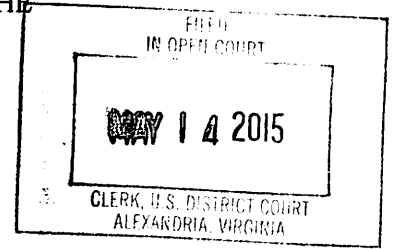


IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION



UNITED STATES OF AMERICA	)	
	)	
v.	)	Criminal No. 1:15-CR-137
	)	
1. TONY LEE CHANDLER, and	)	Count 1: 18 U.S.C. § 1349
(Count 1-12)	)	(Conspiracy to Commit Wire Fraud)
	)	
2. MARVIN DUANE HULSEY	)	Count 2-10: 18 U.S.C. § 1343
(Counts 1-10)	)	(Wire Fraud)
	)	
Defendants.	)	Count 11-12: 18 U.S.C. § 208
	)	(Conflict of Interest)
	)	

**INDICTMENT**

May 2015 Term – At Alexandria

**INTRODUCTION**

**(Conspiracy to Commit Wire Fraud)**

THE GRAND JURY CHARGES THAT:

At times material to this indictment:

1. TONY CHANDLER (“CHANDLER”) was employed in Arlington, Virginia with duties as a contracting officer’s representative (“COR”) within the Bureau of Overseas Buildings Operations at the U.S. Department of State (“Department”), a department of the United States government. As an employee of the Department, CHANDLER was responsible for the review and approval of claims and invoices submitted to the Department from a contractor that did business with the Bureau of Overseas Buildings Operations (“Contractor A”).

2. MARVIN HULSEY (“HULSEY”) was employed as a program manager for Contractor A from in or about 2004 through in or about 2011. The work that Contractor A

performed for the Department included the recruitment, training, administrative support, and supervision of contract security personnel at Department construction sites throughout the world (“Department Contract”). In his position at Contractor A, HULSEY was responsible for the submission of claims and invoices to the Department for the Department Contract. Because the Department is a department of the United States government, a claim made to the Department is a claim made for payment from the United States. HULSEY’s primary point of contact with the Department for contracting matters was CHANDLER.

3. Aside and apart from government duties, CHANDLER was an authorized distributor for a multi-level marketing company that sells nutritional supplements (“Supplement Company”). The Supplement Company pays commissions to an authorized distributor based on individual sales marketed by that authorized distributor and sales marketed by any person sponsored into that authorized distributor’s network as a subordinate authorized distributor.

4. In or about 2008 and continuing through in or about 2010, CHANDLER sponsored approximately 18 of Contractor A’s employees as his own subordinate authorized distributors for the Supplement Company (“recruited distributors”).

5. The above introductory allegations are re-alleged and incorporated in each count of this Indictment as if fully set forth in each count.

COUNT 1  
(Conspiracy to Commit Wire Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

6. From at least 2008 through in or about June 2010, in the Eastern District of Virginia and elsewhere, TONY CHANDLER and MARVIN HULSEY, defendants herein, did knowingly and intentionally combine, conspire, confederate, and agree to commit an offense against the United States, namely wire fraud, in violation of Title 18 United States Code, Section 1343; that is, having devised a scheme to defraud and to obtain the money and property of the United States and the Department by means of materially false and fraudulent pretenses, representations and promises, caused to be transmitted by means of wire communication in interstate commerce writings, signs, and signals for the purpose of executing the scheme and artifice.

Purpose, Manner, and Means of the Conspiracy

It was a part of the conspiracy that:

7. CHANDLER and HULSEY agreed that the costs of nutritional supplements purchased from the Supplement Company by recruited distributors would be concealed in false invoices and submitted to the Department under the Department Contract even though such costs were unallowable under the terms of the Department Contract. The purpose of this agreement was to cause the United States and Department to incur costs for the sales of nutritional supplements for which CHANDLER was paid a commission.

8. From in or around 2008 through in or around 2010, recruited distributors purchased nutritional supplements from the Supplement Company using their personal credit cards. HULSEY then caused, and caused others to cause, Contractor A to reimburse the recruited distributors for the costs of nutritional supplements via wire transfers to their personal

bank accounts. CHANDLER received commissions from the Supplement Company for each of these sales to the recruited distributors.

9. Based on reimbursements made by Contractor A to the recruited distributors, HULSEY directed and supervised the manufacture of false invoices that concealed the true nature of the nutritional supplement expense by describing the cost as physical fitness training and uniforms, training, or uniforms.

10. HULSEY then submitted, or caused another, to submit vouchers to the Department that included the unallowable costs of nutritional supplements. These vouchers sought payment from the Department and were accompanied and supported by the false invoices manufactured at HULSEY's direction or supervision.

11. Between in or about December 2008 and in or about May 2010, HULSEY signed and submitted, or caused to be submitted, to the Department 9 vouchers that were accompanied by and supported by approximately 107 false invoices, which were then approved by CHANDLER or another Department employee. The submission and approval of these vouchers and false invoices caused other Department employees in Arlington, Virginia to transmit information by wire in interstate commerce to Charleston, South Carolina; that is, the submission and approval of vouchers caused the Department to transmit information through interstate wire communication to South Carolina so that the Department would pay Contractor A for amounts stated in the false invoices.

