

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA :	CRIMINAL NO.	<hr/>
	:	
v.	:	DATE FILED: <hr/>
	:	
ARGENBRIGHT HOLDINGS LIMITED:	VIOLATIONS:	18 U.S.C. § 371 (Conspiracy to
STEVEN E. SAFFER,	:	make false statements to
SANDRA H. LAWRENCE,	:	FAA - 1 count)
HELEN FIELDS	:	18 U.S.C. § 371 (Conspiracy to
	:	commit mail and wire fraud -
	:	1 count)
	:	18 U.S.C. § 1001 False
	:	statements to the FAA - 4
	:	counts)
	:	18 U.S.C. § 1341 (Mail fraud -
	:	1 count)
	:	18 U.S.C. § 1505 (Obstruction
	:	of justice - 1 count)

INFORMATION

COUNT ONE

(Conspiracy to Make False Statements to the FAA)

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

At all times material to this Information:

A. Pre-departure Screeners

1. Pre-departure screening is a security procedure performed at all commercial airports in the United States under regulations established by the Federal Aviation Administration (“FAA”), which is part of the U.S. Department of Transportation, and at many other airports throughout the world under similar mandates of other regulatory authorities. At pre-departure

screening checkpoints, all passengers and other airport patrons must physically pass through a device called a magnetometer, designed to reveal the presence of metal objects, and all carry-on baggage and other items carried into the concourse or gate area must pass through an X-ray device to determine whether certain suspicious materials are present.

B. The Defendants

2. Defendant ARGENBRIGHT HOLDINGS LIMITED is a Georgia corporation that owns all of the outstanding capital stock of Argenbright Security, Inc. Through its wholly-owned subsidiary, Argenbright Security, Inc., defendant ARGENBRIGHT HOLDINGS LIMITED provides pre-departure screener (sometimes referred to as “PDS”) services at airports throughout the United States and Europe, including Philadelphia International Airport (sometimes referred to as “PHL”). Defendant ARGENBRIGHT HOLDINGS LIMITED is a wholly owned subsidiary of AHL Services, Inc., a publicly held Delaware corporation headquartered in Atlanta, Georgia that conducts business throughout the United States and Europe.

3. Defendant STEVEN E. SAFFER was the district manager of the Philadelphia office of Argenbright Security, Inc. (sometimes referred to as “Argenbright”), and was responsible for day-to-day management and operation of defendant ARGENBRIGHT HOLDINGS LIMITED’s business operations at Philadelphia International Airport. During the relevant time period, defendant SAFFER was responsible for the overall management and supervision of a total of more than 1,300 employees, with annual revenues in Philadelphia of more than \$6 million in 1998 alone.

4. Defendant SANDRA H. LAWRENCE was the administrative manager of Argenbright’s Philadelphia office, and was responsible for, among other things, billing, payroll,

personnel, training and recruitment of Argenbright's employees at PHL. Defendant LAWRENCE reported directly to defendant STEVEN E. SAFFER.

5. Defendant HELEN FIELDS was the personnel manager of Argenbright's Philadelphia office, and was primarily responsible for recruiting, hiring, training and testing of new employees. Defendant FIELDS reported directly to defendant SANDRA H. LAWRENCE.

C. AHL Services' Operations at Philadelphia International Airport

6. Defendant ARGENBRIGHT HOLDINGS LIMITED, through its subsidiary, Argenbright Security, Inc., contracts directly with major airlines at PHL, including American Airlines, Delta Air Lines, United Airlines, and Northwest Airlines, to provide a number of services, including pre-departure screeners, skycaps and cargo handlers, among others.

7. Defendant ARGENBRIGHT HOLDINGS LIMITED's pre-departure screener contracts with these airlines provide for payment on an hourly basis for time actually worked by fully trained, tested and certified Argenbright employees who meet all of the rigorous employment requirements and regulations established by the Federal Aviation Administration ("FAA") in Title 14 of the Code of Federal Regulations and in FAA's Air Carrier Standard Security Program.

8. The basic purpose of the FAA requirements and regulations is to determine if individuals with access to secure areas of an airport present a potential threat to aviation safety and security and to ensure that pre-departure screeners are sufficiently trained to perform their security screening tasks. The regulations require each person to continuously display on their outermost garment an airport-approved identification badge in the Secure Identification Display Areas (SIDAs) of the airport. These areas are defined by each individual airport operator and usually include screening areas, airplane ramp areas, x-ray areas and security areas, among others.

