

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

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UNITED STATES OF AMERICA

v.

GEORGE V. MORTON

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) CRIMINAL NO. 3-90-061-H  
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PLEA AGREEMENT

The United States of America and George V. Morton, by counsel, have engaged in plea discussions pursuant to Rule 11 of the Federal Rules of Criminal Procedure, and have agreed as follows:

1. Mr. Morton shall waive indictment and plead guilty in the United States District Court for the Northern District of Texas to a one count Information charging a violation of Title 18, United States Code, §371 (Count One). The maximum penalty for Count One is five (5) years and \$250,000.

2. The Information to which Mr. Morton will plead is appended hereto as Attachment "A".

3. Other than as set forth in Paragraphs "1" and "2" of this Agreement, the United States will not prosecute Mr. Morton for any violation of the United States Code relating to:

- A. the matters set forth in the attached Information;
- B. any matters involving the Saskatchewan Transportation Company, Greyhound Lines, Inc., or any other United States corporation; and
- C. Violations of the Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §78dd et seq., arising from the transactions underlying the conspiracy charged in the attached Information.

4. Notwithstanding the provisions of Paragraph "3", Mr. Morton may be prosecuted for perjury, obstruction of justice and false statements. It is further understood that this Agreement does not extend to offenses relating to Title 26, United States Code, or to any civil or administrative matter.

5. The plea and entry of judgement in this case will not close or preclude the investigation or prosecution of any corporation or individual who may have been involved in any of the matters set forth in the Information or in any other matter. Mr. Morton shall cooperate fully with the Department of Justice. His cooperation shall include, but not be limited to:

- A. providing accurate, truthful and complete information, and not withholding any information about which the United States government may wish to inquire, relating to the matters set forth above at Paragraph "3".
- B. participation in interviews conducted by agents and attorneys for the United States, as well as appearances before a federal grand jury, as requested,

in any trial resulting from the investigation of corporations and individuals involved in any of the matters under investigation, or in any civil or administrative proceeding; and

C. providing the United States government with all documents which he has in his personal care, custody or control, or to which he has access, which relate to matters under investigation.

6. The Department of Justice will advise the Saskatchewan Justice Department, Saskatchewan, Canada, of the facts learned during the Department's investigation of Mr. Morton; Mr. Morton's cooperation during the investigation; and the importance of this prosecution in the government's efforts to enforce the Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. 78dd, et seq.

7. Should the Court accept Mr. Morton's plea of guilty, the United States shall withdraw the Departure Control Order issued against Mr. Morton on February 14, 1990. Thereafter, the United States shall join in a motion to be filed by Mr. Morton to modify the conditions of Mr. Morton's bond, so as to permit him to return to Canada, provided that Mr. Morton shall agree to provide to the United States Department of Justice advance notice of any travel he may undertake outside of Peterborough, Ontario; that he restrict such travel to Canada and the United States; that he shall agree to return to the United States promptly whenever requested by the United States Department of Justice; and that he shall comply with any further condition of bail as shall be imposed by the Court.

The parties hereto agree that the Court shall have sole discretion in determining the appropriate and necessary conditions of Mr. Morton's bail. Should Mr. Morton fail to comply with any of the provisions of this Paragraph, the United States may, at its option, terminate this Plea Agreement and the provisions of Paragraph "10", below, shall apply.

8. It is further agreed that the United States will file this Plea Agreement, the Information referred to in Paragraph "1", and a Waiver of Indictment on March 14, 1990. Mr. Morton will enter his plea of guilty as provided in Paragraph "1" as soon thereafter as permitted by the Court.

9. If the Court refuses to accept any provision of this Plea Agreement, neither party shall be bound by any of the provisions of the Agreement. Thereafter, the United States may seek to dismiss the Information without prejudice. Mr. Morton shall not object to such a dismissal, nor the continuation of the grand jury proceeding.

10. If Mr. Morton: (A) attempts to withdraw his guilty plea; or (B) fails to comply with any of the terms of this Agreement, including failing to provide complete, truthful and accurate information, or withholds information, documents or other evidence relevant to the investigation, the United States shall be released from its obligations under this Agreement and it shall be null and void. In any of these circumstances, Mr. Morton agrees that any statements, documents or information provided by Mr. Morton to the United States Department of Justice or to federal agencies pursuant

to this Agreement, may be used directly and indirectly against Mr. Morton for any purpose, and shall be admissible in evidence against Mr. Morton in any and all criminal, civil or administrative proceedings hereafter brought against Mr. Morton. Furthermore, Mr. Morton expressly waives his right under Rule 11(e)(6), Fed. R. Crim. P., or Rule 410, F. R. Evid., to the admission of any statements, documents or information made or furnished by Mr. Morton subsequent to the execution of this Agreement or in connection with this Agreement.

