

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA : Criminal Number: 07 - 106
: :
v. : VIOLATION:
: 18 U.S.C. § 371
MARK DENNIS ZACHARES, : (Conspiracy)
: :
Defendant. :

INFORMATION

The United States of America charges that:

ELLEN SEGAL HUVELLE, ESH COUNT ONE
18 U.S.C. § 371 - Conspiracy

FILED

APR 23 2007

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

INTRODUCTION

A

The Defendant

1. From 1994 to 1998, Defendant MARK D. ZACHARES (ZACHARES) was employed by the office of the Attorney General in Saipan, Commonwealth of the Northern Mariana Islands (CNMI), which is a Commonwealth in political union with the United States; from 1998 to January 2002, ZACHARES served as Secretary of the Department of Labor and Immigration for the CNMI.
2. In or about June 2002 and through November 2004, ZACHARES served in various positions on the staff of the Transportation & Infrastructure Committee of the United States House of Representatives; specifically, ZACHARES served: (a) from June 2002 through December 2002 as Legal Counsel to the Oversight & Investigations Subcommittee; (b) from January 2003 through December 2003 as Staff Director for the Coast Guard & Maritime Subcommittee; and (c) from January 2004 through November

Case Related To 05-411, 06-1, 06-82, 06-119, 06-272, 07-42
07-79

2004, as Special Counsel to the Transportation & Infrastructure Committee.

The Lobbyists and Their Clients

3. Jack Abramoff was a Washington, D.C. lobbyist representing numerous clients, including the government of the CNMI, which Abramoff represented from 1996 to 2001, receiving fees in excess of \$7 million.
4. Beginning in the mid-1990s, ZACHARES came to have extensive contact with Abramoff during ZACHARES' tenure as an official of the CNMI, and ZACHARES and Abramoff became personal and professional acquaintances.
5. At all relevant times, Abramoff and lobbyists working with Abramoff ("his lobbyists") represented numerous clients with issues before the United States Congress and federal departments and agencies. ZACHARES also knew that Abramoff owned or controlled a number of business interests, including Sun Cruz, a gambling vessel venture in South Florida, and Signatures, a Washington, D.C. restaurant, and that Abramoff and his lobbyists also controlled luxury box, floor (for basketball) and ice (for hockey) seats at the MCI Center Arena in Washington, D.C. (now known as the Verizon Center), and luxury suites at FedEx Field in Maryland.
6. On repeated occasions from late 2000 through in or about April 2004, ZACHARES communicated with his coconspirators, including Abramoff and his lobbyists, in furtherance of the below-described conspiracy to defraud using interstate electronic mail transmissions and interstate telephone calls.

THE CONSPIRACY AND ITS OBJECTS

7. From in or about late 2000 through in or about April 2004, in the District of Columbia, and elsewhere, the defendant,

MARK D. ZACHARES,

did knowingly conspire, confederate and agree with Jack Abramoff and other persons known and unknown to the United States to commit offenses against the United States, that is, to devise a scheme and artifice to defraud and deprive the United States House of Representatives and the people of the United States of their right to the honest services of ZACHARES performed free from deceit, fraud, bias, conflict of interest, self-enrichment and self-dealing, and to use interstate wire communications for the purpose of executing the scheme and artifice, in that ZACHARES accepted from Abramoff and his lobbyists a stream of things of value intending to be influenced to take and to be rewarded for taking a stream of favorable official action, all in violation of Title 18, United States Code, Sections 1343 and 1346.

PURPOSE OF THE CONSPIRACY

8. It was a purpose of the conspiracy for ZACHARES to enrich himself by using and agreeing to use his official positions within the House of Representatives Transportation & Infrastructure Committee, and by performing and agreeing to perform official acts in return for a stream of things of value.
9. It was a further purpose of the conspiracy to enrich Abramoff and his lobbyists by providing favorable official action to them and their clients, and by referring prospective clients to Abramoff and his lobbyists.