9. For purposes of this Information, the relevant FAA requirements and regulations include the following:

Hiring/Background Verification Requirements

- a. Each PDS must undergo an access investigation review concerning the past 10 years of employment history and verification of the 5 years preceding the date the access investigation is initiated.
- b. In order to be eligible for employment as a PDS, the individual must not have been convicted or found not guilty by reason of insanity of certain crimes including, but not limited to crimes involving air travel and aircraft piracy, violent crimes such as murder, assault, kidnaping, rape, sexual assault, unlawful possession of an explosive or weapon, armed robbery, and narcotics offenses.
- c. A criminal history check is required (a) if a PDS applicant is unable to satisfactorily account for a period of unemployment of 12 months or more during the preceding ten-year period; (b) the individual is unable to support statements made or there are significant inconsistencies between information provided on the application regarding former employment and that which is obtained during the 5-year verification process; or (c) information becomes available to the employer that the PDS candidate may have been convicted of one of the disqualifying crimes.

- d. Each PDS employment file must contain certifications that the above requirements have been followed and that the PDS is eligible for employment based on the successful completion of the access investigation.

Training and Testing Requirements

- a. Twelve hours of initial classroom training on FAA mandated subjects with emphasis on special screening situations and screening equipment operation.
- b. Viewing either the FAA or Air Transport Association audiovisual programs approved by the FAA.
- c. Written testing to determine whether the trainee has absorbed the classroom portion of the initial training. A passing score of 85% or higher is required.
- d. Completion of a formal, 40-hour on-the-job training (“OJT”) program that requires new PDS employees to work with and under the close supervision of fully-qualified screeners, be tested using simulated bombs or other simulated explosive devices, and not make any independent judgments during this OJT period.
- e. Written certifications must be completed by a supervisory level employee that the PDS has completed all of the above requirements in a satisfactory fashion and is capable of making competent, valid, independent screening judgments.

- f. Recurrent training must be given to each PDS at least on an annual basis. This recurrent training includes further classroom discussion on the FAA mandated subjects, watching an FAA approved training video, and completing an FAA approved test with a passing score.
- g. All of the above requirements must be certified as completed satisfactorily in the PDS' file, which is commonly referred to in the industry as an "FAA file," and written certifications of such completion must be contained in this file.

THE CONSPIRACY

10. From at least January 1, 1995 through on or about January 12, 1999, in the Eastern District of Pennsylvania, defendants

**STEVEN E. SAFFER,
SANDRA H. LAWRENCE
and
HELEN FIELDS**

knowingly and willfully conspired and agreed with each other and others known to the United States Attorney to make false written certifications to the Federal Aviation Administration that falsely claimed that defendant ARGENBRIGHT HOLDINGS LIMITED's subsidiary, Argenbright Security, Inc., had complied with all FAA requirements concerning training, testing, employment history verification and criminal background checks of employees who worked for Argenbright Security, Inc. as pre-departure screeners at Philadelphia International Airport, in violation of 18 U.S.C. § 1001.

MANNER AND MEANS OF ACCOMPLISHING THE CONSPIRACY

11. It was the purpose of the conspiracy that, in order to save money and avoid the administrative inconvenience of complying with FAA regulations, the defendants engaged in a continuous and systematic scheme to make false statements and provide false certifications to the Federal Aviation Administration in which it was falsely claimed that Argenbright Security, Inc. had complied with all FAA regulations applicable to its pre-departure screeners employed at the passenger checkpoint areas at Philadelphia International Airport.

It was a part of the conspiracy that:

12. Defendants STEVEN E. SAFFER, SANDRA H. LAWRENCE and HELEN FIELDS would recruit persons to fill positions as pre-departure screeners at PHL regardless of their qualifications or ability to perform duties as a PDS.

