore the edges of the reproduced newspaper pages to resemble actual pages of the published newspapers.
- d. FTI's Executive VP created Kalisol invoices with supporting documentation and sent them to FTI's accounts payable department and MVH's offices in Uruguay for payment. FTI issued checks to Kalisol, which were sent to Uruguay and deposited into Kalisol's account.
- e. JIMENEZ and MVH's President caused the funds paid by FTI to be deposited into Kalisol's account. JIMENEZ and MVH's President then caused funds in Kalisol's account to be moved to MVH's accounts where the amounts were recorded as paid-in capital received from a relative of JIMENEZ. Some of the funds were then moved from MVH's accounts to the personal accounts of JIMENEZ and his relatives.
- f. FTI and MVH sent their invoices to Quantum in the amounts which they purportedly paid to Kalisol, with copies of Kalisol's invoices and fictitious newspaper ads which were created in FTI's Miami offices.

**Magazine Inserts:**

41. Another method used by the conspirators to defraud Quantum of Co-op credits, with JIMENEZ' knowledge and consent, utilized magazine inserts, as follows:

a. ~~FTI caused advertisements to be printed in a form which could be inserted by~~

magazine publishers into various editions of their publications. FTI charged Quantum the amount it would have paid a magazine's publisher for inserting a pre-printed advertisement (also known as an "insert") into its magazine. FTI submitted the cost of printing the insert, as well as the cost for publication of the insert, to Quantum for Co-op credit.

b. On three occasions in 1995, Quantum approved the publication of an insert that FTI had printed with Quantum's logo. FTI, however, did not publish the inserts. FTI incurred no costs for publication of the inserts. FTI's President and Executive VP nevertheless submitted the costs of publishing the inserts to Quantum as if the inserts had been published.

**Scheme to Defraud The IRS By Deducting Political Contributions:**

42. As described more fully in Count Eight below, JIMENEZ caused FTI to make political contributions to the Democratic National Committee ("DNC") and to candidates for federal and state offices. JIMENEZ directed that certain FTI employees make contributions to certain federal and state candidates. JIMENEZ directed FTI's CFO and others to reimburse FTI and MVC employee contributions through FTI's and MVC's payroll systems. FTI's officers, with JIMENEZ' knowledge and consent, caused FTI and MVC to deduct these political contributions

on their U.S. Corporate Income Tax Returns as payroll or corporate expenses or charitable deductions, when they then well knew such expenses were not permissible deductions.

**Scheme to Conceal The Conspiracy and Obstruct the Government's Investigation:**

43. In order to conceal the Kalisol scheme from FTI's auditors and Quantum, JIMENEZ and certain FTI officers caused false Kalisol invoices created at FTI's offices, to be routed to FTI's accounts payable department, giving the appearance that Kalisol was an independent company.

Kalisol maintained an office and telephones near MVH's offices in Uruguay, even though FTI and MVH employees conducted Kalisol's transactions.

44. JIMENEZ and certain FTI officers caused "one-way" mirrors and listening devices to be installed in FTI's conference rooms and offices where FTI's external auditors were working in order to monitor the direction of the audit and cover up illegal transactions.

45. JIMENEZ and MVH's President caused all Kalisol banking transactions to be conducted in Uruguay.

46. JIMENEZ and MVH's President directed MVH's accountant to close all of Kalisol's books and move all Kalisol documents to MVH's President's house in Uruguay.

47. JIMENEZ held a meeting in South America with certain FTI and MVH officers after the United States government's investigations of FTI began and attempted to intimidate FTI and MVH employees who were potential witnesses against JIMENEZ.

48. JIMENEZ directed FTI employees to remove documents that were subject to subpoena by United States' grand juries from FTI's offices and place them in a "safe place" outside FTI's offices.

## OVERT ACTS

In furtherance of this conspiracy and to effect the objects thereof, there was committed by at least one of the co-conspirators herein in the Southern District of Florida and elsewhere, at least one of the following overt acts, among others:

### Acts In Furtherance of the Kalisol Scheme:

49. In or about March 1995, JIMENEZ hired the Kalisol President and met with him at FTI's offices to establish a purportedly independent advertising company, later named Kalisol.

50. Between on or about March 1, 1995, and in or about July 1996, at FTI's offices, FTI's President, Executive VP and the Kalisol President, with JIMENEZ' knowledge and consent, prepared back dated letters to and from Kalisol to give the appearance that Kalisol and the Kalisol President were located in Uruguay.

51. Between on and about March 1, 1995, and in or about July 1996, at FTI's offices, JIMENEZ directed FTI's President and Executive VP to move more than five million dollars from FTI's accounts in the United States to Kalisol's account in Uruguay under the disguise of false Kalisol invoices to FTI.

52. Between on and about March 1, 1995, and in or about July 1996, at FTI's offices, FTI's President, Executive VP and the Kalisol President, with JIMENEZ' knowledge and consent, prepared over 213 false or inflated Kalisol invoices to FTI for payment.

53. Between on or about March 1, 1995, and in or about July 1996, FTI employees in FTI's accounts payable department issued FTI checks payable to Kalisol in the total amount of \$5,314,510, and mailed the FTI checks from FTI's offices to MVH's offices in Uruguay via an international carrier.

54. Between on or about March 1, 1995, and in or about July 1996, at FTI's offices,

JIMENEZ directed FTI's President, Executive VP, and the Kalisol President to pay MVH and

Kalisol expenses with FTI funds. JIMENEZ wanted the expenses to be deducted from FTI's

~~U.S. Corporate Income Tax Returns as if they were legitimate FTI expenses. JIMENEZ stated~~

that he wanted expenses for FTI and MVH to remain in the United States and their profits to be

made off-shore, because certain MVH profits were not subject to United States' or foreign

~~taxation.~~

55. On dates after the Kalisol checks were received in Uruguay, MVH's President caused

FTI checks payable to Kalisol to be deposited in Kalisol's bank account in Uruguay.

56. Between on or about October 22, 1997, and on or about November 20, 1997, MVH's

President caused \$563,560 to be transferred from Kalisol's account at Banco Commercial in

Uruguay to JIMENEZ' personal account at Banco Sudameris in Uruguay.

57. Between on or about July 1, 1995, and on or about May 31, 1996, MVH's President caused

\$5,307,080 to be transferred from Kalisol's account to MVH's accounts and recorded as "Paid-

In Capital" from a relative of JIMENEZ.

58. Between on or about January 31, 1997, and on or about March 13, 1997, MVH's

President caused \$200,000 to be transferred from MVH's account at Banco de Boston in

Uruguay to his own personal account at Banco de Boston in Uruguay.

59. On or about March 26, 1996, MVH's President caused \$3,306 to be transferred from

Kalisol's account at Banco Commercial to another relative's company account.

**Acts In Furtherance of the RMA Scheme:**

60. Between on or about June 1, 1994, and on or about December 31, 1995, at FTI's offices,

JIMENEZ directed and caused FTI's Treasurer to maintain approximately \$20,000 of FTI's cash

available for JIMENEZ' use at all times and to charge the expenditure of said cash to FTT's RMA account.

