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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

FILED

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

February 2010 Grand Jury **CR 10 00415**

UNITED STATES OF AMERICA,	)	CR No. 10-_____
	)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
	)	
v.	)	[18 U.S.C. § 1341: Mail Fraud;
	)	18 U.S.C. § 2(b): Causing an Act
DAVID L. CULBERTSON,	)	to Be Done]
	)	
Defendant.	)	
	)	
	)	

The Grand Jury charges:

COUNTS ONE THROUGH SEVEN  
[18 U.S.C. §§ 1341, 2(b)]

A. INTRODUCTION

At all times relevant to this Indictment:

Defendant, Raytheon, and the National Reconnaissance Office

1. Defendant DAVID L. CULBERTSON ("CULBERTSON") was employed as a security manager at Raytheon Company ("Raytheon"), where he was responsible for ensuring that Raytheon's programs complied with governmental security policies. Defendant CULBERTSON resided in Cypress, California, within the Central District of California.

BSK

1           2.     Raytheon was a government contractor headquartered in  
2 Waltham, Massachusetts. One of Raytheon's subdivisions,  
3 Raytheon Space and Airborne Systems ("SAS"), was a leading  
4 provider of sensor systems for military forces, and was  
5 headquartered in El Segundo, California, within the Central  
6 District of California. Defendant CULBERTSON worked at SAS.

7           3.     SAS had numerous contracts with the National  
8 Reconnaissance Office ("NRO"), a Department of Defense ("DoD")  
9 agency funded through the National Reconnaissance Program. The  
10 NRO designed, built, and operated reconnaissance satellites for  
11 agencies such as the DoD and the Central Intelligence Agency,  
12 to warn of potential trouble spots around the world, help plan  
13 military operations, and monitor the environment. The Director  
14 of the NRO reported to the Secretary of Defense, and was  
15 appointed by the Secretary of Defense with the concurrence of  
16 the Director of National Intelligence.

17           The Cell Phone Program

18           4.     In or about 1989, defendant CULBERTSON was tasked  
19 with establishing and maintaining a cellular phone program  
20 ("Cell Phone Program") in which he would acquire cell phones  
21 for Raytheon personnel working in certain programs, pay the  
22 bills associated with those cell phones, and receive  
23 reimbursement from Raytheon. The purpose of the Cell Phone  
24 Program was to allow participating employees to use their cell  
25 phones for business purposes without revealing the employees'  
26 connection to Raytheon. As many as approximately 49 SAS  
27 employees ultimately participated in the Cell Phone Program.

28

1           5. Defendant CULBERTSON would pay for the expenses  
2 associated with the Cell Phone Program by writing personal  
3 checks to the phone companies, obtaining money orders from  
4 convenience stores, and charging an American Express credit  
5 card in his name.

6           6. Defendant CULBERTSON sought reimbursement from  
7 Raytheon for the expenses associated with the Cell Phone  
8 Program in various ways. Initially, defendant CULBERTSON  
9 sought reimbursement through petty cash requests. In or about  
10 January 2002, defendant CULBERTSON also began seeking  
11 reimbursement through check requests. And in or about November  
12 2003, defendant CULBERTSON began seeking reimbursement by  
13 submitting expense reports as well.

14           7. In seeking reimbursement from Raytheon for the  
15 expenses associated with the Cell Phone Program, defendant  
16 CULBERTSON was required to obtain approval from both Raytheon's  
17 finance department and one of his supervisors in the security  
18 department.

19           8. Between in or about January 2003 and in or about May  
20 2006, defendant CULBERTSON submitted reimbursement requests to  
21 Raytheon claiming a total of approximately \$398,602 in expenses  
22 associated with the Cell Phone Program. After reimbursing  
23 defendant CULBERTSON, Raytheon in turn billed the NRO for those  
24 expenses, as indirect charges to overhead, pursuant to various  
25 government contracts between Raytheon and the NRO.

26           9. In or about September 2005, defendant CULBERTSON was  
27 directed to terminate the Cell Phone Program. Defendant  
28

1 CULBERTSON's last requests for reimbursement relating to the  
2 Cell Phone Program were submitted in or about May 2006.