13. With the encouragement, direction and approval of defendant STEVEN E. SAFFER, defendants SANDRA H. LAWRENCE and HELEN FIELDS would routinely:

- a. Alter the employment history section of job applications for pre-departure screeners in order to create the illusion that the employee had maintained continuous employment over the preceding 5-10 year period.
- b. Falsely certify to the FAA that each pre-departure screener's 5-year employment history had been verified in accordance with FAA regulations when, in fact, it had not.
- c. Falsely certify to the FAA that each pre-departure screener had taken and received a passing score on the FAA mandated tests when, in fact, employees were either (i) given passing test scores even though they had

failed the test; (ii) provided with the answers to the tests while the test was being administered; or (iii) given a passing test score without ever actually taking the test.

- d. Fail to request a criminal history report for employees with known gaps in their employment history.
- e. Create phony GED certificates by whiting out names on photocopies of real GEDs and inserting the name of the PDS employee in order to create the illusion that the applicant satisfied the educational requirements for the PDS position.
- f. Falsely certify that each PDS employee had received the FAA required 12 hours of classroom training when, in fact, the only training that was provided consisted of watching a 45 minute video and a test.
- g. Send newly-hired PDS employees out to the security checkpoints without completing employment history verifications, criminal history checks and training.

14. Defendant STEVEN E. SAFFER would encourage and knowingly permit improperly trained and unqualified persons to perform pre-departure screening functions at Philadelphia International Airport and to make independent judgments at the security checkpoints without actually receiving the required 40 hours of on-the-job training.

15. Defendant STEVEN E. SAFFER would encourage and knowingly permit improperly trained and unqualified persons to perform pre-departure screening functions at Philadelphia International Airport without receiving the annual recurrent training that was

mandated by FAA regulations. Instead, defendant STEVEN E. SAFFER would encourage defendant SANDRA H. LAWRENCE and other employees to falsely certify to the FAA that such recurrent training had been provided when, in fact, as they well knew, it had not.

16. Defendant ARGENBRIGHT HOLDINGS LIMITED, its parent company, AHL Services, Inc., and Argenbright Security, Inc. failed to establish or implement any effective audit or compliance program designed to detect and prevent the widespread violations of FAA regulations that occurred in the Philadelphia office of Argenbright Security, Inc.

17. Despite the fact that Argenbright Security Inc.'s regional vice president responsible for the Philadelphia district office received several indications of serious problems in the Philadelphia office regarding compliance with and violations of FAA regulations, defendant ARGENBRIGHT HOLDINGS LIMITED, its parent company AHL Services, Inc., and Argenbright Security, Inc. failed to conduct any audits of the Philadelphia district office's policies and practices regarding FAA compliance during 1996, 1997 and 1998 and allowed defendants STEVEN E. SAFFER, SANDRA H. LAWRENCE and HELEN FIELDS to operate independently and with little or no oversight from Argenbright Security, Inc.'s corporate or regional headquarters, thereby fostering an atmosphere of noncompliance with FAA regulations.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its unlawful object, the following overt acts, among others, were committed in the Eastern District of Pennsylvania, and elsewhere:

1. Between January 1, 1995 and January 12, 1999, defendants SANDRA H. LAWRENCE and HELEN FIELDS created, among others, the following phony GED certificates, which were included in PDS employee files:

<u>Employee Initials</u>	<u>Date Hired</u>
T.H.	3/1/97
C.M.	2/12/96
A.R.	12/15/98
F.T.	11/30/98
R.W.	10/15/98
N.Y.	6/27/98

2. On several occasions between January 1, 1995 and January 12, 1999, defendant STEVEN E. SAFFER instructed defendants SANDRA H. LAWRENCE and HELEN FIELDS to make sure that all PDS employees passed the FAA sanctioned pre-employment written examinations and the recurrent training examinations, and, if necessary, provide applicants with the answers or change the test results in order to accomplish this objective.

3. Between January 1, 1995 and January 12, 1999, defendants SANDRA H. LAWRENCE and HELEN FIELDS complied with defendant STEVEN E. SAFFER's instructions and falsified test scores for the following PDS applicants, among others:

<u>Employee Initials</u>	<u>Date Hired</u>
S.A.	11/13/98
E.B.	4/17/98
K.B.	10/25/98
L.B.	9/18/98
S.B.	11/8/98
D.C.	12/27/98
D.C.	10/6/98
F.D.	10/31/98
M.F.	3/12/98
T.G.	11/14/98
S.G.	8/7/98
B.H.	5/31/97
S.H.	10/29/98
A.H.	11/10/98
A.M.	11/9/98
E.M.	10/29/98
D.R.	12/30/98
F.S.	11/5/98

<u>Employee Initials</u>	<u>Date Hired</u>
E.T.	10/2/98
L.W.	8/14/98
S.W.	11/11/98
M.W.	5/23/97
S.W.	10/7/98
T.W.	10/30/98

4. On several occasions between January 1, 1995 and January 12, 1999, defendant STEVEN E. SAFFER discussed with defendants SANDRA H. LAWRENCE and HELEN FIELDS the importance of placing PDS employees at the security checkpoints as quickly as possible, and encouraged them to disregard the FAA's 12 hour initial classroom training requirement in order to accomplish this objective.

