

USAID.

5. Around the latter part of 2004 or early 2005, the Executive Director of CFC requested that Sixto research pricing of radios from various vendors. Sixto, rather than recommending the lowest bid to CFC, devised a scheme in which, concealing his identity, he purchased radios and resold them to CFC at a profit to himself. His actions facilitated the commission and concealment of a fraud that netted him more than \$400,000 of USAID funds from CFC.

6. As part of his scheme, Sixto opened a bank account using the name S.H. Distributors (SHD). SHD is a company run by Sixto's father and other relatives in Miami, Florida. Sixto purchased radios from the lowest priced vendor and then resold the radios to CFC at an inflated price. Sixto mailed fraudulent invoices to CFC in the name of SHD claiming to be located in Walnut, California, at fictitious street addresses.

7. At CFC, when an invoice arrived from a vendor it was reviewed by either CFC's General Manager or Sixto. Once a week all CFC's invoices were reviewed by CFC's accountant for processing. The accountant generated an accounts payable voucher along with a check for payment and forwarded this packet to CFC's director for his signature. Once the checks were signed, the director either returned the packet to the accountant or to Sixto to be mailed.

8. Sixto, rather than taking the mail addressed to SHD to the post office for delivery, took the mail for himself and deposited the enclosed check in SHD's bank account in Washington D.C. Later, Sixto changed SHD's mailing address to a post office box in Washington D.C. that belonged to a friend.

9. On or about December, 27, 2005, Sixto incorporated a company by the name of

Strategic Global Communications (SGC) in Maryland. Sixto claimed SGC was located in Woodside, California at a non-existent street address. Sixto also opened two bank accounts for SGC in Washington D.C. For a short period of time, SGC purchased radios and flashlights from vendors and then sold them at cost to SHD. SHD in turn sold the radios to CFC at an inflated price allowing Sixto to make a profit.

10. From on or about April 15, 2005, through on or about March 8, 2007, using SHD, Sixto caused to be submitted and paid by CFC invoices totaling \$798,481 resulting in unauthorized and fraudulent payments from CFC to SHD totaling \$541,075.19.

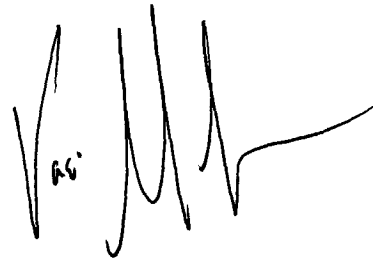
11. In February 2007, SGC began supplying radios to CFC directly. As part of his scheme, Sixto created and utilized the alias "Walter Lee" posing as a representative of SGC. Sixto continued to intercept payment checks CFC intended to mail to SGC for radios and flashlights and then deposited the checks into SGC's bank account. Moreover, Sixto rented space at a storage facility in Frederick, Maryland where he took delivery of radios and flashlights from vendors and then delivered them to CFC.

12. On July 13, 2007, Sixto left CFC to join the White House Office of Intergovernmental Affairs as an Associate Director for Intergovernmental Affairs. However, he continued his scheme by changing SGC's fictitious business address to a valid mailing address at 8721 Santa Monica Boulevard, # 823, Los Angeles, CA 90069. Sixto through SGC continued delivering radios to CFC and providing CFC with fraudulent invoices. In response, CFC made invoice payments to SGC's Santa Monica Boulevard address from which Sixto had the PO Box's mail rerouted to his home in Frederick, Maryland. Sixto then deposited the checks into SGC's bank account.

13. From on or about March 8, 2007, through on or about September 21, 2007, Sixto, using SGC, caused to be submitted and paid by CFC invoices totaling \$190,229 resulting in unauthorized and fraudulent payments from CFC to SGC totaling \$38,199.28.

14. Sixto's fraudulent scheme described above, resulted in a loss totaling \$579,274.47. After his scheme was discovered and an internal CFC investigation commenced, Sixto entered an agreement with CFC to return his ill gotten gains along with interest and repaid the sum of \$644,884.60 to CFC. Specifically, Sixto repaid \$584,884.60 in April 2008, and \$60,731 which included \$731 in fees in September 2008. CFC returned the ill gotten gains and interest it received from Sixto to USAID.

Respectfully submitted,
JEFFREY A. TAYLOR
United States Attorney
for the District of Columbia

A handwritten signature in black ink, appearing to read 'V. M.' followed by a stylized flourish.

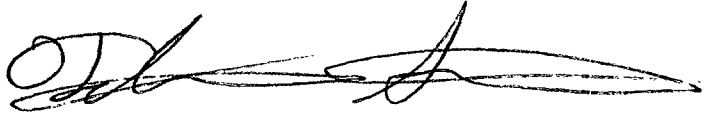
By:

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DEFENDANT'S ACCEPTANCE

I have read every word of this five page Statement of Offense. Pursuant to Fed. R. Cr. P. 11, after consulting with my attorney, I agree and stipulate to this Statement of Offense.

Date: 11/11/08



Felipe E. Sixto
Defendant

I have discussed this Statement of Offense with my client, Mr. Sixto. I concur with his decision to stipulate to this Statement of Offense.

Date: 11/17/08



Kathleen E. Voelker, Esq.
Attorney for the Defendant