61. Between on or about June 1, 1994, and on or about December 31, 1995, in FTT's Miami offices, the FTT Treasurer caused FTT's Assistant Treasurer to issue 60 FTT checks, payable to various FTT customers, for the purported purpose of RMA refunds, when they and JIMENEZ then well knew no such refunds were due or were paid.

62. Between on or about June 1, 1994, and on or about December 31, 1995, in FTT's Miami offices, the FTT Treasurer caused FTT's Assistant Treasurer to endorse 60 FTT checks, payable to various FTT customers, with FTT's deposit stamp, creating the appearance that FTT customers cashed said checks at FTT's cashier window, when they and JIMENEZ then well knew that none of the checks were cashed by FTT customers. FTT's Assistant Treasurer then gave the cash in the same amount as the false customer RMA checks to FTT's Treasurer who held it in a safe at FTT's offices for whenever JIMENEZ requested it.

63. Between June 1994 and December 1995, JIMENEZ met with FTT's Treasurer and was told that RMA checks to third parties were used to disguise FTT cash given to JIMENEZ as RMA expenses in the manner described above. JIMENEZ and FTT's Treasurer understood and agreed that FTT's books and records would not reflect that such cash was given to JIMENEZ and that such cash would not be reported as JIMENEZ' personal income or as an entertainment expense.

64. In and about December 1995, JIMENEZ summoned FTT's Treasurer to his FTT office in Miami, Florida, during a time when FTT's books were being audited by the IRS, and directed that FTT's Treasurer give him all cash then available in FTT's safe from the RMA scheme (approximately \$45,000) and not to accumulate any more cash for JIMENEZ.

**Acts In Furtherance of the Scheme to Defraud Quantum:**

65. Between on or about August 1, 1995, and in or about July 1996, at FTI's offices, JIMENEZ directed FTI's President and Executive VP to submit false and inflated claims to Quantum for Co-op credits.

**FTI Newspaper Invoices:**

66. On or about August 10, 1995, in FTI's offices, FTI's President and Executive VP caused a form requesting pre-approval of FTI's Co-op marketing expenses to be prepared and submitted to Quantum in the amount of approximately \$182,000, for advertisements that FTI represented would be published in certain Puerto Rican and South American newspapers. FTI's President and Executive VP caused said pre-approval form to be sent to Quantum's California offices by interstate wire transmission or by the United States mails in order to later receive credit for the expenses listed on the form.

67. On or about August 18, 1995, Quantum granted FTI pre-approval for Co-op marketing expenses in the amount of approximately \$182,000 as described on the Co-op marketing prior approval form submitted by FTI and sent this form from Quantum's California offices to FTI's offices by interstate wire transmission.

68. On or about the dates listed below, FTI's Executive VP prepared the following FTI invoices to Quantum claiming Co-op credit in the amounts listed below and Kalisol invoices for the same amounts. The Kalisol President and FTI's Executive VP also created fictitious newspaper pages which falsely represented that Quantum products had been advertised in the following countries, on the following dates:

FTI Invoice No.	Date FTI Invoice Prepared	Kalisol & FTI Invoice Amounts	Kalisol Invoice Date	Country and Dates of Purported Newspaper Publication
81	Nov. 28, 1995	\$15,577.75	Sept. 8, 1995	Colombia - Aug. 14, 16, 19, 22 & 25, 1995.
82	Nov. 28, 1995	\$18,105.15	Sept. 8, 1995	Ecuador - Aug. 21, 28, 29, 30 & 31, 1995
83	Nov. 28, 1995	\$16,740.35	Sept. 8, 1995	Peru - Aug. 13, 20, 23, 27 & 30, 1995.
84	Nov. 29, 1995	\$17,291.35	Sept. 8, 1995	Puerto Rico - Aug. 10, 12, 16, 19 & 24, 1995.
85	Nov. 29, 1995	\$23,328.35	Sept. 8, 1995	Venezuela - Aug. 19, 20, 22, 24 & 27, 1995.
92	Dec. 13, 1995	\$23,328.35	Dec. 1, 1995	Venezuela - Nov. 6, 7, 14, 15 & 21, 1995.
93	Dec. 13, 1995	\$16,740.35	Oct. 2, 1995	Peru - Sept. 3, 10, 13, 17 & 20, 1995.
94	Dec. 20, 1995	\$18,105.15	Oct. 2, 1995	Ecuador - Sept. 2, 12, 14, 17 & 22, 1995.
95	Dec. 20, 1995	\$15,577.55	Oct. 2, 1995	Colombia - Sept. 3, 8, 12, 15 & 23, 1995.
96	Dec. 20, 1995	\$17,291.35	Oct. 2, 1995	Puerto Rico - Sept. 1, 4, 15, 22 & 26, 1995.

69. On or about November 29, 1995, FTI's Executive VP sent, or caused to be sent, FTI invoice numbers 81 through 85, fictitious newspaper pages and Kalisol invoices from FTI's offices to Quantum's California offices via the United States mail or an interstate carrier.

70. On or about December 14, 1995, QPE issued credits to FTI in the total amount of \$91,042.75 for FTI invoice numbers 81 through 85 and sent credit memos from QPE's Swiss offices to FTI's offices via an international mail carrier.

71. On or about January 8, 1996, FTI issued its check number 3969, payable to QPE, in an amount which was reduced by \$91,042.75, the amount of credit Quantum and QPE granted FTI based on FTI's false Co-op credit invoices.

72. Between on or about December 13, 1995, and on or about December 20, 1995, FTI's Executive VP sent or caused to be sent FTI invoices numbered 92 through 96, fictitious newspaper pages and Kalisol invoices from FTI's offices to Quantum's California offices via the United States mail or an interstate carrier.

73. On or about January 10, 1996, QPE issued credits to FTI in the total amount of \$91,042.75 for FTI invoice numbers 92 through 96 and sent credit memos from QPE's Swiss offices to FTI's offices via an international mail carrier.

74. On or about January 19, 1996, FTI issued its check number 4120, payable to QPE, in an amount which was reduced by \$91,042.75, the amount of credit Quantum and QPE granted FTI based on FTI's false Co-op credit invoices.

75. On or about April 1, 1996, at FTI's offices, FTI's President and Executive VP caused a form requesting pre-approval of FTI's Co-op marketing expenses to be prepared and submitted to Quantum in the amount of \$72,828, for advertisements that FTI represented would be published in certain Puerto Rican and South American newspapers. FTI's President and Executive VP caused said pre-approval form to be sent from FTI's offices to Quantum's California offices by interstate wire transmission or by the United States mails in order to later receive credit for the expenses listed on the form.

76. On or about April 4, 1996, Quantum granted FTI its pre-approval for FTI's Co-op marketing expenses in the amount of \$72,828 as described on the Co-op marketing prior approval

form submitted by FTI and sent this form from Quantum's California offices to FTI's offices by interstate wire transmission.