5. Between January 1, 1995 and January 12, 1999, defendants STEVEN E. SAFFER, SANDRA H. LAWRENCE and HELEN FIELDS administered "training" that consisted only of watching a 45 minute video followed, in most cases, by the taking of a written examination and issuance of a uniform. (The entire administrative process of interviewing, hiring and "training" a PDS applicant, which included filling out the job application, watching the video, taking the test, changing into a uniform and reporting for duty at the checkpoint, usually lasted a total of only three to four hours.)

6. Between January 1, 1995 and January 12, 1999, Argenbright Security, Inc. hired approximately 1,300 PDS employees, including those listed below, who never received the required 12 hours of classroom training mandated by FAA regulations but whose FAA training files contained certifications that falsely stated that they had in fact received the required 12 hours of classroom training:

<u>Employee Initials</u>	<u>Date Hired</u>
R.A.	10/5/98
F.A.	11/29/98
C.B.	6/1/96
B.B.	11/10/98
K.B.	3/31/97
E.C.	11/14/97
R.C.	10/2/98
R.C.	9/14/98
R.E.	3/29/97
T.F.	10/16/98
C.G.	9/14/96
Z.H.	8/13/98
S.H.	2/22/98
S.M.	3/21/98
C.S.	3/28/97
T.S.	9/22/96
M.T.	10/2/98
R.T.	9/18/98
L.T.	11/1/98
D.W.	11/5/98

7. Between January 1, 1995 and January 12, 1999, defendant STEVEN E. SAFFER discussed with defendants SANDRA H. LAWRENCE and HELEN FIELDS the fact that ordering criminal history reports on PDS applicants was expensive and, therefore, not desirable; explained that he did not want to spend money from his district office budget on criminal history checks; and, instead, instructed defendants LAWRENCE and FIELDS to request criminal history checks on a sporadic basis.

8. Between January 1, 1995 and January 12, 1999, as a direct result of defendants' willful failure to conduct background investigations, investigate gaps in employment histories, and request criminal history reports, defendants STEVEN E. SAFFER, SANDRA H. LAWRENCE and HELEN FIELDS hired numerous PDS employees who had criminal records including, among many others, the following:

<u>EXAMPLE NO.</u>	<u>DATE HIRED</u>	<u>CRIMINAL HISTORY</u>
1.	10/18/95	Felony conviction for aggravated assault.
2.	1/5/99	Four felony convictions including forgery, burglary, aggravated robbery, wrongful appropriation plus arrests for attempted murder, aggravated assault and illegal firearms possession.
3.	9/16/98	Arrested 23 times for various crimes including theft between 1990 and 1993.
4.	7/21/98	Felony drug conviction.
5.	6/7/97	Conviction for resisting arrest. Previously arrested for retail theft, receiving stolen property, aggravated assault, robbery, unlawful firearms possession.
6.	10/18/95	Felony drug conviction and resisting arrest conviction. Previously arrested for criminal trespass and carrying a concealed weapon.
7.	10/29/97	Four convictions including criminal conspiracy, criminal attempt, receiving stolen property and theft. Eight other arrests for felony burglary and retail theft.
8.	5/7/98	Felony drug conviction.
9.	12/10/98	Three convictions including drug violations, criminal conspiracy, receiving stolen property, and unlawful firearms possession. Eight other arrests for drug violations, aggravated assault and kidnaping.

