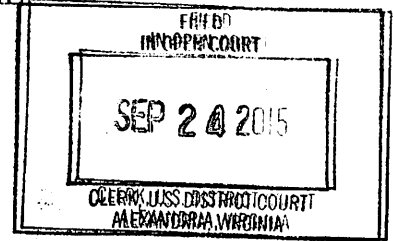


IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA)	Criminal No: 1:15cr283
)	
v.)	
)	Count 1: 18 U.S.C. § 371
DAVID LANDERSMAN)	(Conspiracy)
)	
Defendant)	Count 2: 18 U.S.C. §§ 641 and 2
)	(Theft of Government Money)
)	
)	Forfeiture

INDICTMENT

September 2015 Term - At Alexandria

COUNT ONE

(Conspiracy)

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

At All Times Relevant to Count One of This Indictment:

1. The defendant, DAVID LANDERSMAN, was the Senior Director of Intelligence for the Deputy Under Secretary of the Navy (DUSN) Plans, Policy, Oversight and Integration (PPOI) Intelligence Directorate. DAVID LANDERSMAN was a civilian senior executive within the Department of Navy and had an office within the Pentagon, in Arlington, Virginia.

2. Mark Stuart Landersman, the brother of DAVID LANDERSMAN, resided and owned businesses in Temecula, California. Businesses associated with Mark Stuart Landersman include Advanced Machining and Engineering (AME), Fourth Street Automotive, Fourth Street Racing,

American Manufacturing and Consulting, and American Reliance. Mark Stuart Landersman was the President of AME.

3. Lee Hall was a civilian employee of the Department of Navy who worked at a government office in the Eastern District of Virginia, and who resided in the Eastern District of Virginia.

4. Mark Stuart Landersman was not licensed by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to manufacture and sell firearms, nor had he applied with ATF for a license to manufacture and sell firearms. Mark Stuart Landersman had not paid any special occupational taxes required for manufacturers and dealers of firearms, nor had he registered as a dealer and manufacturer of firearms.

5. CACI Incorporated is a government contract company headquartered in Arlington, Virginia, in the Eastern District of Virginia.

THE CONSPIRACY

From in and around 2011 through in and around August 2013, in the Eastern District of Virginia and elsewhere, the defendant, DAVID LANDERSMAN, knowingly combined, conspired, confederated and agreed with Lee Hall and Mark Stuart Landersman to commit the following offenses against the United States of America:

- (1) to cause a matter and thing, namely checks, to be delivered by mail, for the purpose of executing a scheme and artifice to defraud and for obtaining money by false and fraudulent pretenses, representations, and promises, having devised a scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1341;
- (2) to willfully engage in the business of manufacturing and dealing in firearms, namely, silencers, and in the course of such business did ship firearms in interstate commerce,

not being a licensed dealer and manufacturer of firearms within the meaning of Chapter 44, Title 18, United States Code, in violation of Title 18, United States Code, Section 922(a)(1)(A); and

(3) to deliver firearms, namely silencers, in interstate commerce which have not been registered as required by the National Firearms Act in violation of Title 26, United States Code, Section 5861(j).

MANNER AND MEANS OF THE CONSPIRACY

The primary purpose of the conspiracy was to make money by manufacturing firearms, specifically silencers, and selling them to the government. The manner and means by which the conspirators conducted the conspiracy included the following:

1. It was part of the conspiracy that members of the conspiracy played different roles and took upon themselves different tasks to accomplish the objectives of the conspiracy.
2. It was further part of the conspiracy that members of the conspiracy sought, facilitated, and received a government contract to make suppressors.
3. It was further part of the conspiracy that members of the conspiracy made false statements to avoid scrutiny, circumvent requirements, and receive a government contract.
4. It was further part of the conspiracy that members of the conspiracy arranged to have firearms, specifically suppressors, manufactured in California and shipped in interstate commerce.
5. It was further part of the conspiracy that members of the conspiracy made false statements to receive payment for illegally manufactured and unregistered firearms.
6. It was further part of the conspiracy that members of the conspiracy caused

checks to be delivered through the mail as payment for the manufacture of the firearms.