3 B. SCHEME TO DEFRAUD

4 10. Beginning no later than in or about January 2003, and  
5 continuing through in or about May 2006, in Los Angeles County,  
6 within the Central District of California, and elsewhere,  
7 defendant CULBERTSON, knowingly and with intent to defraud,  
8 devised, participated in, and executed a scheme to defraud  
9 Raytheon and the NRO as to material matters, and to obtain  
10 money and property from Raytheon and the NRO by means of  
11 material false and fraudulent pretenses, representations, and  
12 promises, and the concealment of material facts.

13 11. The fraudulent scheme operated, in substance, in the  
14 following manner:

15 a. Defendant CULBERTSON abused his position as the  
16 Raytheon security officer in charge of the Cell Phone Program  
17 by submitting false and fraudulent reimbursement requests to  
18 Raytheon, resulting in over-billing and false claims to the  
19 NRO.

20 b. Defendant CULBERTSON used the three different  
21 methods of seeking reimbursement -- petty cash requests, check  
22 requests, and expense reports -- in order to double-bill and in  
23 some cases triple-bill Raytheon for the same cell phone  
24 expenses. By using different methods of reimbursement,  
25 defendant CULBERTSON concealed that he was improperly seeking  
26 double and triple reimbursements for the same cell phone  
27 expenses.

28

1 c. In submitting his different requests for  
 2 reimbursement, defendant CULBERTSON sought approval from  
 3 different finance and security officers, in order to further  
 4 conceal that he was seeking double and triple reimbursements  
 5 for the same cell phone expenses.

6 d. Defendant CULBERTSON destroyed the billing  
 7 records associated with the Cell Phone Program in order to  
 8 conceal his fraudulent conduct.

9 e. As part of the fraudulent scheme described  
 10 above, defendant CULBERTSON improperly obtained approximately  
 11 \$257,171 from Raytheon, and caused false claims to be submitted  
 12 by Raytheon to the NRO in the same amount.

13 C. USE OF THE MAILS

14 12. On or about the dates set forth below, within the  
 15 Central District of California and elsewhere, defendant  
 16 CULBERTSON, for the purpose of executing the above-described  
 17 scheme to defraud, willfully caused the following items to be  
 18 deposited with and to be delivered by a commercial interstate  
 19 carrier, according to the directions thereon:

<u>COUNT</u>	<u>DATE</u>	<u>ITEM DELIVERED</u>
ONE	11/5/04	Check number 7000228120, in the amount of \$3,498.77, issued by Raytheon on or about November 5, 2004, sent from Dallas, Texas, to El Segundo, California
TWO	12/1/04	Check number 7000240604, in amount of \$2,083.14, issued by Raytheon on or about December 1, 2004, sent from Dallas, Texas, to El Segundo, California

<u>COUNT</u>	<u>DATE</u>	<u>ITEM DELIVERED</u>
THREE	12/9/04	Check number 7000244371, in the amount of \$2,032.52, issued by Raytheon on or about December 9, 2004, sent from Dallas, Texas, to El Segundo, California
FOUR	6/24/05	Check number 4000016325, in the amount of \$3,730.90, issued by Raytheon on or about June 24, 2005, sent from Dallas, Texas, to El Segundo, California
FIVE	8/2/05	Check number 4000038655, in the amount of \$4,026.99, issued by Raytheon on or about August 2, 2005, sent from Dallas, Texas, to El Segundo, California
SIX	8/22/05	Check number 4000049145, in the amount of \$4,136.34, issued by Raytheon on or about August 22, 2005, sent from Dallas, Texas, to El Segundo, California
SEVEN	11/14/05	Check number 4000097005, in the amount of \$3,608.19, issued by Raytheon on or about November 14, 2005, sent from Dallas, Texas, to El Segundo, California

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NOTICE OF FORFEITURE

As a result of the violations of Title 18, United States Code, Section 1341 set forth in this Indictment, defendant DAVID L. CULBERTSON shall forfeit to the United States, pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), any property, real or personal, that constitutes or is traceable to the proceeds of such offenses.

If any of the property subject to forfeiture, as the result of any act or omission of the defendant:

- (a) cannot be located with the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property that cannot be divided without difficulty;

it is the intent of the United States to seek forfeiture of any other property of the defendant up to the value of the property

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