<u>EXAMPLE NO.</u>	<u>DATE HIRED</u>	<u>CRIMINAL HISTORY</u>
10.	8/5/98	Two prior convictions for narcotics and retail theft. Four other arrests including robbery, criminal conspiracy, weapons violations, theft and false reports to the police.
11.	11/12/98	Unlawful firearms possession conviction and arrest for aggravated assault.
12.	2/22/98	Four prior convictions including narcotics, receiving stolen property, unlawful use of an auto and retail theft. Also previously arrested for aggravated assault.
13.	8/14/98	Convicted of criminal conspiracy and retail theft. Three other arrests for retail theft.
14.	5/13/98	Larceny conviction.

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

COUNT TWO

(False Statements to the FAA)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 17 of Count One are incorporated here by reference.

2. On or about July 27, 1996, at Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, in a matter within the jurisdiction of the Federal Aviation Administration and the United States Department of Transportation, agencies of the United States, defendant

ARGENBRIGHT HOLDINGS LIMITED

knowingly and willfully made and caused to be made false, fictitious and fraudulent material statements and representations in FAA files maintained for PDS employees, that is, defendant ARGENBRIGHT HOLDINGS LIMITED's subsidiary, Argenbright Security, Inc., certified to the Federal Aviation Administration that R.M., a pre-departure screener hired by Argenbright Security, Inc. on or about July 27, 1996, had received 12 hours of classroom training pertaining to the duties and responsibilities of a pre-departure screener, as required by Federal Aviation Administration regulations set forth in Title 14, Code of Federal Regulations, Sections 108.5(a) and 108.9(d) and the FAA's Air Carrier Standard Security Program, Section XIII(C)(2)(a), when in truth and in fact he had not received the required 12 hours of training.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT THREE

(False Statements to the FAA)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 17 of Count One are incorporated here by reference.

2. On or about October 5, 1998, at Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, in a matter within the jurisdiction of the Federal Aviation Administration and the United States Department of Transportation, agencies of the United States, defendant

ARGENBRIGHT HOLDINGS LIMITED

knowingly and willfully made and caused to be made false, fictitious and fraudulent material statements and representations in FAA files maintained for PDS employees, that is, defendant ARGENBRIGHT HOLDINGS LIMITED's subsidiary, Argenbright Security, Inc., certified to the Federal Aviation Administration that R.A., a pre-departure screener hired by Argenbright Security, Inc. on or about October 5, 1998, had received 12 hours of classroom training pertaining to the duties and responsibilities of a pre-departure screener, as required by Federal Aviation Administration regulations set forth in Title 14, Code of Federal Regulations, Sections 108.5(a) and 108.9(d) and the FAA's Air Carrier Standard Security Program, Section XIII(C)(2)(a), when in truth and in fact he had not received the required 12 hours of training.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT FOUR

(False Statements to the FAA)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 17 of Count One are incorporated here by reference.

2. On or about September 14, 1996, at Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, in a matter within the jurisdiction of the Federal Aviation Administration and the United States Department of Transportation, agencies of the United States, defendant

STEVEN E. SAFFER

knowingly and willfully made and caused to be made false, fictitious and fraudulent material statements and representations in FAA files maintained for PDS employees, that is, defendant STEVEN E. SAFFER certified to the Federal Aviation Administration that C.G., a pre-departure screener hired by Argenbright Security, Inc. on or about September 14, 1996, had received 12 hours of classroom training pertaining to the duties and responsibilities of a pre-departure screener, as required by Federal Aviation Administration regulations set forth in Title 14, Code of Federal Regulations, Sections 108.5(a) and 108.9(d) and the FAA's Air Carrier Standard Security Program, Section XIII(C)(2)(a), when in truth and in fact he had not received the required 12 hours of training.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT FIVE

(False Statements to the FAA)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 17 of Count One are incorporated here by reference.

2. On or about April 17, 1998, at Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, in a matter within the jurisdiction of the Federal Aviation Administration and the United States Department of Transportation, agencies of the United States, defendant

SANDRA H. LAWRENCE

knowingly and willfully made and caused to be made false, fictitious and fraudulent material statements and representations in FAA files maintained for PDS employees, that is, defendant SANDRA H. LAWRENCE. certified to the Federal Aviation Administration that E.B., a pre-departure screener hired by Argenbright Security, Inc. on or about April 17, 1998, had received 12 hours of classroom training pertaining to the duties and responsibilities of a pre-departure screener, as required by Federal Aviation Administration regulations set forth in Title 14, Code of Federal Regulations, Sections 108.5(a) and 108.9(d) and the FAA's Air Carrier Standard Security Program, Section XIII(C)(2)(a), when in truth and in fact she had not received the required 12 hours of training.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT SIX

(Conspiracy to Commit Mail and Wire Fraud)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 and 6 through 7 of Count One are incorporated here by reference.