77. On or about July 15, 1996, at FTI's offices, FTI's Executive VP prepared FTI invoice number 137 to Quantum claiming Co-op credit in the amount of \$72,828, as well as fictitious pages of South American newspapers purportedly published on May 19, and June 2, 6, and 9, 1996, and a Kalisol invoice dated July 5, 1996, for the same publications and amounts.

78. On or about July 15, 1996, FTI's Executive VP sent or caused to be sent FTI invoice number 137, fictitious newspaper pages and Kalisol invoices from FTI's offices to Quantum's California offices via the United States mail or an interstate carrier.

79. On or about August 21, 1996, QPE issued a credit to FTI in the amount of \$72,828 for FTI invoice number 137 and sent a credit memo from QPE's Swiss offices to FTI's offices via an international mail carrier.

80. On or about September 19, 1996, FTI issued its check number 7309, payable to QPE, in an amount which was reduced by \$72,828, the amount of credit Quantum and QPE granted FTI based on FTI's false Co-op credit invoice.

**FTI Magazine Insert Invoices:**

81. On or about July 20, 1995, at FTI's offices, FTI's Executive VP prepared FTI invoice number 20 to Quantum, claiming Co-op credit in the amount of \$11,640 for magazine inserts purportedly published in PC Magazine, and a false Reiser & Reiser invoice dated July 6, 1995, for the same publication and amount.

82. On or about July 28, 1995, at FTI's offices, FTI's Executive VP prepared FTI's invoice number 28 to Quantum, claiming Co-op credit in the amount of \$38,260 for magazine inserts

purportedly published in PC Magazine, and a false Reiser & Reiser invoice dated July 26, 1995, for the same publication and amount.

83. On or about August 2, 1995, at FTI's offices, FTI's President and Executive VP caused a form requesting approval of Co-op marketing expenses in the amount of \$44,890 to be prepared and submitted to Quantum, for magazine inserts that FTI falsely represented were or would be published in certain issues of PC World. FTI's President and Executive VP caused said approval form to be sent from FTI's offices to Quantum's California offices by interstate wire transmission or by the United States mail in order to receive credit for the false expenses listed on the form.

84. On or about August 3, 1995, at FTI's offices, FTI's Executive VP prepared FTI invoice number 29 to Quantum, claiming Co-op credit in the amount of \$44,890 for magazine inserts purportedly published in PC World, and a false Reiser & Reiser invoice dated July 26, 1995, for the same publication and amount.

85. On or about August 8, 1995, at FTI's offices, FTI's President and Executive VP caused three forms requesting approval of Co-op marketing expenses in the total amount \$11,640 to be prepared and submitted to Quantum, for magazine inserts that FTI falsely represented were or would be published in certain issues of PC Magazine. FTI's President and Executive VP caused said approval forms to be sent from FTI's offices to Quantum's California offices by interstate wire transmission or by the United States mail in order to receive credit for the false expenses listed on the forms.

86. On or about August 11, 1995, Quantum granted FTI its approval for Co-op marketing expenses in the amounts of \$44,890 and \$11,640 as described on the Co-op marketing approval forms submitted by FTI.

87. On or about August 24, 1995, at FTI's offices, FTI's President and Executive VP caused a form requesting approval of Co-op marketing expenses in the amount \$38,260 to be prepared and submitted to Quantum, for magazine inserts that FTI falsely represented were or would be published in certain issues of PC Magazine. FTI's President and Executive VP caused said approval form to be sent from FTI's offices to Quantum's California offices by interstate wire transmission or by the United States mail in order to receive credit for the false expenses listed on the form.

88. Between on or about July 20, 1995, and on or about August 24, 1995, FTI's Executive VP caused FTI invoice numbers 20, 28, and 29, samples of unpublished magazine inserts, and false Reiser & Reiser invoices to be sent from FTI's offices to Quantum's California offices via the United States mail or an interstate carrier.

89. On or about September 5, 1995, Quantum granted FTI its approval for Co-op marketing expenses in the amount of \$38,260 as described on the Co-op marketing approval form submitted by FTI.

90. Between on or about August 3, 1995, and on or about September 30, 1995, QPE issued credits to FTI in the total amount of \$94,790 for FTI invoice numbers 20, 28, and 29 and sent credit memos from QPE's Swiss offices to FTI's offices in Miami, Florida, via an international mail carrier.

91. Between on or about August 3, 1995, and on or about September 30, 1995, FTI issued its checks, payable to QPE, in amounts which were reduced by the \$94,790 credit that Quantum and QPE had granted FTI based on FTI's false Co-op credit invoices for magazine inserts.

**MVH Newspaper Invoices:**

92. Between on or about August 1, 1995, and on or about September 30, 1995, JIMENEZ caused FTT's President and Executive VP to help MVH employees in Uruguay implement the method employed by FTT to prepare and submit false Co-op credit approval forms and invoices to Quantum. FTT's Executive VP used international wire communications originating in FTT's offices to coordinate these false MVH submissions to Quantum.

93. On or about August 10, 1995, FTT's President and Executive VP caused a form requesting pre-approval of MVH's Co-op marketing expenses to be prepared and submitted to Quantum in the amount of approximately \$284,000, for advertisements that MVH represented would be published in certain South American newspapers. FTT's President and Executive VP caused said pre-approval form to be sent to Quantum's California offices by international or interstate wire transmission, or by the United States mail, or an interstate or international carrier, in order that MVH would later receive credit for the expenses listed on the form.

94. On or about the dates listed below, FTT's Executive VP prepared the following MVH invoices to Quantum claiming Co-op credit in the amounts listed below and Kalisol invoices for the same amounts. The Kalisol President and FTT's Executive VP also created fictitious newspaper pages which falsely represented that Quantum products were advertised in the following countries, on the following dates:

MVH Invoice No.	Date MVH Invoice Prepared	Kalisol & MVH Invoice Amounts	Kalisol Invoice Date	Country and Dates of Purported Newspaper Publication
19	Sept. 26, 1995	\$28,979.58	Sept. 1, 1995	Argentina, Chile & Uruguay - Aug. 13, 14, 20 & 27, 1995.

MVH Invoice No.	Date MVH Invoice Prepared	Kalisol & MVH Invoice Amounts	Kalisol Invoice Date	Country and Dates of Purported Newspaper Publication
25	Oct. 30, 1995	\$74,781.08	Sept. 7, 1995	Brazil & Argentina - Aug. 14, 15, 17, 21, 22, 24 & 29, 1995.
29	Nov. 9, 1995	\$28,645.08	Sept. 7, 1995	Uruguay - Aug. 20, 21, 27, & 28, 1995.
30	Nov. 10, 1995	\$ 7,349.25	Sept. 7, 1995	Chile - Aug. 21, 27, & 28, 1995.
34	Nov. 30, 1995	\$42,989.30	Oct. 2, 1995	Argentina - Sept. 4, 7, 17, 22 & 24, 1995.
35	Nov. 30, 1995	\$48,987.50	Oct. 2, 1995	Brazil - Sept. 4, 7, 11, 21 & 24, 1995.
36	Nov. 30, 1995	\$12,498.00	Oct. 2, 1995	Chile, - Sept. 3, 4, 10, 17 & 24, 1995.
37	Nov. 30, 1995	\$33,921.80	Oct. 2, 1995	Uruguay - Sept. 4, 10, 17, 18 & 24, 1995.

