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9 Attorney for Plaintiff
 10 United States of America

11
 12 UNITED STATES DISTRICT COURT
 13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA,) Case No. SA CR 08-110
)
 15 Plaintiff,) PLEA AGREEMENT FOR
) DEFENDANT MARTIN ERIC SELF
 16 v.)
)
 17 MARTIN ERIC SELF,)
)
 18 Defendant.)
)
 19 _____)

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 21 1. This constitutes the plea agreement between MARTIN ERIC
 22 SELF ("defendant") and the United States Attorney's Office for
 23 the Central District of California ("the USAO") and the United
 24 States Department of Justice, Criminal Division, Fraud Section
 25 ("the Fraud Section") (the USAO and the Fraud Section are,
 26 together, referred to as "the Department of Justice") in the
 27 above-captioned case. This agreement is limited to the

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1 Department of Justice and cannot bind any other federal, state or
2 local prosecuting, administrative or regulatory authorities.

3 PLEA

4 2. Defendant gives up the right to indictment by a grand
5 jury and agrees to plead guilty to an information charging the
6 defendant with two counts of violating the Foreign Corrupt
7 Practices Act, Title 15, United States Code, Section 78dd-2.

8 NATURE OF THE OFFENSE

9 3. In order for defendant to be guilty of a violation of
10 Title 15, United States Code, Section 78dd-2 the following must
11 be true: (1) defendant, as a domestic concern,¹ willfully made
12 use of the mails or any means or instrumentality of interstate
13 commerce; (2) corruptly; (3) in furtherance of an offer, payment,
14 gift, promise to give, promise to pay or authorization of the
15 payment of money or giving of anything of value either indirectly
16 or directly; (4) to any foreign official, which means any officer
17 or employee of a foreign government, or any department, agency,
18 or instrumentality thereof; (5) for purposes of: (a) influencing
19 acts and decisions of such foreign official in his official
20 capacity; (b) inducing such foreign official to do and omit to do
21 acts in violation of the lawful duty of such official;
22 (c) securing an improper advantage; or (d) inducing such foreign
23 official to use his influence with a foreign government and
24 instrumentalities thereof to affect and influence acts and

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26 ¹ The term "domestic concern," as defined in the FCPA,
27 includes any individual who is a citizen, national, or resident
of the United States.

1 decisions of such government and instrumentalities, in order to
2 assist defendant and others known and unknown to the Grand Jury,
3 in obtaining and retaining business for or with, or directing
4 business to any person.

5 PENALTIES

6 4. The statutory maximum sentence that the Court can
7 impose for a violation of Title 15, United States Code, Section
8 78dd-2 is: five years imprisonment; a five-year period of
9 supervised release; a fine of \$100,000; and a mandatory special
10 assessment of \$100.

11 5. Supervised release is a period of time following
12 imprisonment during which defendant will be subject to various
13 restrictions and requirements. Defendant understands that if
14 defendant violates one or more of the conditions of any
15 supervised release imposed, defendant may be returned to prison
16 for all or part of the term of supervised release, which could
17 result in defendant serving a total term of imprisonment greater
18 than the statutory maximum stated above.

19 6. Defendant also understands that, by pleading guilty,
20 defendant may be giving up valuable government benefits and
21 valuable civic rights, such as the right to vote, the right to
22 possess a firearm, the right to hold office, and the right to
23 serve on a jury.

24 7. Defendant further understands that his conviction in
25 this case may subject defendant to various collateral
26 consequences, including but not limited to, deportation,
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1 revocation of probation, parole, or supervised release in another
2 case, and suspension or revocation of a professional license.
3 Defendant understands that unanticipated collateral consequences
4 will not serve as grounds to withdraw defendant's guilty plea.

5 FACTUAL BASIS

6 8. Defendant and the Department of Justice agree and
7 stipulate to the statement of facts set forth below. This
8 statement of facts includes facts sufficient to support a plea of
9 guilty to the charges described in this agreement and to
10 establish the sentencing guideline factors set forth in paragraph
11 12 below. It is not meant to be a complete recitation of all
12 facts relevant to the underlying criminal conduct or all facts
13 known to defendant that relate to that conduct.

