

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, April 5, 2013

Four Former Executives of Lufthansa Subsidiary Bizjet Charged with Foreign Bribery

Charges were unsealed today against four former executives of BizJet International Sales and Support Inc., the U.S.-based subsidiary of Lufthansa Technik AG, which provides aircraft maintenance, repair and overhaul (MRO) services, for their alleged participation in a scheme to pay bribes to government officials in Latin America, announced Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division and Assistant Director in Charge Valerie Parlave of the FBI's Washington Field Office.

According to the charges, Bernd Kowalewski, the former president and chief executive officer of BizJet, Jald Jensen, the former sales manager at BizJet, Peter DuBois, the former vice president of sales and marketing at BizJet, and Neal Uhl, the former vice president of finance at BizJet, paid bribes to officials employed by the Mexican Policia Federal Preventiva, the Mexican Coordinacion General de Transportes Aereos Presidenciales, the air fleet for the Gobierno del Estado de Sinaloa in Mexico, the air fleet for the Estado De Roraima in Brazil, and the Republica de Panama Autoridad Aeronautica Civil in exchange for those officials' assistance in securing contracts for BizJet to perform MRO services.

Kowalewski and Jensen were charged by indictment filed in U.S. District Court for the Northern District of Oklahoma on Jan. 5, 2012, with conspiring to violate the Foreign Corrupt Practices Act (FCPA) and to launder money, as well as substantive charges of violating the FCPA and money laundering. The two defendants are believed to remain abroad.

DuBois and Uhl pleaded guilty on Jan. 5, 2012, to criminal informations, and their pleas were unsealed today. DuBois pleaded guilty to one count of conspiracy to violate the FCPA and one count of violating the FCPA. Uhl pleaded guilty to one count of conspiracy to violate the FCPA. Both defendants were sentenced today by U.S. District Judge Gregory K. Frizzell in the Northern District of Oklahoma. DuBois's sentence was reduced from a sentencing guidelines range of 108 to 120 months in prison to probation and eight months home detention based on his cooperation in the government's investigation. Uhl's sentence was similarly reduced for cooperation from a guidelines range of 60 months in prison to probation and eight months home detention.

"The charges announced today allege a conspiracy by senior executives at BizJet to win contracts in Latin American countries through bribery and illegal tactics," said Acting Assistant Attorney General Raman. "Former BizJet executives, including the former president and chief executive officer, allegedly authorized and caused hundreds of thousands of dollars to be paid directly and indirectly to ranking military officials in various foreign countries, and two former executives have pleaded guilty for their roles in the conspiracy. These charges reflect our continued commitment to holding individuals accountable for violations of the FCPA, including, as in this instance, after entering into a deferred prosecution agreement with their employer."

"Business executives have a responsibility to act appropriately in order to maintain a fair and competitive international market," said FBI Assistant Director in Charge Parlave. "The unsealing of these bribery charges, and today's sentencing, demonstrate that the FBI is committed to curbing corruption and will pursue all those who try to advance their businesses through bribery."

The charges allege that the defendants, in many instances, paid bribes directly to foreign officials in Mexico, Panama and Brazil for assistance in securing contracts. In other instances, the defendants allegedly funneled bribes through a shell company owned and operated by Jensen. The shell company, Avionica International & Associates Inc., allegedly

operated under the pretense of providing aircraft maintenance brokerage services but in reality laundered money related to BizJet's bribery scheme. Avionica was located at Jensen's personal residence in Van Nuys, Calif., and Jensen was the only officer, director and employee.

The charges announced today follow the announcement on March 14, 2012, of a deferred prosecution agreement with BizJet and an \$11.8 million monetary penalty to resolve charges related to the corrupt conduct. That agreement acknowledged BizJet's voluntary disclosure, extraordinary cooperation and extensive remediation in this case.

The conspiracy to commit violations of the FCPA count carries a maximum penalty of five years in prison and a fine of the greater of \$250,000 or twice the value gained or lost. The FCPA counts each carry a maximum penalty of five years in prison and a fine of the greater of \$100,000 or twice the value gained or lost. The conspiracy to commit money laundering count carries a maximum penalty of 20 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the transaction. The money laundering counts each carry a maximum penalty of 10 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the transaction.

An indictment is merely an accusation, and defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

The case is being prosecuted by Trial Attorneys Daniel S. Kahn and Stephen J. Spiegelhalter of the Criminal Division's Fraud Section. Assistant U.S. Attorney Kevin Leitch from the Northern District of Oklahoma has provided assistance in the case. The department has also worked closely with its law enforcement counterparts in Mexico and Panama in this matter and is grateful for their assistance. The case is being investigated by FBI agents who are part of the Washington Field Office's dedicated FCPA squad.

Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

Component(s):

Criminal Division

Press Release Number:

13-388

Updated September 15, 2014