11. Should the Court refuse to accept Mr. Morton's guilty plea, the United States may make derivative use against Mr. Morton of any statement, documents or information provided by him pursuant to this Agreement. Should Mr. Morton thereafter be prosecuted, the United States agrees not to use against him in its case-in-chief any admissions made by Mr. Morton pursuant to this Agreement. However, should Mr. Morton testify at any proceeding, and offer testimony different from any statement provided by him pursuant to this Agreement, the United States may impeach or otherwise examine Mr. Morton concerning any prior statement made by him, or any information derived directly or indirectly from these statements.

12. Mr. Morton is pleading guilty because he is guilty of the crimes charged in the attached criminal Information.

13. Although the government will bring to the attention of the Court and the Probation Office the nature and extent of Mr. Morton's cooperation under this Agreement, the government reserves all of its rights to allocute at the time of sentencing, and in its

discussions with the Probation Officer.

14. This Plea Agreement confirms the entire agreement with Mr. Morton and the United States with respect to the aforesaid guilty plea, and no other promises, representations or inducements have been made to Mr. Morton or his attorneys with regard to such guilty plea, and none will be entered into unless in writing and signed by all parties.

Dated: March 13, 1990.

MARVIN COLLINS  
United States Attorney

By: PETER B. CLARK  
Senior Litigation Counsel

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MARIE A. O'ROURKE  
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I have read the foregoing agreement and will be bound by its terms. I enter into these conditions knowingly and voluntarily.

*[Signature]*  
GEORGE V. MORTON

*[Signature]*  
MICHAEL P. CARNES  
3601 NCNB Plaza  
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Dallas, Texas 75202  
Attorney for George V. Morton

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

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UNITED STATES OF AMERICA )  
 )  
 v. ) CRIMINAL NO. \_\_\_\_\_  
 ) 18 U.S.C. §371; Conspiracy  
GEORGE V. MORTON )  
\_\_\_\_\_ )

The United States Attorney charges that:

Count One

[18 U.S.C. §371; Conspiracy]

A. Introduction

At all times material to this Information:

1. Eagle Bus Manufacturing, Inc. [Eagle] was a corporation engaged in the manufacture and sale of buses and maintained its place of business in Brownsville, Texas. Eagle was a subsidiary of Greyhound Lines, Inc. [Greyhound], a corporation which has its principal place of business in Dallas, Texas.

2. Saskatchewan Transportation Company [STC] was a corporation owned by the government of the Province of Saskatchewan, Canada, and operated a bus transportation system in that Province.

3. The Foreign Corrupt Practices Act of 1977 [FCPA], as amended, 15 U.S.C. §78dd, et seq., was enacted by the Congress for the purpose of making it unlawful to make payments to foreign government officials to obtain or retain business.

4. Greyhound Lines, Inc., the parent corporation of Eagle, was an issuer as that term is used in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §78dd-1(a).

5. The Defendant GEORGE V. MORTON, a Canadian national residing in Peterborough in the Province of Ontario, Canada, was an agent representing Eagle in connection with the sale of buses in Canada and, as such, was an agent of an issuer as that term is used in the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-1.

6. Darrell W.T. Lowry and Donald Castle, both Canadian nationals, were the Vice-President and President, respectively, of STC, an instrumentality of the government of the Province of Saskatchewan, Canada and were foreign officials as that term is defined in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §78dd-1(f)(1).

#### B. The Conspiracy

Beginning in or about July 1989 and continuing through February 1990, in the Northern District of Texas and elsewhere, the defendant MORTON did unlawfully, willfully and knowingly combine, conspire and confederate with other divers persons known and unknown to the United States Attorney to violate the Foreign Corrupt Practices Act of 1977 by the use of the mails and of means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of money, that is, Canadian \$50,000, to officials of the Government of the Province of Saskatchewan, Canada, that is, to Donald Castle and Darrell W.T. Lowry, both of whom were foreign

officials as that term is used in the Foreign Corrupt Practices Act of 1977, 15 U.S.C. 78dd-1(a) for the purpose of influencing the acts and decisions of said foreign officials in their official capacities; inducing said foreign officials to do or omit to do acts in violation of their lawful duty; and inducing said foreign officials to use their influence with the Saskatchewan Transportation Company, a wholly-owned instrumentality of the government of the Province of Saskatchewan, Canada, to affect and influence the acts and decisions of the STC in order to assist the defendant MORTON and his coconspirators in obtaining and retaining business for and directing business to Eagle Bus Manufacturing, Inc. with STC in violation of Title 15, United States Code, Sections 78dd-1(a)(1) and (3) and 78ff(c)(2).

C. Means and Methods of the Conspiracy

The charged conspiracy was accomplished by the following means and methods and in the following manner:

1. It was part of the conspiracy that the defendant MORTON would and did request on behalf of two of his coconspirators that Eagle pay money, in the sum of approximately two percent of the purchase price of 11 buses to be purchased by STC from Eagle, to officials of STC in order to ensure that Eagle received a contract for the sale of the buses.

2. It was a further part of the conspiracy that the defendant MORTON and others known and unknown to the United States Attorney, would and did offer, promise and agree to pay, and authorize the payment of money to officials of the government of the Province of

Saskatchewan, Canada, in order for Eagle to obtain and retain a contract to sell buses to STC, an instrumentality of the Saskatchewan government.