95. Between on or about September 26, 1995, and on or about November 30, 1995, FTI's Executive VP caused MVH invoice numbers 19, 25, 29, 30, 34, 35, 36, and 37; corresponding fictitious newspaper pages; and Kalisol invoices to be sent to Quantum's California offices by the United States mails or an interstate or international carrier.

96. Between on or about September 26, 1995, and on or about December 1995, QPE issued credits to MVH in the total amount of \$278,151.59 for MVH invoice numbers 19, 25, 29, 30, 34, 35, 36, and 37 and sent credit memos from QPE's Swiss offices to MVH's Uruguayan offices via an international mail carrier.

**Acts In Furtherance of the Scheme to Deduct Political Contributions:**

97. On about March 10, 1994, JIMENEZ directed that FTI make a \$100,000 contribution to the DNC in the form of two corporate checks in the amount of \$50,000 each.

98. In 1995, FTI caused its 1994 U.S. Corporate Income Tax Return, Form 1120, to be prepared by an outside accounting firm.

99. FTI's 1994 U.S. Corporate Income Tax Return, Form 1120, which was received by FTI from its income tax preparer on or about September 14, 1995, reported \$216,438 in charitable contributions, which amount included the \$100,000 DNC contribution.

100. FTI officers reviewing FTI's 1994 U.S. Corporate Income Tax Return, Form 1120, knew that contributions to political parties did not qualify as a charitable deduction, and that the \$100,000 DNC contribution was nevertheless included as a charitable deduction on FTI's U.S. Corporate Income Tax Return.

101. JIMENEZ caused FTI's 1994 U.S. Corporate Income Tax Return, Form 1120, to be filed knowing that \$100,000 was improperly included as a charitable deduction in order to avoid the payment of additional tax that FTI would be assessed if said return reflected the correct amount of FTI's charitable deductions.

102. In 1994 and 1995, JIMENEZ caused FTI to make illegal corporate campaign contributions to candidates for federal office through FTI employees. JIMENEZ caused certain FTI and MVC employees to be reimbursed for some political contributions through the payroll accounts of FTI and MVC. The payroll systems of FTI and MVC were administered by an outside contractor, Automated Data Processing (ADP). The reimbursements to employees for conduit campaign contributions were disguised on the books and records of FTI and MVC as a

form of salary compensation, and FTI and MVC issued false Forms W-2 to employees who were conduit contributors. JIMENEZ thereby caused FTI and MVC to file false Forms W-2, and many of their employees to file false Forms 1040, with the IRS for the 1994 and 1995 tax years.

JIMENEZ also caused FTI and MVC to file false U.S. Corporate Income Tax Returns, Forms 1120, with the IRS for tax years 1994 and 1995.

**Acts to Evade The U.S. Income Taxes:**

103. On or about October 8, 1996, JIMENEZ, in the Southern District of Florida and elsewhere, caused his U.S. Individual Income Tax Return, Form 1040, for calendar year 1995, that was false as to a material matter in that said Form 1040 substantially understated his income and omitted income he took from FTI under the Kalisol schemes described above, to be prepared and filed with the IRS.

104. On or about September 13, 1996, JIMENEZ, in the Southern District of Florida and elsewhere, caused FTI to file a U.S. Corporate Income Tax Return, Form 1120, for calendar year 1995, that was false as to a material matter in that said Form 1120 reported business deductions for advertising, RMA, salaries, and other expenses that JIMENEZ then well knew were not incurred by FTI as stated on its books, records and tax return.

105. On or about October 15, 1997, JIMENEZ, in the Southern District of Florida and elsewhere, caused his U.S. Individual Income Tax Return, Form 1040, for calendar year 1996, that was false as to a material matter in that said Form 1040 substantially understated his income and omitted income he took from FTI under the Kalisol scheme described above, to be prepared and filed with the IRS.

106. On or about September 15, 1997, JIMENEZ, in the Southern District of Florida and elsewhere, caused FTI to file a U.S. Corporate Income Tax Return, Form 1120, for calendar year 1996, that was false as to a material matter in that said Form 1120 reported business deductions for advertising that JIMENEZ then well knew were not incurred by FTI, as stated on its books, records, and tax return.

**Acts to Conceal Fraud and Obstruct the Government's Investigation:**

107. In or around April 1997, JIMENEZ and MVH's President, both of whom were aware of the government's investigation of FTI and MVH, directed that an accountant employed by MVH remove all Kalisol records from MVH and take them to MVH's President's house in Uruguay.

108. In and around November 1997, JIMENEZ, knowing that a federal grand jury had initiated an investigation of him and FTI, and that certain persons were scheduled to testify before the grand jury, sent a facsimile to FTI's Executive VP that outlined suggested responses to questions that might be asked in the grand jury and which suggested answers that JIMENEZ knew were not completely true if given according to his suggestion.

109. In and about December 1997, JIMENEZ, knowing that a federal grand jury had initiated an investigation of him and FTI, directed that two employees of FTI remove certain documents relating to the matters under investigation from his office at FTI and thereafter take them to a "safe" place.

110. On or about March 25, 1998, JIMENEZ, knowing that a federal grand jury had initiated an investigation of him and FTI, held a meeting in Montevideo, Uruguay, with certain FTI and

MVH officers, during which he described to at least one FTI officer his ability to intimidate persons disloyal to him.

All in violation of Title 18, United States Code, Section 371.

## COUNTS TWO THROUGH FIVE:

### COUNT TWO

111. The factual allegations contained in paragraphs 1 through 18 and 34 through 110 above are realleged and reincorporated by reference herein.

112. On or about October 8, 1996, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

did willfully attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for calendar year 1995, by (1) causing Kalisol to be formed in Uruguay; (2) causing FTI to transfer \$4,393,060 to Kalisol through a false advertising expense scheme, which amount was personal income to JIMENEZ; and (3) causing to be prepared and signing a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the IRS, wherein he stated that his taxable income for said calendar year was the sum of \$787,234, and that the amount of tax due and owing thereon was the sum of \$287,433, whereas, as he then and there well knew and believed, his taxable income for said calendar year was substantially in excess of said amount, and upon which said taxable income there was owing to the

United States of America an income tax substantially greater than that which JIMENEZ reported and paid.

All in violation of Title 26, United States Code, § 7201.

**COUNT THREE**

113. The factual allegations contained in paragraphs 1 through 18 and 34 through 110 above are realleged and reincorporated by reference herein.

