

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

Alexandria Division

UNITED STATES OF AMERICA)	Criminal No: 1:13cr419
)	
v.)	
)	Count 1: 18 U.S.C. § 371
LEE HALL,)	(Conspiracy)
(Counts 1 and 2))	
)	Count 2: 18 U.S.C. §§ 641 and 2
and)	(Theft of Government Money)
)	
MARK STUART LANDERSMAN,)	
a.k.a. Mark Stuart,)	
(Count 1))	
)	Forfeiture
Defendants)	

SUPERSEDING INDICTMENT

March 2014 Term - At Alexandria

COUNT ONE

(Conspiracy)

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

At All Times Relevant to This Indictment:

1. The defendant, MARK STUART LANDERSMAN, a.k.a. Mark Stuart, resided and owned businesses in Temecula, California. Businesses associated with LANDERSMAN include Advanced Machining and Engineering (AME), Fourth Street Automotive, Fourth Street Racing, and American Manufacturing and Consulting. LANDERSMAN was the President of AME.

2. LEE HALL and at least one other conspirator were civilian employees 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.

3. 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. 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.

4. 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 July 2013, in the Eastern District of Virginia and elsewhere, the defendants, LEE HALL and MARK STUART LANDERSMAN, knowingly combined, conspired, confederated and agreed together and with others, known and unknown to the grand jury, to commit the following offenses against the United States of America:

- (1) 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);
- (2) 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); and

(3) 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.

MANNER AND MEANS OF THE CONSPIRACY

The primary purpose of the conspiracy was to make money by manufacturing firearms, specifically silencers, a.k.a. suppressors, 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 objects thereof, the defendants and their 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 conspirator in which he referenced an MK15 sustainable suppressor proposal.
2. On or about June 6, 2012, a conspirator sent an email from his government email account to a Department of Navy official, requesting a three million dollars (\$3,000,000) 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.
3. On or about August 13, 2012, a conspirator sent an email 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 a conspirator's government email, 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, a conspirator, 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, a conspirator 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 the 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 the conspirator.

9. On or about August 17, 2012, a funding document was signed that caused approximately \$1,932,376 of the budgetary supplement requested by the conspirator to be transferred from the 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. 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. LANDERSMAN paid the individual approximately \$2,000 for

the purchase of materials to make the 349 suppressors. 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 LANDERSMAN tendered the fully assembled approximately 349 suppressors, bearing no serial numbers, to a FedEx location in Temecula, California, for shipment in interstate commerce to their destination in Maryland.

22. In 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 approximately 349 suppressors shipped by MARK LANDERSMAN and bearing no serial numbers, to their destination in Maryland.

24. In and around April 2013, in Arlington, Virginia, within the Eastern District of Virginia, having received the DD FORM 250 signed by LEE HALL, CACI mailed a check to MARK LANDERSMAN in the amount of \$828,875 as the remaining payment for the approximately 349 suppressors bearing no serial numbers.

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.

(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 October 2012 through in and around April 2, 2013, in Arlington County, Virginia and elsewhere within the Eastern District of Virginia, defendant LEE HALL, 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; namely, LEE HALL, without authority, directed CACI to pay Mark Landersman \$1,675,750 in Department of Navy funds to manufacture approximately 349 suppressors.

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

FORFEITURE COUNT

If convicted of either count of this Indictment, the defendants, MARK STUART LANDERSMAN and LEE HALL, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) 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. This property includes, but is not limited to, the following:

1. Approximately \$796,354 in United States currency seized from MARK STUART LANDERSMAN's JP Morgan Chase Bank accounts;
2. A 1988 Black Porsche 911 Turbo, VIN WP0EB0937JS070551;
3. A 2013 Red Ford F-150 Raptor Pickup Truck, VIN 1FTFW1R6XDFA80061;
4. A 2012 Black Ford Explorer, VIN 1FMHK7D86CGA20847;
5. A Blue and Yellow Ford Ranger Off-Road Racing Vehicle marked "Redneck Injunearin," "Fourth Street Racing," and "1750";
6. A certificate for 5000 Shares of Latitude 33 Brewing Company Common Stock registered to MARK LANDERSMAN;
7. A \$99,000 Promissory Note from Latitude 33 Brewing Company to MARK LANDERSMAN, dated December 31, 2012.
8. A 1970 Blue Plymouth Roadrunner, VIN RM23NOE104065;
9. A 1996 Jimco Class 10 Sand Rail Off-Road Racing Vehicle;
10. A Miller Dynasty Tig Welder, Serial No. MD160149L; and
11. All equipment, machines and other assets of Advanced Machining and Engineering, Inc.

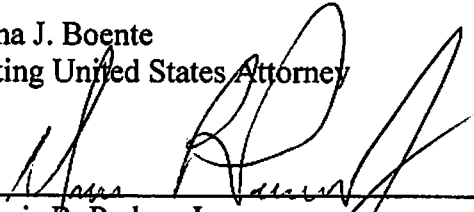
If convicted of Count One of this Indictment, the defendants shall forfeit to the United States, pursuant to Title 18, United States Code, Section 924(d)(1), the approximately 349 silencers seized from a government facility in Maryland.

(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.)

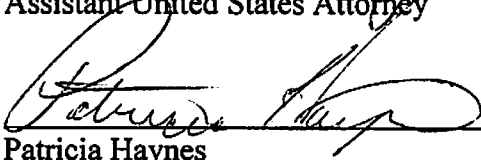
A TRUE BILL Pursuant to the E-Government Act,
the original of this page has been filed
under seal in the Clerk's Office.

FOREPERSON

Dana J. Boente
Acting United States Attorney



Morris R. Parker, Jr.
Assistant United States Attorney



Patricia Haynes
Assistant United States Attorney