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8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE EASTERN DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,)

11 Plaintiff,)

12 v.)

13 PETER SCOTT, and)
14 ROBERT "Robbie" SCOTT, JR.,)

15 Defendants.)

CASE NO. **2:10-CR-0292 LKK**

VIOLATIONS: 18 U.S.C. § 371 -
Conspiracy; 18 U.S.C. § 494 -
False Contractors' Bonds, Bids,
and Public Records

16 I N D I C T M E N T

17 COUNT ONE: [18 U.S.C. § 371 - Conspiracy]

18 The Grand Jury charges:

19 PETER SCOTT, and
20 ROBERT "Robbie" SCOTT, JR.,

21 defendants herein, as follows:

22 I. INTRODUCTION

23 1. On February 19, 2009, President Barack Obama signed into law
24 the American Recovery and Reinvestment Act (ARRA). This act provided
25 \$787 billion in stimulus funds to state and local agencies for among
26 other things, infrastructure projects through federal agencies. These
27 monies were distributed by Executive Branch agencies such as the
28 Environmental Protection Agency (EPA).

1 offense against the United States, to wit, uttering and publishing as
2 true, false, forged, altered and counterfeited bonds, bids, proposals,
3 guarantees and writings for the purpose of defrauding the United
4 States, knowing the same to be false, forged, altered and
5 counterfeited, in violation of Title 18, United States Code, Section
6 494, all in violation of Title 18, United States Code, Section 371.

7
8 III. MANNER AND MEANS

8 The conspiracy was carried out as follows:

9 7. On a date no later than on or about August 25, 2009, and
10 continuing through on or about September 28, 2009, defendants PETER
11 SCOTT, ROBERT "Robbie" SCOTT, JR., and others known and unknown to the
12 Grand Jury, working on behalf of ADE, prepared and submitted bids for
13 contracts for eight phases of the ARRA-funded water meter retrofit
14 project in the City. These eight bids contained Bid Proposal
15 Guarantees purportedly from Bond Company A known to the Grand Jury
16 which were purportedly signed by defendant PETER SCOTT and "Jeremy D.
17 Phillips, Attorney-in-Fact." In fact, these were fraudulent Bid
18 Proposal Guarantees. They had not in fact been issued by Bond Company
19 A, and "Jeremy D. Phillips, Attorney-in-Fact," was a fictional
20 attorney created by defendants PETER SCOTT, ROBERT "Robbie" SCOTT,
21 JR., and others known and unknown to the Grand Jury for the purpose of
22 carrying out this offense.

23 8. On September 22, 2009, the City awarded Phase Four of the
24 water meter retrofit project to ADE. The contract award was for
25 approximately \$1.236 million. After being awarded Phase Four, on or
26 about September 25, 2009, defendant PETER SCOTT submitted to the City
27 for Phase Four a Performance Bond and a Payment Bond purportedly from
28 a bonding company, in this case Bonding Company A, as required under

1 the Phase Four contract. The bonds were signed by defendant PETER
2 SCOTT and also had the signature of "Jeremy D. Phillips, Attorney-in-
3 Fact." In fact, these were fraudulent surety bonds in that they were
4 not legitimately issued by Bonding Company A, and "Jeremy D. Phillips,
5 Attorney-in-Fact," was a fictional attorney created by defendants
6 PETER SCOTT, ROBERT "Robbie" SCOTT, JR., and others known and unknown
7 to the Grand Jury for the purpose of carrying out this offense.

8 9. On or about October 13, 2009, the City awarded Phase Ten of
9 the water meter retrofit project to ADE. The contract award was for
10 approximately \$2.231 million. After being awarded Phase Ten, on or
11 about November 10, 2009, defendant PETER SCOTT submitted to the City
12 for Phase Ten a Performance Bond and a Payment Bond purportedly from a
13 bonding company, in this case Bonding Company A, as required under
14 Phase Ten contract. These bonds were signed by defendant PETER SCOTT
15 and also had the signature of "Jeremy D. Phillips, Attorney-in-Fact."
16 In fact, these were fraudulent surety bonds in that they were not
17 legitimately issued by Bonding Company A, and "Jeremy D. Phillips,
18 Attorney-in-Fact," was a fictional attorney created by defendants
19 PETER SCOTT, ROBERT "Robbie" SCOTT, JR., and others known and unknown
20 to the Grand Jury for the purpose of carrying out this offense.

21 IV. OVERT ACTS

22 In furtherance of the conspiracy, and to achieve the objects
23 thereof, defendants PETER SCOTT and ROBERT "Robbie" SCOTT, JR.
24 committed, among others, the following overt acts in the State and
25 Eastern District of California:

26 (a) Between on or about August 25, 2009, and on or about
27 September 28, 2009, defendant PETER SCOTT submitted to the City eight
28 bid proposals for the water meter retrofit project containing Bid

1 Proposal Guarantees purportedly from Bonding Company A.

2 (b) On or about September 2⁵~~2~~, 2009, defendant PETER SCOTT
3 submitted to the City a Payment Bond for Phase Four of the water meter
4 retrofit project purportedly from Bonding Company A.

5 (c) On or about September 25, 2009, defendant PETER SCOTT
6 submitted to the City a Performance Bond for Phase Four of the water
7 meter retrofit project purportedly from Bonding Company A.

8 (d) On or about November 10, 2009, defendant PETER SCOTT
9 submitted to the City a Payment Bond for Phase Ten of the water meter
10 retrofit project purportedly from Bonding Company A.

11 (f) On or about November 10, 2009, defendant PETER SCOTT
12 submitted to the City a Performance Bond for Phase Ten of the water
13 meter retrofit project purportedly from Bonding Company A.

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

15

16 COUNTS TWO THROUGH THIRTEEN: [18 U.S.C. § 494 - False Contractors'
17 Bonds, Bids, and Public Records]

18 The Grand Jury further charges:

19 PETER SCOTT, and
20 ROBERT "Robbie" SCOTT, JR.,

21 defendants herein, as follows:

22 1. The allegations set forth in Count One, Paragraphs One
23 through Four and Seven through Nine are incorporated herein by
24 reference.

25 2. Between on or about August 25, 2009, and on or about
26 November 10, 2009, in the State and Eastern District of California,
27 defendants PETER SCOTT and ROBERT "Robbie" SCOTT, JR., uttered and
28 published as true, false, forged, altered, and counterfeited bonds,
bids, proposals, guarantees and writings, as set forth below:

1 be false, forged, altered, and counterfeited, in violation of Title
2 18, United States Code, Section 494.

3
4 A TRUE BILL.

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6
7 FOREPERSON

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11 BENJAMIN B. WAGNER
United States Attorney