

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

v.

ARTHUR J. BEDWAY, JR.

)
) Criminal No. 12-282
) (UNDER SEAL)
) (18 U.S.C. §§ 2, 371,
) 666(a)(2), and 1341)

INDICTMENT

The grand jury charges:

At all times material to this indictment:

1. The City of Pittsburgh (hereinafter "City") was a local government as defined by Title 18, United States Code, Section 666(a)(1).

2. The City of Pittsburgh Bureau of Police (hereinafter "Police Department") was a department of the City of Pittsburgh and thus a "government agency", as defined by Title 18, United States Code, Section 666(d)(2).

3. The City and the Police Department received, during the calendar years 2006, 2007, 2008 and 2009, benefits in excess of \$10,000 under federal programs involving grants, contracts, subsidies or loans.

4. Christine Ann Kebr, not a defendant herein, was a resident of the Western District of Pennsylvania and an employee of the City of Pittsburgh and thus an "agent" of the City as defined by Title 18, United States Code, Section 666(d)(1).

5. Victory Security was a company located in the Western District of Pennsylvania and was controlled by the defendant, ARTHUR J. BEDWAY, JR., a resident of the Western District of Pennsylvania.

6. Alpha Outfitters, LLC (hereinafter "Alpha Outfitters) was a company located in the Western District of Pennsylvania and was controlled by the defendant, ARTHUR J. BEDWAY, JR.

COUNT ONE

THE CONSPIRACY AND ITS OBJECTS

7. The allegations set forth in paragraphs 1 through 6 are incorporated herein by reference.

8. From in and around September 2006, and continuing thereafter until in and around December 2009, in the Western District of Pennsylvania and elsewhere, the defendant, ARTHUR J. BEDWAY, JR., knowingly and willfully did conspire, combine, confederate and agree together with Christine Ann Kebr, and other individuals known to the grand jury, to commit offenses against the United States, that is, Bribery Concerning Programs Receiving Federal Funds, in violation of Title 18, United States Code, Section 666(a), and Mail Fraud in violation of Title 18, United States Code, Section 1341.

MANNER AND MEANS OF THE CONSPIRACY

9. It was a part of the conspiracy that in and around the summer of 2006, the City of Pittsburgh began to consider outsourcing the duties of the City Radio Shop, which included the installation of radios and mobile data terminals (MDTs) in police vehicles, as a cost savings measure.

10. It was further a part of the conspiracy that on or about September 15, 2006, the defendant, ARTHUR J. BEDWAY, JR., met with Christine Ann Kebr and an individual known to the Grand Jury to discuss the creation of a business in which the defendant, ARTHUR J. BEDWAY, JR., Christine Ann Kebr and another individual known to the

Grand Jury would each be a partner with the purpose to obtain a contract to work on Pittsburgh Police vehicles.

11. It was further a part of the conspiracy that on or about October 27, 2006, the defendant, ARTHUR J. BEDWAY, JR., met with Christine Ann Kebr and an individual known to the Grand Jury to further discuss the creation of the business set forth in paragraph 10, above. During the meeting, they discussed business costs, locations, and the specifics of installing MDTs. It was agreed that Christine Ann Kebr would assist in the preparation of bid documents.

12. It was further a part of the conspiracy that in and around the fall of 2006, the defendant, ARTHUR J. BEDWAY, JR., met with Christine Ann Kebr wherein the defendant BEDWAY informed Kebr that he was creating a new company, Alpha Outfitters, to bid for the contract and that the company would be owned by a "straw" owner, an individual known to the grand jury.

13. It was further a part of the conspiracy that in and around March 2007, Christine Ann Kebr, in her role as a City employee, assisted in the preparation of a Request for Proposal by the City of Pittsburgh for the installation and maintenance of MDTs and other emergency equipment in City owned vehicles (hereinafter "equipment contract").

14. It was further a part of the conspiracy that in and around May 2007, the defendant, ARTHUR J. BEDWAY, JR., met with Christine Ann Kebr at the offices of Victory Security and assisted in drafting the bid of Alpha Outfitters that was submitted to the City in order

to obtain the equipment contract. The bid falsely represented that Alpha Outfitters was a wholly owned Women's Business Enterprise (WBE). The names of the defendant, ARTHUR J. BEDWAY, JR., and Christine Ann Kebr did not appear in any of the paperwork supporting the bid.

15. It was further a part of the conspiracy that in and around July 2007, Christine Ann Kebr, in her role as a City employee, reviewed the bid from Alpha Outfitters and recommended that it be accepted. The City subsequently awarded the equipment contract to Alpha Outfitters.

16. It was further a part of the conspiracy that in and around December 2007, the defendant, ARTHUR J. BEDWAY, JR., gave Christine Ann Kebr an envelope containing \$3,000 in cash as payment for her assistance in obtaining the equipment contract.

17. It was further a part of the conspiracy that from September 2006 through 2009, the City paid Alpha Outfitters approximately \$327,729.40 for the installation of equipment under the equipment contract.

OVERT ACTS

18. In furtherance of the conspiracy, and to effect the objects of the conspiracy, the defendant, ARTHUR J. BEDWAY, JR. and Christine Ann Kebr, did commit and cause to be committed, the following overt acts, among others, in the Western District of Pennsylvania:

(a) On or about September 15, 2006, the defendant, ARTHUR J. BEDWAY, JR., met with Christine Ann Kebr and an individual known

to the grand jury to discuss the creation of a business in order to obtain a contract to perform work on Pittsburgh Police vehicles.