14 Defendant and the Department of Justice agree and
15 stipulate to the statement of facts set forth below. This
16 statement of facts includes facts sufficient to support a plea of
17 guilty to the charges described in this agreement and to
18 establish the sentencing guideline factors set forth in paragraph
19 12 below. It is not meant to be a complete recitation of all
20 facts relevant to the underlying criminal conduct or all facts
21 known to defendant that relate to that conduct.

22 At all times relevant to this plea agreement, defendant,
23 a citizen of the United States, was a domestic concern. From in
24 or about November 1998 to approximately November 2003, defendant
25 was President of Pacific Consolidated Industries, LP ("PCI"),
26 headquartered in Santa Ana, California. PCI was a company

1 engaged in the manufacture of Air Separation Units ("ASUs") and
2 Nitrogen Concentration Trolleys ("NCTs") for defense departments
3 throughout the world. As President, defendant was a signatory
4 for PCI agreements and bank accounts and had supervisory
5 authority of Leo Winston Smith, Executive Vice President of Sales
6 and Marketing at PCI. Leo Winston Smith's main responsibility at
7 PCI was to obtain business from, and negotiate contracts with,
8 various domestic and international clients, including the United
9 Kingdom Ministry of Defense ("UK-MOD"), Defense Logistics
10 Organization, Royal Air Force ("RAF") Base Wyton in
11 Cambridgeshire, England. UK-MOD, including its Defense Logistics
12 Organization, was a department, agency, and instrumentality of
13 the United Kingdom of Great Britain and Northern Ireland (the
14 "United Kingdom").

15 During 1998 through 2003, a citizen of the United Kingdom
16 was a civil servant and an employee of UK-MOD (the "UK-MOD
17 Employee"). As an employee of UK-MOD, the UK-MOD Employee was a
18 foreign official. The UK-MOD Employee was involved in the
19 procurement of certain equipment for UK-MOD and took part in the
20 review of requests for proposals for UK-MOD contracts, otherwise
21 known as "tenders." As a result of his position at UK-MOD, the
22 UK-MOD Employee was able to influence the awarding of UK-MOD
23 contracts for services and equipment.

24 In or about October 1999, defendant and Leo Winston
25 Smith, caused PCI to enter into a Marketing Agreement with a
26 person he understood to be a Relative of the UK-MOD employee (the
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1 "Relative"). Defendant, through Leo Winston Smith, understood
2 that PCI had to enter into the Marketing Agreement with the
3 Relative in order to assist in obtaining or retaining the ASU
4 contracts. Defendant was not aware of any genuine services
5 provided by the Relative.

6 Beginning in or about 1999, and continuing to in or about
7 May 2002, defendant and Leo Winston Smith caused approximately
8 \$70,350 in payments to be made to the Relative. It was the
9 defendant's belief that those payments were made, at the request
10 of, and in order to benefit, the UK-MOD employee.

11 Beginning in late 1999, and continuing thereafter,
12 defendant was aware of a high probability that the payments to
13 the Relative were made for the purpose of obtaining and retaining
14 the benefits of the UK-MOD contracts for ASU spare parts.
15 Defendant failed to make a reasonable investigation of the true
16 facts and deliberately avoided learning the true facts.

17 Defendant and Leo Winston Smith engaged in the following
18 actions (among others): (i) on or about October 21, 1999,
19 defendant executed, on behalf of PCI, a marketing agreement
20 between PCI and the Relative for consulting/marketing services to
21 customers in Europe at a rate of \$5,000 for two quarters; (ii) on
22 or about March 14, 2000, defendant and Leo Winston Smith caused a
23 wire transfer of \$5,000.00 from PCI's Wells Fargo account in
24 Santa Ana, California, to the Relative's bank account at Lloyds
25 Bank England; and (iii) on about April 23, 2002, defendant and
26 Leo Winston Smith caused a wire transfer of \$14,280.18 from PCI's

1 Comerica account in Costa Mesa, California, to the Relative's
2 bank account at Lloyds Bank, England.

3 WAIVER OF CONSTITUTIONAL RIGHTS

4 9. By pleading guilty, defendant gives up the following
5 rights:

6 a) The right to persist in a plea of not guilty.

7 b) The right to a speedy and public trial by jury.