MANNER AND MEANS

10. The conspiracy was carried out through the following manner and means, pursuant to what ZACHARES and Abramoff came to call their “two year plan”:
- a. ZACHARES would and did take a stream of things of value from Abramoff and his lobbyists, including the prospect of future employment as a lobbyist by Abramoff and of salary enhancements in that prospective employment, an overseas trip, monetary gifts, meals and drinks, golf, and tickets to professional sporting events and concerts.
 - b. In exchange for this stream of things of value, ZACHARES would and did provide a stream of favorable official action to, and would and did use his influence on behalf of, Abramoff, his lobbyists, and their clients.
 - c. ZACHARES would and did use his Congressional position to develop the contacts and influence that would make ZACHARES valuable as a future lobbyist working with Abramoff, and would and did use his position to refer potential clients to Abramoff’s lobbying firm. In return, Abramoff would “credit” ZACHARES with the “business” ZACHARES, while in his official position, referred or developed for Abramoff’s firm, and would ultimately employ ZACHARES as a lobbyist credited “with business,” warranting a high annual salary.

OVERT ACTS

In furtherance of the conspiracy and to achieve its purpose, ZACHARES and his co-conspirators committed the following overt acts, among others, in the District of Columbia and elsewhere:

**ZACHARES Solicited and Accepted a Stream of Things of Value
from Abramoff and his Lobbyists**

Government Employment

11. From late 2000 through 2001, Abramoff contacted United States Executive Branch officials in an attempt to secure for ZACHARES an appointment as the Director of the Office of Insular Affairs (OIA) within the United States Department of the Interior (DOI), in Washington, D.C., a position important to many of Abramoff's lobbying clients, including the CNMI.
12. In June 2002, Abramoff contacted Congressional personnel and assisted ZACHARES in obtaining his position as a staffer on the House Transportation & Infrastructure Committee.
13. In November 2002, ZACHARES sent Abramoff a number of e-mails communicating ZACHARES' interest in obtaining a high-level position with the United States Department of Homeland Security, where ZACHARES could secure favorable treatment and government contracts for Abramoff's clients, including a November 26, 2002 e-mail in which ZACHARES stated he "really could make things happen if [he] got over to [Homeland Security]!"

The \$10,000 Payment

14. In January 2002, during the time that Abramoff and ZACHARES were discussing ZACHARES' Washington, D.C. employment prospects, ZACHARES solicited and received from Abramoff \$5,000, by means of an interstate electronic wire transmission from an account assigned to the Capitol Athletic Foundation, a non-profit corporation

controlled by Abramoff, to ZACHARES' personal bank account in the CNMI.

15. In February 2002, during the time that Abramoff and ZACHARES were continuing to discuss ZACHARES' Washington, D.C. employment prospects, ZACHARES again solicited and received from Abramoff \$5,000, by means of an interstate electronic wire transmission from an account assigned to the Capitol Athletic Foundation, a non-profit corporation controlled by Abramoff, to ZACHARES' personal bank account.

The 2003 Scotland Trip

16. From on or about August 9, 2003, through on or about August 14, 2003, ZACHARES, Abramoff and six other individuals, including a Member of the United States House of Representatives (Representative #3), traveled to Scotland to play golf on world-famous courses. Abramoff and his clients paid nearly all expenses for the trip for all participants, including ZACHARES and Representative #3, including costs in excess of \$160,000 for private jet service between Maryland and Scotland, luxury hotel accommodations in Scotland, twice-daily golf at St. Andrews and other famous courses, meals, drinks, and local transportation.

Tickets to Sporting Events and Concerts

17. On over forty occasions between in or about August 2002 and in or about February 2004, Abramoff and his lobbyists provided and ZACHARES used approximately \$30,000 worth of tickets to Washington, D.C.-area sporting and entertainment events, including numerous "floor" seats at the MCI Center (now Verizon Center) for Washington Wizards games, "ice" seats at the MCI Center for Washington Capitals games, luxury box tickets for sporting events and concerts at the MCI Center, and luxury box tickets at FedEx Field

for Washington Redskins games.