114. On or about September 13, 1996, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

as the CEO and director of FTI, did willfully attempt to evade and defeat a large part of the income tax due and owing by FTI to the United States of America for calendar year 1995, by causing to be prepared and to be signed a false and fraudulent U.S. Corporate Income Tax Return, Form 1120, which was filed with the IRS and which stated that FTI's advertising expenses for said calendar year totaled the sum of \$5,130,773, whereas, as JIMENEZ then and there well knew and believed, FTI's advertising expenses for said calendar year totaled an amount that was substantially less than said amount.

All in violation of Title 26, United States Code, § 7201.

**COUNT FOUR**

115. The factual allegations contained in paragraphs 1 through 18 and 34 through 110 above are realleged and reincorporated by reference herein.

116. On or about October 15, 1997, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

did willfully attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for calendar year 1996, by (1) causing Kalisol to be formed in Uruguay; (2) causing FTI to transfer \$921,450 to Kalisol through a false advertising expense scheme, which amount was personal income to JIMENEZ; and (3) causing to be prepared and signing a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the IRS, wherein he stated that his taxable income for said calendar year was the sum of \$1,345,437, and that the amount of tax due and owing thereon was the sum of \$534,695, whereas, as he then and there well knew and believed, his taxable income for said calendar year was substantially in excess of said amount, and upon which said taxable income there was owing to the United States of America an income tax substantially greater than that which JIMENEZ reported and paid.

All in violation of Title 26, United States Code, § 7201.

**COUNT FIVE**

117. The factual allegations contained in paragraphs 1 through 18 and 34 through 110 above are realleged and reincorporated by reference herein.

118. On or about September 15, 1997, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

as CEO and director of FTI, did willfully attempt to evade and defeat a large part of the income tax due and owing by FTI to the United States of America for calendar year 1996, by causing to be prepared and to be signed a false and fraudulent U.S. Corporate Income Tax Return, Form 1120, which was filed with the IRS and which stated that FTI's advertising expenses for said calendar year totaled the sum of \$1,694,910, whereas, as JIMENEZ then and there well knew and believed, FTI's advertising expenses for said calendar year totaled an amount that was substantially less than said amount.

All in violation of Title 26, United States Code, § 7201.

### COUNTS SIX AND SEVEN:

119. The factual allegations contained in paragraphs 1 through 18, 39 through 41, and 65 through 96 above, are realleged and reincorporated by reference herein into each of Counts Six and Seven below.

120. From in or about March 1995, the exact date being unknown to the grand jury, and continuing thereafter to in or about April 1996, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

did knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property in the form of credits from Quantum's Co-op program, by means of false and fraudulent pretenses, representations and promises, the concealment of material facts, and other means.

**METHOD AND MEANS OF THE ILLEGAL SCHEME**

121. It was part of the scheme to defraud that JIMENEZ directed, counseled, and aided and abetted certain FTI officers and employees in submitting false claims for Quantum Co-op credits, supported by inflated or fictitious Kalisol invoices, as described in paragraphs 39 through 41 and 65 through 96 of Count One of this indictment.

122. On or about the dates set forth below, for the purpose of executing and attempting to execute the scheme to defraud, in the Southern District of Florida and elsewhere, JIMENEZ, aided and abetted by others known and unknown to the grand jury, did cause to be transmitted in interstate and foreign commerce, by means of wire communications, certain signs, signals, and sounds, that is, facsimile transmissions of Quantum's executed Co-op marketing prior-approval forms for FTI's use of Co-op marketing funds that JIMENEZ then well knew FTI would not incur, but which were submitted to Quantum for Co-op credit as if such expenses would be incurred, said facsimile transmissions having been sent from Quantum's offices in California to FTI's offices:

COUNT	DATE OF FACSIMILE TRANSMISSION	DESCRIPTION OF FACSIMILE
SIX	August 18, 1995	Quantum's form granting pre-approval of a FTI proposed Co-op marketing expense in the total amount of \$182,085.50 for ads to be placed in certain Puerto Rican and South American newspapers between August 14 and November 21, 1995 for which Quantum would give FTI Co-op credit. (Quantum No. FT-LAM-95157).

COUNT	DATE OF FACSIMILE TRANSMISSION	DESCRIPTION OF FACSIMILE
SEVEN	April 4, 1996	Quantum's form granting pre-approval of a FTI proposed Co-op marketing expense in the total amount of \$72,828.00 for ads to be placed in certain Puerto Rican and South American newspapers between May 19 and June 9, 1996 for which Quantum would give FTI Co-op credit. (Quantum No. FT-LAM-96019).

All in violation of Title 18, United States Code, Sections 1343 and 2.

**COUNT EIGHT:**

123. The factual allegations contained in paragraphs 1 through 8, 10, 12, and 19 through 29 above are realleged and reincorporated by reference herein into Count Eight below.

124. From in or about September 1994, the exact date being unknown to the grand jury, and continuing thereafter to in or about March 1998, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

and other unindicted co-conspirators, did knowingly and willfully combine, conspire, confederate, and agree with and among each other and with persons both known and unknown to the grand jury:

- a. to defraud the United States by impairing, impeding, obstructing and defeating the lawful functions and duties of the FEC, and to commit offenses against the United States, to wit:

b. to knowingly and willfully make contributions, or cause contributions to be made, to federal candidates, ~~through~~ <sup>through</sup> conduits or strawmen, said amounts aggregating \$2,000 or more during the calendar years 1994 ~~and~~ <sup>10/18/99</sup> 1996, in violation of Section 441f and Section 437g(d) of Title 2 of the United States Code;

c. to knowingly and willfully make contributions, cause contributions to be made or consent to such contributions being made, to federal candidates, by FTI, a corporation organized under the laws of the State of Florida, said amounts aggregating \$2,000 or more during the calendar years 1994 ~~and~~ <sup>through 11/18/99</sup> 1996, in violation of Section 441b(a) and Section 437g(d) of Title 2 of the United States Code; and

d. to knowingly and willfully make contributions, or cause contributions to be made, to federal candidates, in excess of the individual contribution limitation of \$1,000 to any federal candidate for a single election, said amounts aggregating \$2,000 or more during the calendar year 1996, in violation of Section 441b(a) and Section 437g(d) of Title 2 of the United States Code.

125. It was a purpose and object of the conspiracy that JIMENEZ and others, in order to seek influence and promote the interests of JIMENEZ, FTI, and MVH with political leaders in federal, state, and foreign governments and in the DNC, caused FTI to contribute corporate funds through individual FTI employees and other persons in violation of federal election laws that prohibited corporate contributions to political candidates.

126. It was also a purpose and object of the conspiracy that JIMENEZ and others, in order to promote their interests, caused JIMENEZ' personal funds to be contributed through individual FTI employees and other persons in amounts which exceeded the limits placed on individual contributions by federal laws.