8 c) The right to the assistance of legal counsel at
9 trial, including the right to have the Court appoint counsel for
10 defendant for the purpose of representation at trial. (In this
11 regard, defendant understands that, despite his plea of guilty,
12 he retains the right to be represented by counsel - and, if
13 necessary, to have the court appoint counsel if defendant cannot
14 afford counsel - at every other stage of the proceedings.)

15 d) The right to be presumed innocent and to have the
16 burden of proof placed on the government to prove defendant
17 guilty beyond a reasonable doubt.

18 e) The right to confront and cross-examine witnesses
19 against defendant.

20 f) The right, if defendant wished, to testify on
21 defendant's own behalf and present evidence in opposition to the
22 charges, including the right to call witnesses and to subpoena
23 those witnesses to testify.

24 g) The right not to be compelled to testify, and, if
25 defendant chose not to testify or present evidence, to have that
26 choice not be used against defendant.

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1 10. By pleading guilty, defendant also gives up any and all
 2 rights to pursue any affirmative defenses, Fourth Amendment or
 3 Fifth Amendment claims, and other pretrial motions that have been
 4 filed or could be filed.

5 SENTENCING FACTORS

6 11. Defendant understands that the Court is required to
 7 consider the United States Sentencing Guidelines ("U.S.S.G." or
 8 "Sentencing Guidelines") among other factors in determining
 9 defendant's sentence. Defendant understands, however, that the
 10 Sentencing Guidelines are only advisory, and that after
 11 considering the Sentencing Guidelines, the Court may be free to
 12 exercise its discretion to impose any reasonable sentence up to
 13 the maximum set by statute for the crimes of conviction.

14 12. Defendant and the USAO agree and stipulate to the
 15 following applicable sentencing guideline factors²:

16	Base Offense Level	:	8	[U.S.S.G. § 2B1.4(a)]
17	More than \$70,000	:	+8	[U.S.S.G. §§ 2B1.4(b)(1)(B);
18	in bribes, but less			2B1.1(B)(1)(E)]
19	than \$120,000			
20	Mitigating Role	:	-3	[U.S.S.G. § 3B1.2]
21	Acceptance of			
22	Responsibility	:	-2	[U.S.S.G. § 3E1.1(a)]
23	Total Offense Level	:	11	

26 ² The parties stipulate and agree that use of the 2001
 27 Guidelines Manual is appropriate.

1 13. Defendant reserves the right to argue that additional
2 specific offense characteristics, adjustments, and departures are
3 appropriate.

4 14. There is no agreement as to defendant's criminal
5 history or criminal history category.

6 15. The stipulations in this agreement do not bind either
7 the United States Probation Office or the Court. Both defendant
8 and the Department of Justice are free to: (a) supplement the
9 facts by supplying relevant information to the United States
10 Probation Office and the Court, (b) correct any and all factual
11 misstatements relating to the calculation of the sentence, and (c)
12 argue on appeal and collateral review that the Court's sentencing
13 guidelines calculations are not error, although each party agrees
14 to maintain its view that the calculations in paragraph 12 are
15 consistent with the facts of this case.

16 DEFENDANT'S OBLIGATIONS

17 16. Defendant agrees that he will:

18 a) Plead guilty as set forth in this agreement.

19 b) Not knowingly and willfully fail to abide by all
20 sentencing stipulations contained in this agreement.

21 c) Not knowingly and willfully fail to: (i) appear as
22 ordered for all court appearances, (ii) surrender as ordered for
23 service of sentence, (iii) obey all conditions of any bond, and
24 (iv) obey any other ongoing court order in this matter.

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1 d) Not commit any crime; however, offenses which would
2 be excluded for sentencing purposes under U.S.S.G.
3 § 4A1.2(c) are not within the scope of this agreement.

4 e) Not knowingly and willfully fail to be truthful at
5 all times with Pretrial Services, the U.S. Probation Office, and
6 the Court.

7 f) Pay the applicable special assessment at or before
8 the time of sentencing unless defendant lacks the ability to pay.

9 g) Defendant hereby waives any statute of
10 limitations defense he might now have regarding the offenses
11 charged in the Information.

12 THE DEPARTMENT OF JUSTICE'S OBLIGATIONS

13 17. If defendant complies fully with all defendant's
14 obligations under this agreement, the Department of Justice
15 agrees:

16 a) To abide by all sentencing stipulations contained
17 in this agreement.