(b) On or about October 2, 2006, a business having the same address as the defendant, ARTHUR J. BEDWAY, JR.'s residence, Renaissance Day Spa of Robinson, LLC, filed paperwork with the Pennsylvania Department of State to change its name to Alpha Outfitters, LLC. On December 7, 2006, Alpha Outfitters, LLC, changed its address to the same address as Victory Security.

(c) In and around December of 2006, Christine Ann Kebr supervised the installation of MDTs by Alpha Outfitters as a demonstration to the City of Alpha Outfitters' performance.

(d) On or about February 9, 2007, the City paid Alpha Outfitters for the MDT installation by check mailed, through the United States mails, to Alpha Outfitters at the business address of Victory Security.

(e) In and around March 2007, Christine Ann Kebr assisted in the creation of a Request for Proposal (hereinafter "RFP") for the installation and maintenance of MDTs and the emergency equipment in city owned vehicles.

(f) In and around April 2007, the defendant, ARTHUR J. BEDWAY, JR., advised Christine Ann Kebr, that since he could not pay her directly for her share in Alpha Outfitters, that he would pay her spouse and show the spouse as an employee. Christine Ann Kebr declined this arrangement.

(g) In and around May 2007, Alpha Outfitters signed a lease for a garage located at 3327 West Carson Street, Pittsburgh, Pennsylvania, to install MDTs in City vehicles. This arrangement was coordinated by the defendant, ARTHUR J. BEDWAY, JR.

(h) In and around May 2007, the defendant, ARTHUR J. BEDWAY, JR., met Christine Ann Kebr at the offices of Victory Security and assisted in the preparation of Alpha Outfitters' bid for the equipment contract. The bid listed Alpha Outfitters as a Women's Business Enterprise and did not include the names of the defendant, ARTHUR J. BEDWAY, JR. or Christine Ann Kebr.

(i) On or about July 27, 2007, Christine Ann Kebr recommended that the City award the equipment contract to Alpha Outfitters.

(j) From on or about December 8, 2006, to on or about July 28, 2008, Christine Ann Kebr assisted in the creation of invoices and work statements for Alpha Outfitters, to submit to the City for payment, which inflated the amount of work performed by Alpha Outfitters.

(k) In and around December 2007, the defendant, ARTHUR J. BEDWAY, JR., provided \$3,000 to Christine Ann Kebr.

(l) From on or about October 24, 2007, to on or about December 15, 2009, the City paid Alpha Outfitters approximately \$327,229.40 under the equipment contract.

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

COUNT 2

The grand jury further charges:

The allegations of paragraphs 1 through 18 of Count One are incorporated herein by reference.

19. In and around December 2007, in the Western District of Pennsylvania, the defendant, ARTHUR J. BEDWAY, JR., did corruptly give, offer, and agree to give anything of any value, that is, \$3,000.00 in United States currency, to Christine Ann Kebr, an employee of the City of Pittsburgh, which received in a one-year period including September 11, 2008, benefits in excess of \$10,000.00 from the United States Department of Justice, with intent to influence or reward Christine Ann Kebr in connection with any business, transaction or series of transactions of such government involving anything of value of \$5,000 or more, that is, a contract for the installation of MDT's in City police vehicles.

In violation of Title 18, United States Code, Section 666(a)(2).

COUNTS 3-7

The grand jury further charges:

The allegations of paragraphs 1 through 18 of Count One are incorporated herein by reference.

INTRODUCTION

THE SCHEME AND ARTIFICE

20. From in and around October 2007, and continuing thereafter to in and around April 2009 in the Western District of Pennsylvania, the defendant, ARTHUR J. BEDWAY, JR., devised and intended to devise a scheme and artifice to defraud and for obtaining money by means of false and fraudulent pretenses, representations and promises, as described in paragraphs 10 through 18, supra, well knowing at the time that the pretenses, representations and promises were false and fraudulent when made.

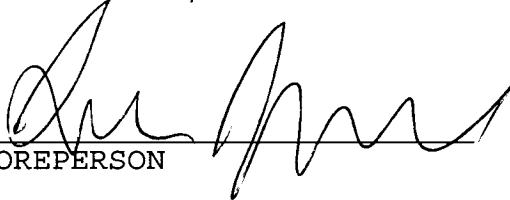
THE MAILINGS

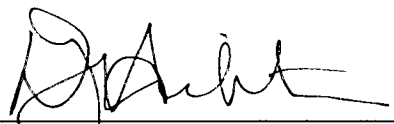
21. On or about the dates set forth below, in the Western District of Pennsylvania, the defendant, ARTHUR J. BEDWAY, JR., for the purpose of executing the aforesaid scheme and artifice to defraud, and in attempting to do so, did cause to be placed in an authorized depository the following items addressed to Alpha Outfitters, 3100 Faronia Street, Pittsburgh, PA 15204 and 3327 W. Carson Street, Pittsburgh, PA 15204 to be delivered by the United States Postal Service according to the directions thereon, each such mailing being a separate count of this indictment.

COUNT	DATE	MAIL MATTER
3	November 28, 2007	City of Pittsburgh Check #143177 payable to Alpha Outfitters in the amount of \$6,250.00
4	February 1, 2008	City of Pittsburgh Check #145775 payable to Alpha Outfitters in the amount of \$12,410.00
5	June 24, 2008	City of Pittsburgh Check #153640 payable to Alpha Outfitters in the amount of \$12,410.00
6	October 24, 2008	City of Pittsburgh Check #157889 payable to Alpha Outfitters in the amount of \$12,410.00
7	April 17, 2009	City of Pittsburgh Check #164168 payable to Alpha Outfitters in the amount of \$12,810.00

In violation of Title 18, United States Code, Sections 1341 and 2.

A True Bill,


 FOREPERSON


 DAVID J. HICKTON
 United States Attorney
 PA ID No. 34524