Free Meals and Drinks

18. On numerous occasions during the course of the conspiracy, ZACHARES took free meals and drinks at Abramoff's Washington, D.C. restaurant, Signatures, where ZACHARES was often accompanied by members of his family or fellow Congressional staffers, who also received free meals and drinks.

Free Golf

19. On numerous occasions during the course of the conspiracy, ZACHARES took free rounds of golf with Abramoff at the private Woodmore Country Club in Maryland, where Abramoff was a member.

**ZACHARES Took a Stream of Official Acts
to Assist Abramoff, his Lobbyists, and their Clients**

20. ZACHARES took a stream of official action benefitting Abramoff, his business interests, his friends, and his lobbying clients. The stream of official action included, but was not limited to, the following:
 - a. On or about July 30, 2002, ZACHARES sought, at Abramoff's request, a United States Department of Justice Threat Assessment Report concerning Guam and the CNMI that was not then available to the public.
 - b. In or about November 2002, pursuant to a request by Abramoff, ZACHARES provided information to Abramoff about pending Congressional actions on the reorganization of the Department of Homeland Security that would assist Abramoff's potential business

opportunities and current clients.

- c. In or about November 2002, ZACHARES provided Abramoff contact information for prospective businesses that would be affected by the Homeland Security reorganization, so Abramoff could adjust his business development strategies to build a Homeland Security lobbying practice that would eventually benefit ZACHARES when he ultimately joined Abramoff's firm as a lobbyist, pursuant to the "two year plan."
- d. In or about December 2002, ZACHARES advanced Abramoff's prospective business with the Territory of Guam through ZACHARES' official influence over disaster aid from the Federal Emergency Management Agency ("FEMA") and through contact with FEMA personnel.
- e. Between January and June 2003, ZACHARES sent e-mails to Abramoff communicating his willingness to assist Abramoff and another lobbyist with various legislative issues involving the Coast Guard and Maritime Subcommittee, and to help with administrative issues involving the United States Maritime Administration's regulation of financial assistance sought by Abramoff for his Sun Cruz venture.
- f. On or about March 11, 2003, while ZACHARES was Staff Director for the Coast Guard & Maritime Subcommittee, Abramoff sent an e-mail to another lobbyist at Abramoff's firm regarding an upcoming meeting at Signatures, and explaining the meeting as "related to the fact that Zack is

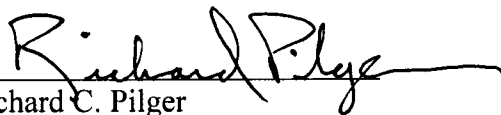
heading the staff and we need to get [two other lobbyists] doing something, and they know maritime. We can get a ton of clients together, and they can do the work, with Zack pulling our load inside.”

- g. In or about April 1, 2003, ZACHARES, Abramoff, and three of Abramoff’s lobbyists met at Signatures to develop a maritime lobbying practice in which ZACHARES, Abramoff, and others would use ZACHARES’ official position both to steer new lobbying clients to Abramoff’s firm and to secure official action on maritime issues for Abramoff clients.
- h. In or about early 2004, ZACHARES met and coordinated with Abramoff and others how ZACHARES could advance federal support for a multi-million dollar highway development project benefitting a businessman.
- i. On a number of occasions in 2003 and 2004, ZACHARES, in his capacity as a House staffer, referred potential clients to Abramoff’s lobbying firm.
- j. On a number of occasions between 2002 and early 2004, ZACHARES e-mailed Abramoff communicating his willingness to use his position to retaliate against individuals or entities who had retained competing lobbying firms, instead of Abramoff.