3. It was a further part of the conspiracy that the defendant MORTON, and others known and unknown to the United States Attorney, would and did use various methods to conceal the conspiracy in order to insure the continuing existence and success of the conspiracy, including but not limited to:

a. preparing and using false invoices and other documentation; and

b. arranging to have an STC check drawn payable to a corporation owned and controlled by the defendant MORTON and converting the proceeds into Canadian currency.

#### D. OVERT ACTS

In order to further the objects and purposes of this conspiracy, the defendant MORTON and his coconspirators, known and unknown to the United States Attorney, did commit and cause to be committed the following and other overt acts within the Northern District of Texas and elsewhere:

1. On or about July 21, 1989, the defendant MORTON travelled from Peterborough, Ontario to Regina, Saskatchewan for the purpose of meeting with a coconspirator, an official of STC.

2. On or about July 27, 1989, in Regina, Saskatchewan, the defendant MORTON -- acting as the Canadian agent of Eagle -- assisted in the preparation of an STC purchase order for eleven (11) Eagle buses.

3. On or about August 1, 1989, the defendant MORTON travelled from Toronto, Ontario, to Harlingen, Texas, by commercial aircraft via the Dallas-Fort Worth International Airport in the Northern District of Texas.

4. On or about August 2, 1989, in Brownsville, Texas, the defendant MORTON met with two of his coconspirators to discuss the payment of money to officials of STC in order to obtain and retain a contract to sell the eleven (11) buses.

5. On or about August 14, 1989, in Regina, Saskatchewan, the defendant MORTON met in an automobile with two of his coconspirators to discuss the manner in which a payment would be made to STC officials Lowry and Castle.

6. On or about August 15, 1989, in Regina, Saskatchewan, the defendant MORTON and his coconspirators, known and unknown to the United States Attorney, caused STC to issue a check in the amount of Canadian \$52,000 payable to a Canadian corporation owned and controlled by the defendant MORTON.

7. On or about August 17, 1989, in Peterborough, Ontario, the defendant MORTON deposited the Canadian \$52,000 check into Account No. 126-642-8 at the Royal Bank of Canada.

8. On or about August 21, 1989, in Peterborough, Ontario, the defendant MORTON obtained a bank draft payable to himself in the amount of Canadian \$50,000.

9. On or about August 22, 1989, the defendant MORTON travelled from Toronto, Ontario to Regina, Saskatchewan by commercial aircraft, carrying the Canadian \$50,000 bank draft

payable to himself.

10. On or about August 23, 1989, in Regina, Saskatchewan, the defendant MORTON cashed the Canadian \$50,000 bank draft at ~~the~~ Main Branch of the Royal Bank of Canada and received 50 Canadian \$1,000 denomination bills.

11. On or about August 23, 1989, in Regina, Saskatchewan, the defendant MORTON travelled by taxi to the offices of STC.

12. On or about August 23, 1989, in Regina, Saskatchewan, at the offices of STC, the defendant MORTON met with a coconspirator and delivered into his hand the 50 Canadian \$1,000 denomination bills he had obtained from the Royal Bank of Canada.

13. In or about October 1989, in Brownsville, Texas, a conconspirator directed the defendant MORTON to prepare a letter on the letterhead of Eagle to Ontario Bus Industries, Inc., the Canadian firm which was assisting Eagle in the sale of the 11 buses to STC, falsely stating that STC had been granted a "volume discount" amounting to United States \$43,940.

14. On or about October 24, 1989, in Toronto, Ontario, a coconspirator returned to the defendant MORTON 25 Canadian \$1,000 denomination bills with the instruction to convert these bills into Canadian \$100 denomination bills.

15. On or about October 25, 1989, in Rexdale, Ontario, the defendant MORTON deposited 25 Canadian \$1,000 denomination bills in a branch of the Royal Bank of Canada, for credit to Account 126-642-8 at the Royal Bank of Canada branch in Peterborough, Ontario.

16. On or about November 6, 1989, in Peterborough, Ontario,

the defendant MORTON withdrew 250 Canadian \$100 denomination bills from the Royal Bank of Canada and delivered the funds to a coconspirator.

17. On or about November 16, 1989, in Peterborough, Ontario, a coconspirator delivered to the defendant MORTON 25 Canadian \$1,000 denomination bills.

18. On or about November 16, 1989, in Peterborough, Ontario, the defendant MORTON deposited 25 Canadian \$1,000 denomination bills for Account No. 126-642-8 at the Royal Bank of Canada.

19. On or about November 27, 1989, in Peterborough, Ontario, the defendant MORTON withdrew Canadian \$25,000 in \$100 denomination bills from the Royal Bank of Canada.

20. On or about November 27, 1989, in Peterborough, Ontario, the sum of Canadian \$25,000 in \$100 denomination bills was given by the defendant MORTON to another coconspirator.

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

Dated: March ,1990.

MARVIN COLLINS  
United States Attorney

By: \_\_\_\_\_

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