THE CONSPIRACY

2. From approximately 1992 through on or about January 12, 1999, in the Eastern District of Pennsylvania, defendants

**STEVEN E. SAFFER
and
SANDRA H. LAWRENCE**

knowingly and willfully conspired and agreed with each other and others known to the United States Attorney to execute a scheme and artifice to defraud airline customers of Argenbright Security, Inc. by falsifying original time sheets and by using electronic wire transfer and commercial interstate carriers to bill airline customers for pre-departure screener and other services that were never actually provided, in violation of 18 U.S.C. §§ 1341 and 1343.

3. As a result of this conspiracy and fraudulent billing scheme, Delta Air Lines, United Airlines, American Airlines and Northwest Airlines, among others, were cheated out of more than \$220,000.

MANNER AND MEANS OF ACCOMPLISHING THE CONSPIRACY

It was part of the conspiracy that:

4. In order to improve the Philadelphia district office's profit margin and thereby increase his own yearly bonus, defendant STEVEN E. SAFFER sought to recover from Argenbright Security, Inc.'s airline customers the costs associated with paying the salaries of administrative managers, receptionists and other employees whose time was not otherwise chargeable to these customers.

5. Defendant STEVEN E. SAFFER and SANDRA H. LAWRENCE submitted or caused the submission of invoices to airline customers for services purportedly provided by pre-departure screeners who, in reality, provided no such services.

6. Defendants STEVEN E. SAFFER and SANDRA H. LAWRENCE prepared pre-departure screener time sheets that contained forged signatures of receptionists and other administrative staff who did not actually provide the pre-departure screener services reflected on the time sheets.

7. Defendant SANDRA H. LAWRENCE entered into Argenbright Security, Inc.'s computerized payroll and billing system the information contained on the fraudulent time sheets that purported to reflect actual hours worked on behalf of airline customers.

8. Once the false time sheet information was entered into the computer system, defendant SANDRA H. LAWRENCE would, on a weekly basis, transmit the data by electronic wire transfer from the Philadelphia office of Argenbright Security, Inc. to the corporate headquarters in Atlanta, Georgia.

9. Upon receipt of the false billing information, defendant ARGENBRIGHT HOLDINGS LIMITED, through its subsidiary, Argenbright Security, Inc., would generate invoices and send them by Federal Express overnight delivery to its Philadelphia district office for delivery to its airline customers at Philadelphia International Airport. These invoices were inflated in that they charged customers for pre-departure screener services that were never actually provided.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its unlawful objects, the following overt acts, among others, were committed in the Eastern District of Pennsylvania, and elsewhere:

1. Beginning in approximately 1994, and continuing until approximately January 12, 1999, with the encouragement, direction and approval of defendant STEVEN E. SAFFER, defendant SANDRA H. LAWRENCE billed airline customers for the time spent by Argenbright office receptionists answering phones and greeting visitors and falsely characterized this time as the provision of pre-departure screener services at security checkpoints at Philadelphia International Airport.

2. Between approximately 1994 and January 12, 1999, defendant SANDRA H. LAWRENCE forged the signatures of these receptionists onto time sheets and caused the airlines to be wrongfully billed in the approximate amount of \$43,000 for the following persons, all of whom worked as receptionists rather than pre-departure screeners: M.H., F.H., L.B., A.B., J.F., D.D. and S.W.

3. Beginning in approximately 1992 and continuing until on or about January 12, 1999, with the encouragement, direction and approval of defendant STEVEN E. SAFFER,

defendant SANDRA H. LAWRENCE signed her own name onto time sheets for the Delta Air Lines security checkpoint at PHL to create the false appearance that she was providing PDS services and to cause Delta Air Lines and other airline customers to be billed for her “services,” even though she provided no services to any airline, thereby defrauding airline customers in the approximate amount of \$114,000.

4. At various times between January 1, 1995 and January 12, 1999, to hide the fact that Argenbright’s Philadelphia district office had understaffed security checkpoints during certain shifts, defendant STEVEN E. SAFFER instructed SANDRA H. LAWRENCE to bill airline customers for time spent by “overhead” employees of Argenbright, even though the employees were not actually providing pre-departure screening services and instead were providing non-billable services such as administrative or managerial work.