### MANNER AND MEANS OF THE CONSPIRACY

JIMENEZ, unindicted co-conspirators and others carried out the conspiracy in the following manner and by the following means:

127. From at least as early as September of 1994, and continuing until in and about November 1996, JIMENEZ, the unindicted co-conspirators and others devised and executed a scheme whereby corporate money belonging to FTI was used to make secret, disguised and illegal corporate campaign contributions to various federal, state, and local candidates and their political committees.

128. JIMENEZ identified candidates that he wished to support. Thereafter, JIMENEZ solicited, and instructed his co-conspirators and others to solicit campaign contributions from numerous conduits, including employees of FTI, MVH and MVC. The co-conspirators agreed to reimburse conduit campaign contributions with corporate funds from FTI and MVC, or funds drawn on JIMENEZ' personal bank account. JIMENEZ' co-conspirators then disguised the unlawful use of corporate funds in the books and records of said corporations by coding the reimbursements as employee wages, bonuses, adjustments to regular wages, or "other."

129. The scheme to make illegal corporate campaign contributions as alleged above included a plan to reimburse employees for their personal checks to campaigns through the payroll accounts of FTI and MVC. The payroll systems of FTI and MVC were administered by ADP. The

reimbursements to employees for their conduit campaign contributions were disguised on the books and records of FTI and MVC as a form of salary compensation. FTI and MVC issued false Forms W-2 to employees who were reimbursed for their conduit contributions with corporate funds.

130. Later in the course of the scheme, the exact date being unknown to the grand jury, JIMENEZ and the co-conspirators modified the manner in which they reimbursed conduits for their personal checks to federal, state, and local campaigns. Rather than reimbursing employees through the payroll systems of FTI and MVC, the co-conspirators implemented an alternative method by which reimbursements were made in cash to conduit contributors. JIMENEZ' co-conspirators exchanged checks from JIMENEZ' personal bank account for cash available at FTI and distributed that cash to conduit campaign contributors as reimbursement for their checks to federal and state campaigns. The co-conspirators' decision to alter the reimbursement method from the traceable payroll method to the less traceable cash method was made in an attempt to continue to impede and impair the lawful function of the FEC.

131. JIMENEZ and his co-conspirators used conduits to disguise illegal corporate and individual contributions in order to interfere with the accurate reporting of campaign contributions and to cause false information to be conveyed to the FEC. As a result of their scheme, JIMENEZ and his co-conspirators interfered with the accurate reporting of campaign contributions and caused false information to be conveyed to the FEC on numerous and separate occasions.

132. By submitting false contributor information to political committees, knowing that false and inaccurate contributor information would be reported to the FEC, JIMENEZ and his co-conspirators knowingly and willfully caused political committees of candidates for federal office

to make false reports to the FEC. Such committees included the Kennedy Committee, the Clinton/Gore Committee, the Bedford Committee, the Strickland Committee, the Henry Committee, and the Torricelli Committee.

133. JIMENEZ and his co-conspirators also devised ways to conceal the conspiracy and its members. JIMENEZ asked that FTI officers require employees who were conduit contributors to the Clinton/Gore '96 campaign to draft or sign false letters or memoranda indicating: (a) that the employee was not influenced by his or her employer to contribute to the campaign, and/or (b) that the employee was not reimbursed by his or her employer for his or her contributions to the campaign. JIMENEZ and his co-conspirators caused the execution of these false statements with the intent to impair and impede the lawful function of the FEC by concealing the facts of the conduit contributions from public disclosure.

### OVERT ACTS

In furtherance of this conspiracy and to effect the objects thereof, there was committed by at least one of the co-conspirators herein in the Southern District of Florida and elsewhere, at least one of the following overt acts, among others:

#### The Kennedy Campaign:

134. In and about September 1994, JIMENEZ and the co-conspirators caused \$6,000 of FTI's corporate funds to be contributed to the Kennedy Committee and disguised that contribution as contributions from FTI employees.

135. In and about September 1994, JIMENEZ instructed FTI's CFO and other FTI employees to issue their personal checks payable to the Kennedy Committee in amounts of \$1,000 or \$2,000.

136. On or about September 20, 1994, JIMENEZ collected, or caused to be collected, four personal checks from FTI employees made payable to the Kennedy Committee. JIMENEZ then delivered, or caused to be delivered, these four checks, totaling \$6,000, to the Kennedy Committee.

137. On or about September 27, 1994, JIMENEZ instructed an FTI employee to reimburse, through FTI's payroll, those persons who wrote checks to the Kennedy Committee. JIMENEZ instructed FTI's CFO and others to hide the fact of FTI's payroll reimbursements from FTI's auditors.

138. On or about September 27, 1994, a person known to the grand jury caused ADP to generate checks for conduit reimbursements. ADP was instructed to charge FTI's payroll account for an amount large enough to cover the amount of the conduit contributions and federal payroll withholding tax, such that the "net amount" of the reimbursement checks, after taxes, would be approximately the amount of the employees' conduit contributions.

**The Clinton/Gore Campaign:**

139. In or about July 1995, JIMENEZ pledged to raise \$25,000 in connection with a Clinton/Gore Committee fund-raising event to be held at the Sheraton Bal Harbour in Miami, Florida, on September 19, 1995.

140. In or about September 1995, JIMENEZ informed certain FTI employees that he needed \$25,000 from 25 employees in the form of personal checks payable to Clinton/Gore in the amount of \$1,000 each. JIMENEZ instructed FTI's CFO and others to reimburse FTI and MVC employees who had written personal checks to the Clinton/Gore Committee through FTI's and

MVC's payroll. JIMENEZ instructed FTI employees to hide the fact of the payroll reimbursements from FTI's and MVC's auditors.

141. On or about September 6, 1995, JIMENEZ directed his co-conspirators and others to solicit FTI and MVC employees to write personal checks in the amount of \$1,000 payable to the Clinton/Gore Committee.

142. Between on or about September 6, 1995, and September 8, 1995, JIMENEZ solicited a FTI employee, for a personal check payable to the Clinton/Gore Committee in the amount of \$1,000 and promised the employee that he would be reimbursed for the amount of the contribution.

143. Between on or about September 6, 1995, and September 8, 1995, JIMENEZ collected or caused to be collected 25 checks payable to the Clinton/Gore Committee in the amount of \$1,000.

144. Between on or about September 6, 1995 and September 8, 1995, FTI's CFO instructed FTI's Assistant Treasurer, to contact ADP and arrange for FTI and MVC to reimburse 15 non-executive employees who had been or were about to be asked to write personal checks in the amount of \$1,000 each to the Clinton/Gore Committee.

145. Between on or about September 6, 1995 and September 8, 1995, FTI's CFO instructed ADP to reimburse eight executive FTI employees who had or would write personal checks in the amount of \$1,000 each to the Clinton/Gore Committee.

146. On or about September 8, 1995, ADP executed the requested reimbursements to 23 FTI and MVC employees with payroll checks or credits each in the net amount of approximately \$1,000. The illegal reimbursements were coded as "bonus" or "other" payments on the books

and records of FTI in order to conceal the fact of the reimbursements from auditors, lawyers and the IRS.