18 b) At the time of sentencing, provided that defendant
19 demonstrates an acceptance of responsibility for the offense up to
20 and including at the time of sentencing, to recommend a two-level
21 reduction in the applicable sentencing guideline offense level,
22 pursuant to U.S.S.G. § 3E1.1, and to recommend and, if necessary,
23 move for an additional one-level reduction if available under that
24 section.

25 c) To recommend that defendant be sentenced to a term
26 of imprisonment at the low end of the applicable Sentencing
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1 Guidelines imprisonment range provided that the total offense
2 level as calculated by the Court is 11 or higher and provided
3 that the Court does not depart downward in offense level or
4 criminal history category.

5 d) Except for criminal tax violations (including
6 conspiracy to commit such violations chargeable under 18 U.S.C.
7 § 371), not to further prosecute defendant for violations arising
8 out of defendant's conduct described in the stipulated factual
9 basis set forth in paragraph 8 above or the defendant's conduct
10 referenced indictment # SA CR 07-69-AG (defendant is referenced as
11 the "Executive" in that indictment). Defendant understands that
12 the USAO is free to prosecute defendant for any other unlawful
13 past conduct or any unlawful conduct that occurs after the date of
14 this agreement. Defendant agrees that at the time of sentencing
15 the Court may consider the uncharged conduct in determining the
16 applicable Sentencing Guidelines range, where the sentence should
17 fall within that range, the propriety and extent of any departure
18 from that range, and the determination of the sentence to be
19 imposed after consideration of the sentencing guidelines and all
20 other relevant factors.

21 BREACH OF AGREEMENT

22 18. If defendant, at any time between the execution of this
23 agreement and defendant's sentencing on a non-custodial sentence
24 or surrender for service on a custodial sentence, knowingly
25 violates or fails to perform any of defendant's obligations under
26 this agreement ("a breach"), the Department of Justice may declare
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1 this agreement breached. If the Department of Justice declares
2 this agreement breached, and the Court finds such a breach to have
3 occurred, defendant will not be able to withdraw defendant's
4 guilty plea, and the Department of Justice will be relieved of all
5 of its obligations under this agreement.

6 19. Following a knowing and willful breach of this agreement
7 by defendant, should the Department of Justice elect to pursue any
8 charge that was either dismissed or not filed as a result of this
9 agreement, then:

10 a) Defendant agrees that any applicable statute of
11 limitations is tolled between the date of defendant's signing of
12 this agreement and the commencement of any such prosecution or
13 action.

14 b) Defendant gives up all defenses based on the statute
15 of limitations, any claim of preindictment delay, or any speedy
16 trial claim with respect to any such prosecution, except to the
17 extent that such defenses existed as of the date of defendant's
18 signing of this agreement.

19 c) Defendant agrees that: i) any statements made by
20 defendant, under oath, at the guilty plea hearing; ii) the
21 stipulated factual basis statement in this agreement; and
22 iii) any evidence derived from such statements, are admissible
23 against defendant in any future prosecution of defendant, and
24 defendant shall assert no claim under the United States
25 Constitution, any statute, Rule 410 of the Federal Rules of
26 Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure,
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1 or any other federal rule, that the statements or any evidence
2 derived from any statements should be suppressed or are
3 inadmissible.

4 LIMITED MUTUAL WAIVER OF APPEAL

5 20. Defendant gives up the right to appeal any sentence
6 imposed by the Court, and the manner in which the sentence is
7 determined, provided that: (a) the sentence is within the
8 statutory maximum specified above and is constitutional; (b) the
9 Court in determining the applicable guideline range does not
10 depart upward in offense level or criminal history category and
11 determines that the total offense level is 11 or below; and
12 (c) the Court imposes a sentence within or below the range
13 corresponding to the determined total offense level and criminal
14 history category. Notwithstanding the foregoing, defendant
15 retains the ability to appeal the conditions of supervised release
16 imposed by the court, with the exception of the following:
17 standard conditions set forth in district court General Orders 318
18 and 01-05; the drug testing conditions mandated by 18 U.S.C.
19 §§ 3563(a)(5) and 3583(d); and the alcohol and drug use conditions
20 authorized by 18 U.S.C. § 3563(b)(7).