5. On numerous occasions between January 1, 1995 and January 12, 1999, defendant SANDRA H. LAWRENCE forged the signatures of management employees in order to create the false and misleading appearance that security checkpoints were staffed with the required number of PDS employees when, in fact, they were not.

6. At various times between January 1, 1995 and January 12, 1999, in order to increase the Philadelphia district office’s profit margin at the expense of its customers and thereby enrich himself in the form of higher bonuses and a bigger salary, defendant STEVEN E. SAFFER instructed administrative and managerial employees to sign in on PDS time sheets even though no actual PDS services were provided by these employees.

7. Between January 1, 1995 and January 12, 1999, as a result of the fraudulent billing practices described in paragraph six above, non-billable administrative and managerial time of the

following Argenbright employees was fraudulently billed to airline customers, causing total losses of approximately \$66,000: V.C., T.G., W.L., B.L., K.M., L.M., and Steven Saffer.

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

COUNT SEVEN

(Mail Fraud)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. From in or about 1992 through in or about January, 1999, in the Eastern District of Pennsylvania and elsewhere, defendants

**STEVEN E. SAFFER
and
SANDRA H. LAWRENCE**

devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises known to be false when made.

2. Paragraphs 1 through 4 and 6 through 7 of Count One and paragraphs 4 through 9 of Count Six are incorporated here by reference.

3. For the purpose of executing this scheme and artifice, in the Eastern District of Pennsylvania and elsewhere, defendants

**STEVEN E. SAFFER
and
SANDRA H. LAWRENCE**

knowingly caused to be delivered and aided and abetted the delivery by Federal Express, a commercial interstate carrier, according to the directions thereon, invoice MI 12795, dated March 11, 1998 and addressed to Delta Air Lines, Terminal E, Philadelphia, Pennsylvania 19153, in which Argenbright Security, Inc. fraudulently requested payment in the amount of \$25,201.17 for services purportedly provided by pre-departure screeners at Philadelphia International Airport.

In violation of Title 18, United States Code, Section 1341.

COUNT EIGHT

(Obstruction of Agency Proceedings)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 and 6 through 9 of Count One are incorporated here by reference.

2. On or about January 7, 1999, the Federal Aviation Administration's Civil Aviation Security Field Unit in Philadelphia began an audit and investigation of Argenbright Security, Inc.'s policies and practices concerning compliance with FAA regulations applicable to, among other things, pre-departure screeners.

3. Specifically, the FAA was examining, among other things, whether Argenbright had complied with FAA requirements that each PDS employee (a) passed a thorough background investigation, including verification of the preceding five years of employment; (b) had no disqualifying criminal convictions; (c) received 12 hours of classroom training; (d) received a passing score of at least 85% on the PDS examination; (e) received at least 40 hours of supervised on-the-job training; and (f) received recurrent training on an annual basis.

4. As part of its investigation, at approximately 4:30 p.m. on January 7, 1999, the FAA requested that defendant STEVEN E. SAFFER provide all of the original FAA training files for all of the current and recently terminated Argenbright PDS employees at Philadelphia International Airport.

5. Between January 7, 1999 and approximately January 12, 1999, at Philadelphia, in the Eastern District of Pennsylvania, defendant

STEVEN E. SAFFER,

well knowing that the Federal Aviation Administration was conducting an audit and investigation into whether the Argenbright Security, Inc. operation managed by defendant SAFFER was in compliance with FAA rules and regulations concerning training, testing, and background verification procedures of pre-departure screeners and other covered employees, did corruptly obstruct and impede and endeavor to obstruct the FAA's investigation, in that defendant STEVEN E. SAFFER (a) withheld and concealed PDS employee files requested by the FAA and (b) instructed employees whose identities are known to the United States Attorney to (i) conduct criminal history checks and then backdate the date on which it was certified that the check had been completed and (ii) complete any other uncompleted certification sections in FAA training files to give the false appearance that all FAA regulations had been complied with in order to mislead and deceive FAA investigators with respect to the matters then under investigation.

In violation of Title 18, United States Code, Sections 1505 and 2.

MICHAEL R. STILES
United States Attorney