OVERT ACTS

In furtherance of the conspiracy and to effect the object thereof, DAVID LANDERSMAN and his conspirators performed the following overt acts in the Eastern District of Virginia and elsewhere:

1. In and around April 2011, Mark Stuart Landersman sent an email to a government official in which he referenced an MK15 sustainable suppressor proposal.
2. On or about June 6, 2012, DAVID LANDERSMAN sent an email from his government email account to the Department of Navy Assistant for Administration requesting a three million dollar supplement to the operational budget of the Deputy Undersecretary of the Navy (DUSN) Plans, Policy, Oversight and Integration (PPOI) Intelligence Directorate to conduct studies, research, assessments, and analysis. In the email, DAVID LANDERSMAN stated that the studies, research, assessments, and analysis were directed to be conducted by the Undersecretary of the Navy.
3. On or about August 13, 2012, DAVID LANDERSMAN sent an email from his government email account to Mark Stuart Landersman requesting the proper name of his company.
4. On or about August 14, 2012, Mark Stuart Landersman sent an email to DAVID LANDERSMAN'S government email account, providing his company name as "Advanced Machining and Engineering," as well as a telephone number and company website.
5. On or about August 14, 2012, DAVID LANDERSMAN, via his government email, forwarded Mark Stuart Landersman's email containing the company information to Lee Hall's government email.
6. On or about August 14, 2012, DAVID LANDERSMAN sent an email, via

his government email, to Mark Stuart Landersman with a website link. The email stated "Look this over ... Looks very much like what we're going to send you ...". The website link is to an article entitled "How I Built a 300 AAC Blackout Suppressor." The article chronicles how the author manufactured a rifle silencer. The first line of the website's narrative states: "Warning: You must have a BATFE Form 1 with tax stamp before you start to legally build a suppressor. National Firearms Act (NFA) rules apply and you can do hard prison time for violating the law."

7. On or about August 14, 2012, Mark Stuart Landersman replied to DAVID LANDERSMAN'S AAC Blackout Suppressor email, stating "Wow! Very simple."

8. On or about August 15, 2012, an email was sent from the Department of Navy's Financial Management Division indicating that the DUSN PPOI Intelligence Directorate received two million dollars (\$2,000,000) of the three million dollar (\$3,000,000) budgetary supplement requested by DAVID LANDERSMAN.

9. On or about August 17, 2012, a funding document was signed that caused approximately \$1,932,376 of the budgetary supplement requested by DAVID LANDERSMAN to be transferred from Department of Navy to CACI.

10. In and around October 2012, Lee Hall contacted CACI to facilitate a sole source, or no-bid, contract between the Department of Navy and Mark Stuart Landersman for the manufacture of suppressors.

11. On or about October 29, 2012, Mark Stuart Landersman quoted CACI a price of \$1, 657, 750 to manufacture 349 Signature Suppressors. The quote specified a 50% deposit required with the purchase order and "30 days Net upon receipt of order."

12. On or about October 29, 2012, Mark Stuart Landersman certified

to CACI that AME was engaged in the fabrication of articles for experimental and scientific purposes and therefore was not required to register with the Directorate of Defense Trade Controls, U.S. Department of State.

13. In and around November 2012, Mark Stuart Landersman represented that he required fifty percent of the total payment, or \$828,875, for the contract before beginning work on the suppressors. Mark Stuart Landersman represented that this payment was necessary to purchase materials to manufacture the suppressors.

14. In and around November 2012, Mark Stuart Landersman signed a contract with CACI to manufacture approximately 349 suppressors for the Department of Navy, in which he warranted to comply with the provision of all applicable federal, state and local laws, regulations, rules and orders, in the performance of the contract.

15. On or about November 9, 2012, in response to concerns by CACI regarding the 50% deposit for the suppressors, Lee Hall informed CACI that the "Department of Navy accepts the financial burden of providing funds in advance of procurement." Hall further stated that "We will not hold CACI responsible for vendor complications due to this fact."

16. On or about November 14, 2012, Lee Hall represented to CACI that "we have determined the price quote by AME to be fair, reasonable and accurate."

17. On or about November 19, 2012, Mark Stuart Landersman certified that he was not engaged in the manufacture of defense articles and therefore was not required to register with the Directorate of Defense Trade Controls, U.S. Department of State.

18. In and around December 2012, in Arlington, Virginia, in the Eastern District of Virginia, CACI mailed a check in the amount of \$828,875 to Mark Stuart Landersman as a fifty percent up-front payment for the manufacture of approximately 349 suppressors.