21 21. The Department of Justice gives up its right to appeal
22 the sentence, provided that: (a) the Court in determining the
23 applicable guideline range does not depart downward in offense
24 level or criminal history category; (b) the Court determines that
25 the total offense level is 11 or above; and (c) the Court imposes

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1 a sentence within or above the range corresponding to the
2 determined total offense level and criminal history category.

3 COURT NOT A PARTY

4 22. The Court is not a party to this agreement and need not
5 accept any of the Department of Justice's sentencing
6 recommendations or the parties' stipulations. Even if the Court
7 ignores any sentencing recommendation, finds facts or reaches
8 conclusions different from any stipulation, and/or imposes any
9 sentence up to the maximum established by statute, defendant
10 cannot, for that reason, withdraw defendant's guilty plea, and
11 defendant will remain bound to fulfill all defendant's obligations
12 under this agreement. No one - not the prosecutor, defendant's
13 attorney, or the Court - can make a binding prediction or promise
14 regarding the sentence defendant will receive, except that it will
15 be within the statutory maximum.

16 NO ADDITIONAL AGREEMENTS

17 23. Except as set forth herein, there are no promises,
18 understandings or agreements between the Department of Justice and
19 defendant or defendant's counsel. Nor may any additional
20 agreement, understanding or condition be entered into unless in a
21 writing signed by all parties or on the record in court.

22 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

23 24. The parties agree and stipulate that this Agreement will
24 be considered part of the record of defendant's guilty plea
25 hearing as if the entire Agreement had been read into the record
26 of the proceeding.

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EFFECTIVE DATE

25. This Agreement is effective upon signature by defendant, his attorney, an Assistant United States Attorney with the USAO, and a Trial Attorney with the Fraud Section.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA

THOMAS P. O'BRIEN
United States Attorney

Jennifer L. Waier
JENNIFER L. WAIER
Assistant United States Attorney

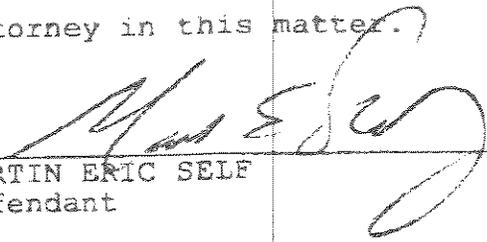
5/7/08
Date

FRAUD SECTION, CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE
STEVEN A. TYRRELL, Chief
MARK F. MENDELSON, Deputy Chief

Jonathan E. Lopez
JONATHAN E. LOPEZ, Trial Attorney
Fraud Section, Criminal Division
U.S. Department of Justice

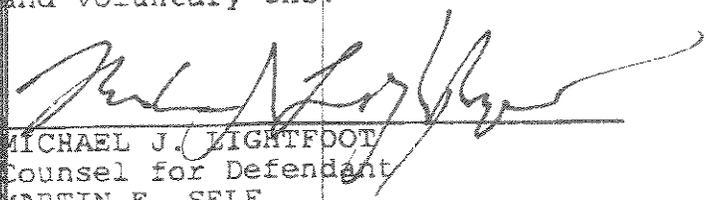
5/7/08
Date

1 I have read this agreement and carefully discussed every part
2 of it with my attorney. I understand the terms of this agreement,
3 and I voluntarily agree to those terms. My attorney has advised
4 me of my rights, of possible defenses, of the Sentencing Guideline
5 provisions, and of the consequences of entering into this
6 agreement. No promises or inducements have been made to me other
7 than those contained in this agreement. No one has threatened or
8 forced me in any way to enter into this
9 agreement. Finally, I am satisfied with the representation of my
10 attorney in this matter.

11
12 
13 MARTIN ERIC SELF
14 Defendant

5/2/08
Date

15 I am Martin Eric Self's attorney. I have carefully discussed
16 every part of this agreement with my client. Further, I have
17 fully advised my client of his rights, of possible defenses, of
18 the Sentencing Guidelines' provisions, and of the consequences of
19 entering into this agreement. To my knowledge,
20 my client's decision to enter into this agreement is an informed
21 and voluntary one.

22
23 
24 MICHAEL J. LIGHTFOOT
25 Counsel for Defendant
26 MARTIN E. SELF

5/2/08
Date