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

Dated: 4/5/07

WILLIAM M. WELCH II
Chief, Public Integrity Section



Richard C. Pilger
Matthew L. Stennes
Trial Attorneys
Criminal Division
U.S. Department of Justice

CATEGORY A
PLEA TO INFORMATION

JUDGE: Huvelle

07-106

CRIMINAL CASE NUMBER: _____

FILED: April 23 2007

FELONY: Count One: 18 U.S.C. 371 - Conspiracy
& Count(s) _____

DEFENDANT: Mark Dennis Zachares

ADDRESS: 7643 Paradise Beach Road, Pasadena, MD 21122

DATE OF BIRTH: 01-01-58

PDID NUMBER: N/A

JAIL or BOND: Bond

ARREST DATE (if none, so state): None

MAGISTRATE NUMBER (if none, so state): None

Richard C. Pilger
Matthew L. Stennes

AUSA: Trial Attorneys, Public Integrity Section PHONE NUMBER: (202) 514-1412
U.S. Dept. of Justice

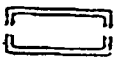
ATTORNEY FOR DEFENDANT: Edward B. MacMahon, Jr.

ADDRESS & PHONE: 107 East Washington Street, P.O. Box 903, Middleburg, VA 20117
(540) 687-3902

PLEASE INDICATE WHETHER OR NOT THE DEFENDANT HAS A PENDING CASE &
THE NAME OF THE JUDGE TO WHOM THE CASE IS ASSIGNED.



NO PENDING CASE.



YES. PENDING CASE IS CRIMINAL NO.: _____

JUDGE ASSIGNED TO PENDING CASE: _____

CLERK'S OFFICE
UNITED STATES DISTRICT COURT

CO-931
New 3/78

**NOTICE OF DESIGNATION OF PENDING* RELATED CRIMINAL
CASE PURSUANT TO RULE 3-4, UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF COLUMBIA**

Criminal Number: 07 - 106
(To be supplied by the Clerk) **APR 23 2007**

NOTICE TO PROSECUTOR:

Pursuant to LCrR 57.12(a)(1) of this Court's Rules, you should prepare this form and submit it to the Clerk's Office along with the indictments in any related cases. One copy is needed for the Clerk's records, one for the Judge to whom the case is assigned, and one additional copy for each defendant. Therefore, in a one defendant case you should submit 3 copies, for a two defendant case you should submit 4 copies, etc. The Clerk will mail copies of this form to all defense counsel along with the arraignment notice.

NOTICE TO DEFENDANT:

Rule LCrR 57.12(b)(1) of this Court's Rules requires that any objection by the defendant to the related case designation shall be served on the U. S. Attorney and filed with the Clerk within 10 days after arraignment.

NOTICE TO ALL COUNSEL:

Rule LCrR 57.12(b)(3) requires, in part, that as soon as an attorney for a party becomes aware of the existence of a related case or cases, such attorney shall immediately notify in writing, the Judges on whose calendars the cases appear and shall serve such notice on counsel for all other parties.

The prosecutor will please complete the following:

1. Name of defendant: Mark Dennis Zachares
2. Numbers of related cases: 05-411 (*United States v. Michael P.S. Scanlon*)
 06-001 (*United States v. Jack A. Abramoff*)
 06-082 (*United States v. Tony C. Rudy*)
 06-119 (*United States v. Neil G. Volz*)
 06-272 (*United States v. Robert W. Ney*)
 07-42 (*United States v. William J. Heaton*)
 07-079 (*United States v. James Steven Griles*)
3. Name of Judge assigned to related case: Judge Ellen Segal Huvelle
4. Name of United States Court in which the related case is pending (if other than this Court:)
5. Relationship of new case to related case:

[Check appropriate box(es)]

- (a) New case is a superseding indictment.
- (b) More than one indictment is filed or pending against defendant.
- (c) Prosecution against different defendant(s) arises from:
 - a common wiretap
 - a common search warrant
 - activities which are a part of the same alleged criminal event or transaction

(*) A case is considered pending until a defendant has been sentenced. [Rule 3-4(a)(1)]