19. In and around December 2012, Mark Stuart Landersman entered into an agreement with an individual in Temecula, California to manufacture the components for approximately 349 suppressors. Mark Stuart Landersman also paid the individual approximately \$2,000 for the purchase of materials to make the 349 suppressors. Mark Stuart Landersman paid the individual a total of approximately \$10,000 to manufacture the components for approximately 349 suppressors.

20. In and around December 2012, Mark Stuart Landersman picked up the completed manufactured components, bearing no serial numbers, for the approximately 349 suppressors from the individual in Temecula, California.

21. On or about February 13, 2013, Mark Stuart Landersman tendered the fully assembled 349 suppressors, bearing no serial numbers, to a FedEx location in Temecula, California, for shipment in interstate commerce to their destination in Maryland.

22. On and around February and March, 2013, while on administrative leave, Lee Hall signed a Material Inspection and Receiving Report (DD Form 250), and dated it February 14, 2013, stating that he accepted the approximately 349 suppressors at their destination, that the suppressors conformed to the contract, and that the suppressors were received in apparent good condition, despite never having examined the approximately 349 suppressors.

23. On or about February 19, 2013, FedEx delivered the 349 suppressors, shipped by Mark Stuart Landersman and bearing no serial numbers, to their destination in Maryland.

24. In and around April 2013, in Arlington, Virginia, in the Eastern District of Virginia, CACI, having received the DD250 signed by Lee Hall, mailed a second check in the amount of \$828,875 as the remaining payment for the 349 suppressors manufactured by Mark Stuart Landersman.

25. During a telephone conversation on or about April 18, 2013, having never taken possession or inspected the approximately 349 suppressors, bearing no serial numbers, after they arrived at their destination, Lee Hall described the suppressors as non-attributable suppressor systems.

26. From in and around 2011 through in and around August 2013, DAVID LANDERSMAN failed to disclose a \$50,000 investment in American Reliance, a company owned and operated by his brother, Mark Stuart Landersman, on his annual Public Financial Disclosure Reports.

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

COUNT TWO

(Theft of Government Property)

THE GRAND JURY FURTHER CHARGES THAT:

From in and around June 6, 2012 through in and around April 2, 2013, in Arlington County, Virginia and elsewhere within the Eastern District of Virginia, DAVID LANDERSMAN, the defendant, without authority, knowingly and willfully converted to the use of another, and without authority, conveyed, money of the Department of Navy, an agency of the United States, and did aid and abet others in doing the same, namely, DAVID LANDERSMAN deceived Navy officials into allocating \$1,932,376 for studies, research, assignments, and analysis, which money was later used for a fraudulent purpose, namely, the unauthorized purchase of 349 silencers from his brother, Mark Stuart Landersman.

(In violation of Title 18, United States Code, Sections 641 and 2.)

FORFEITURE COUNT

THE GRAND JURY FURTHER FINDS PROBABLE CAUSE TO BELIEVE THAT:

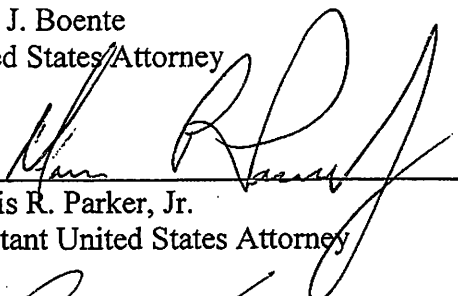
If convicted of either count of this Indictment, the defendant, DAVID LANDERSMAN, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 924(d)(1) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to a violation charged in this Indictment, including but not limited to \$1, 932, 376 representing proceeds and the approximately 349 silencers seized from a government facility in Maryland.

(Pursuant to Title 18, United States Code, Sections 924(d) and 981(a)(1)(C) , and Title 28, United States Code, Section 2461(c); and Rule 32.2(a), Federal Rules of Criminal Procedure.)

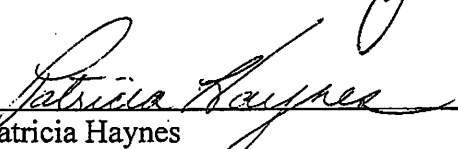
**Pursuant to the E-Government Act,
A TRUE BILL the original of this page has been filed
under seal in the Clerk's Office.**

FOREPERSON

Dana J. Boente
United States Attorney



Morris R. Parker, Jr.
Assistant United States Attorney



Patricia Haynes
Assistant United States Attorney