#### Overt Acts

12. In or about November 2008, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 306) to the Department for \$1,398,987.01, which included false invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

13. In or about December 2008, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 307) to the Department for \$1,406,859.39, which included invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

14. In or about February 2009, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 309) to the Department for \$2,045,528.44, which included invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

15. In or about April 2009, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 311) to the Department for \$1,487,161.03, which included invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

16. In or about June 2009, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 313) to the Department for \$1,592,671.22, which included invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

17. In or about June 2009, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 401) to the Department for \$1,681,847.71, which included invoices that concealed unallowable costs for nutritional supplements.

18. In or about March 2010, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 410) to the Department for \$1,984,650.61, which included invoices that concealed unallowable costs for nutritional supplements.

19. In or about May 2010, the HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 411) to the Department for \$2,073,781.47, which included

invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

20. In or about May 2010, HULSEY signed and submitted, and caused to be submitted, a voucher (Invoice 413) to the Department for \$1,546,335.78, which included invoices that concealed unallowable costs for nutritional supplements. CHANDLER approved this voucher.

(All in violation of Title 18, United States Code, Sections 1349.)

COUNTS 2-10  
(Wire Fraud)

21. From on or about December 2008 through on or about June 2010, in the Eastern District of Virginia and elsewhere, TONY CHANDLER and MARVIN HULSEY, defendants herein, having devised a scheme and artifice to defraud the United States and the Department out of its money and property by means of materially false and fraudulent pretenses and representations, knowingly caused to be transmitted by means of wire communications in interstate commerce signs, signals and sounds, for the purpose of executing the scheme and artifice to defraud.

Scheme and Artifice to Defraud

22. The scheme and artifice to defraud is more fully described in paragraph 1 – 5 and 7 – 20 of the Introduction and Count 1 of this indictment, and those paragraphs are re-alleged and incorporated in Count 2 through 10 of this indictment as if fully set forth.

23. On or about the dates shown in the chart below, in the Eastern District of Virginia and elsewhere, CHANDLER and HULSEY, for the purpose of executing the scheme and artifice to defraud, knowingly and willfully caused Department employees in Arlington, Virginia to transmit information by wire communications in interstate commerce to Charleston, South Carolina; that is CHANDLER and HULSEY, by submitting and approving, and causing to be submitted or approved, vouchers from Contractor A seeking payment from the United States and the Department, caused Department employees to transmit information contained in the vouchers through interstate wire communication to South Carolina, so that the United States would pay Contractor A for the amount stated in the false invoices.

COUNT	INVOICE	RECEIVED	INVOICE AMOUNT	PAY DATE
2	306	11/14/2008	\$1,398,987.01	12/11/2008
3	307	12/5/2008	\$1,406,859.39	1/15/2009
4	309	2/19/2009	\$2,045,528.44	3/18/2009
5	311	4/6/2009	\$1,487,161.03	5/1/2009
6	313	6/1/2009	\$1,592,671.22	6/29/2009
7	401	6/16/2009	\$1,681,847.71	7/13/2009
8	410	1/16/2010	\$1,984,650.61	4/12/2010
9	411	5/12/2010	\$2,073,781.47	6/8/2010
10	413	5/28/2010	\$1,546,335.78	6/23/2010

(In violation of Title 18, United States Code, Section 1343.)



COUNTS 11-12

(Conflicts of Interest – Felony)

24. Paragraphs 1 – 5, 7 – 20, 22, and 23 of the Introduction and Counts 1-10 of this indictment are re-alleged and incorporated in Counts 11 and 12 of this indictment as if fully set forth.

25. On or about the dates shown in the chart below, in the Eastern District of Virginia, TONY CHANDLER, defendant herein, being an employee of the Department of State and therefore an employee of the executive branch of the United States Government, participated knowingly and willfully, and personally and substantially, through decision, recommendation, the rendering of advice, and otherwise in a contract and claim in which CHANDLER knew he had a financial interest; that is CHANDLER personally approved vouchers knowing that the costs of nutritional supplements from which he derived a direct financial benefit through commissions paid by the Supplement Company had been and were included in claims made against the Department Contract.

COUNT	INVOICE	RECEIVED	APPROVED	PAY DATE
11	411	5/12/2010	5/19/2010	6/8/2010
12	413	5/28/2010	6/15/ 2010	6/23/2010

(In violation of Title 18, United States Code, Sections 208 and 216(a)(2).)

FORFEITURE NOTICE

26. Pursuant to Rule 32.2(a), the defendants are hereby notified that, if convicted of any of the wire fraud offenses alleged in Counts 1 – 10 above, they shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), the following property:

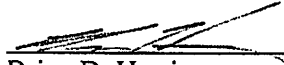
(a) A sum of money equal to at least \$31,607.33 in United States currency, representing the amount of proceeds obtained as a result of the violations of 18 U.S.C. §§ 1343 and 1349.

A TRUE BILL Pursuant to the E-Government Act,  
the original of this page has been filed  
under seal in the Clerk's Office.

\_\_\_\_\_  
Foreperson

Dana J. Boente  
United States Attorney

By:

  
\_\_\_\_\_  
Brian D. Harrison  
Special Assistant United States Attorney (LT)