147. On or about September 13, 1995, JIMENEZ delivered or caused to be delivered 25 personal checks payable to the Clinton/Gore Committee in the amount of \$1,000 each.

148. During 1996, JIMENEZ, FTI's CFO, and others caused the 23 reimbursements to be included in false 1995 Forms W-2 for the 23 contributing employees, which forms were filed with the IRS.

149. In and about September 1995, JIMENEZ and his co-conspirators submitted or caused to be submitted false contributor information to the Clinton/Gore Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and his co-conspirators, by submitting personal checks and donor cards with false contributor names, caused the Treasurer of the Clinton/Gore Committee to falsely report to the FEC that the source of these contributions were the individuals listed on the personal checks and donor cards, when the co-conspirators then and there well knew and believed that FTI was the actual source of the contributions.

**The Cash Reimbursement Scheme:**

150. Sometime in 1996, FTI's In-House Counsel learned that FTI and MVC employees had caused reimbursements of federal campaign contributions with corporate funds to be run through the payroll systems of FTI and MVC. FTI's In-House Counsel confirmed for JIMENEZ and others that it was illegal to reimburse individuals for their contributions to individual federal election campaigns.

151. In or about May 1996, JIMENEZ and his co-conspirators decided that reimbursements made through the FTI's and MVC's payroll systems would render the reimbursements for

political contributions easy to detect. JIMENEZ and his co-conspirators, therefore, decided that subsequent reimbursements to employees would be made with cash in order to remove evidence of those reimbursements from the books and records of FTI and MVC and to conceal the fact of reimbursements from the FEC and others who might inquire about the reason for the reimbursements.

**The Strickland Campaign:**

152. On or about September 24, 1996, JIMENEZ and FTI's CFO caused a conduit contribution in the amount of \$2,000 to be made to the Strickland Committee in the names of FTI's CFO and his wife.

153. On or about September 24, 1996, FTI's CFO issued his personal check in the amount of \$2,000 made payable to "Strickland for Senate."

154. On or about September 25, 1996, FTI's CFO was reimbursed for his and his wife's contributions to the Strickland Committee with cash from the proceeds of a check drawn on JIMENEZ' personal account, in the amount of \$10,500, which was cashed by an FTI employee with currency available at FTI.

155. On or about September 26, 1996, JIMENEZ delivered and caused to be delivered the check from FTI's CFO and his wife to Tom Strickland in FTI's offices in Miami, Florida.

156. In and about October 1996, JIMENEZ and FTI's CFO submitted false contributor information to the Strickland Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and FTI's CFO, through their false representations to candidate Strickland and others, thereby caused the Treasurer of the Strickland Committee to falsely report the actual source of these contributions to the FEC.

**The Bedford for Senate Campaign:**

157. On or about September 24, 1996, JIMENEZ, FTI and others made, and caused to be made, conduit contributions totaling \$4,000, to the Bedford Committee in the names of one FTI and one MVC employee.

158. On or about September 26, 1996, JIMENEZ collected, and caused to be collected, checks from one FTI employee and one MVC employee payable to the Bedford Committee and delivered them, or caused them to be delivered, to Roger Bedford.

159. On or about September 25, 1996, JIMENEZ caused FTI and MVC employees who wrote checks payable to the Bedford Committee to be reimbursed with cash from the proceeds of a check drawn on JIMENEZ' personal account in the amount of \$10,500. JIMENEZ' check was cashed by an FTI employee with currency available at FTI's offices.

160. In and about October 1996, JIMENEZ and his co-conspirators submitted false contributor information to the Bedford Committee knowing that the false contributor information would be reported to the FEC. The co-conspirators caused the Treasurer of the Bedford Committee to falsely report the source of the contributions to the FEC through their false representations to Roger Bedford and the Bedford Committee.

**The Henry for Congress Campaign:**

161. On or about October 8, 1996, JIMENEZ and his co-conspirators made, and caused to be made, conduit contributions to the Henry Committee in the name of one FTI and one MVC employee.

162. On or about October 8, 1996, JIMENEZ collected, and caused to be collected, checks from said FTI and MVC employees, totaling \$2,000, payable to the Henry Committee, which checks JIMENEZ delivered, or caused to be delivered, to the Henry Committee.

163. On or about October 8, 1996, JIMENEZ caused the employees who wrote checks payable to the Henry Committee to be reimbursed with cash from the proceeds of a check drawn on JIMENEZ' personal account in the amount of \$2,000. JIMENEZ' check was cashed by an FTI employee with currency available at FTI's offices.

164. On or about December 2, 1996, JIMENEZ and his co-conspirators submitted false contributor information to the Henry Committee knowing that the false contributor information would be reported to the FEC. JIMENEZ and his co-conspirators thereby caused the Treasurer of the Henry Committee to falsely report the actual source of these contributions to the FEC.

The Torricelli for U.S. Senate Campaign:

165. On or about October 29, 1996, JIMENEZ and his co-conspirators made, and caused to be made, conduit contributions to the Torricelli Committee in the names of five persons who were FTI, MVC, and MVH employees.

166. On or about October 29, 1996, JIMENEZ collected, and caused to be collected, checks from the five employees, totaling \$2,500, payable to the Torricelli Committee, which checks JIMENEZ caused to be delivered to the Torricelli Committee.

167. In or around November 1996, JIMENEZ, his co-conspirators, and others, caused the employees who wrote checks to the Torricelli Committee to be reimbursed in cash.

168. On or about December 5, 1996, JIMENEZ and his co-conspirators submitted false contributor information to the Torricelli Committee knowing that the false contributor

information would be reported to the FEC. JIMENEZ and his co-conspirators thereby caused the Treasurer of the Torricelli Committee to falsely report the actual source of these contributions to the FEC.

**Acts To Conceal the Conspiracy:**

169. In and about May 1996, FTI employees received telephone calls from news reporters asking about their contributions to the Clinton/Gore Committee. JIMENEZ, upon learning of the public interest, held a meeting at FTI's offices with certain FTI executives.

170. In and about May 1996, JIMENEZ directed that FTI department heads get signed letters from each of the employees who had written checks to the Clinton/Gore Committee, falsely stating that the employee (a) had made a contribution to the Clinton/Gore Committee on his or her own initiative and without influence from his or her employer and (b) had not been reimbursed for his or her contribution to the Clinton/Gore Committee.

171. Between on or about May 8, 1996, and on or about June 27, 1996, FTI's In-House Counsel caused said letters to be prepared on behalf of, and signed by, approximately seven employees. These letters falsely stated that the employees to whom the letters were attributed were not influenced by anyone at FTI to make contributions to the Clinton/Gore Committee and/or that they were not reimbursed for their contributions.

172. Between on or before May 1, 1996, and on or about May 20, 1996, FTI's CFO instructed approximately six employees to prepare and sign letters falsely stating that they were not influenced by anyone at FTI to contribute to the Clinton/Gore Committee and/or that they were not reimbursed for their contributions.

In and about May and June 1996, FTI's In-House Counsel collected the false letters that employees had been asked to write and/or sign concerning the personal checks they had written payable to the Clinton/Gore Committee.

-----All in violation of Title 18, United States Code, Section 371.

**COUNTS NINE THROUGH FOURTEEN:**

173. The factual allegations contained in paragraphs 1 through 8, 10, 12, 19 through 29, and 127 through 173 above are realleged and reincorporated by reference herein, into each of Counts Nine through Fourteen below.

174. On or about the dates set forth below, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

aided and abetted by others known and unknown to the grand jury, in a matter within the jurisdiction of the FEC, did willfully and knowingly cause treasurers for the below-listed political committees to (a) make materially false and fictitious statements and representations; and (b) make and use false writings and documents knowing the same to contain materially false, fictitious and fraudulent statements and entries, to wit: JIMENEZ caused the treasurers for the below-listed political committees to create and submit false reports to the FEC which indicated that lawful contributions to the respective political committees were made by the individuals listed on the personal checks and donor cards, when in truth and in fact, as JIMENEZ well knew, it was FTI, MVC, or JIMENEZ, that had contributed to the respective political committees and not the conduits listed in the report filed with the FEC:

COUNTS	DATES	POLITICAL COMMITTEES
NINE	October 14, 1994	Kennedy Committee
TEN	December 27, 1995	Clinton/Gore Committee
ELEVEN	October 15, 1996	Strickland Committee
TWELVE	October 15, 1996	Bedford Committee
THIRTEEN	December 2, 1996	Henry Committee
FOURTEEN	December 5, 1996	Torricelli Committee

All in violation of Title 18, United States Code, Sections 1001 and 2.

**COUNTS FIFTEEN THROUGH FORTY-SEVEN**

175. The factual allegations contained in paragraphs 1 through 8, 10, 12, 19 through 29, and 127 through 173 above are realleged and reincorporated by reference herein, into each of Counts Fifteen through Forty-Seven below.

176. On or about the dates set forth below, in the Southern District of Florida and elsewhere, the defendant,

MARK B. JIMENEZ,  
a.k.a. "Mario Batacan Crespo,"

did knowingly and willfully make the following contributions within the meaning of Section 431(8) of Title 2 of the United States Code in violation of the prohibition against disguised contributions made through conduits or strawmen contained in the Federal Election Campaign Act of 1971, as amended; to wit, that JIMENEZ, and/or a corporation controlled by JIMENEZ, did knowingly and willfully make the following contributions, to the following political committees, in the following amounts, and in the names of the following persons, who were

associated with the following employers, said amounts aggregating \$2,000 or more during calendar year 1995 and 1996:

<b>COUNTS</b>	<b>POLITICAL COMMITTEES</b>	<b>AMOUNT</b>	<b>DATE OF CONTRIBUTIONS</b>	<b>NAMED CONTRIBUTOR: EMPLOYER</b>
FIFTEEN	Clinton/Gore	\$1,000	September 13, 1995	E.B.: FTI
SIXTEEN	Clinton/Gore	\$1,000	September 13, 1995	M.B.: FTI
SEVENTEEN	Clinton/Gore	\$1,000	September 13, 1995	R.C.: FTI
EIGHTEEN	Clinton/Gore	\$1,000	September 13, 1995	R.C.: FTI
NINETEEN	Clinton/Gore	\$1,000	September 13, 1995	J.D.: FTI
TWENTY	Clinton/Gore	\$1,000	September 13, 1995	R.E.: FTI
TWENTY-ONE	Clinton/Gore	\$1,000	September 13, 1995	J.F.: FTI
TWENTY-TWO	Clinton/Gore	\$1,000	September 13, 1995	D.F.: FTI
TWENTY-THREE	Clinton/Gore	\$1,000	September 13, 1995	M.G.: FTI
TWENTY-FOUR	Clinton/Gore	\$1,000	September 13, 1995	W.G.: FTI
TWENTY-FIVE	Clinton/Gore	\$1,000	September 13, 1995	D.H.: FTI
TWENTY-SIX	Clinton/Gore	\$1,000	September 13, 1995	FTI's Exec. VP
TWENTY-SEVEN	Clinton/Gore	\$1,000	September 13, 1995	FTI's President
TWENTY-EIGHT	Clinton/Gore	\$1,000	September 13, 1995	FTI's Treasurer
TWENTY-NINE	Clinton/Gore	\$1,000	September 13, 1995	R.N.: FTI
THIRTY	Clinton/Gore	\$1,000	September 13, 1995	FTI's CFO
THIRTY-ONE	Clinton/Gore	\$1,000	September 13, 1995	R.R.: FTI
THIRTY-TWO	Clinton/Gore	\$1,000	September 13, 1995	J.R.: FTI
THIRTY-THREE	Clinton/Gore	\$1,000	September 13, 1995	R.S.: FTI
THIRTY-FOUR	Clinton/Gore	\$1,000	September 13, 1995	E.S.: FTI
THIRTY-FIVE	Clinton/Gore	\$1,000	September 13, 1995	J.S.: FTI
THIRTY-SIX	Clinton/Gore	\$1,000	September 13, 1995	J.T.: MVC

COUNTS	POLITICAL COMMITTEES	AMOUNT	DATE OF CONTRIBUTIONS	NAMED CONTRIBUTOR: EMPLOYER
THIRTY-SEVEN	Clinton/Gore	\$1,000	September 13, 1995	L.G.: FTI
THIRTY-EIGHT	Strickland	\$2,000	September 24, 1996	FTI's CFO
THIRTY-NINE	Bedford	\$2,000	September 26, 1996	M.C.: MVC
FORTY	Bedford	\$2,000	September 26, 1996	FTI's Treasurer
FORTY-ONE	Henry	\$1,000	October 8, 1996	R.D.: MVC
FORTY-TWO	Henry	\$1,000	October 8, 1996	R.D.: FTI
FORTY-THREE	Torricelli	\$ 500	October 29, 1996	M.C.: MVC
FORTY-FOUR	Torricelli	\$ 500	October 29, 1996	D.A.: MVH
FORTY-FIVE	Torricelli	\$ 500	October 29, 1996	M.J.: MVH
FORTY-SIX	Torricelli	\$ 500	October 29, 1996	E.C.: FTI
FORTY-SEVEN	Torricelli	\$ 500	October 29, 1996	C.G.: FTI

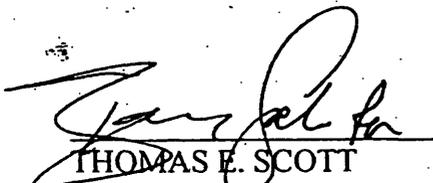
All in violation of Title 2 United States Code, Sections 441f and 437g(d) and Title 18

United States Code, Section 2.

A TRUE BILL:



FOREPERSON



THOMAS E. SCOTT  
UNITED STATES ATTORNEY



MICHAEL E. SAVAGE  
TRIAL ATTORNEY  
U.S. Department of Justice