

U.S. DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
EASTERN DISTRICT-WI
FILED

07 AUG 14 P3:18

UNITED STATES OF AMERICA,

Plaintiff,

v.

LARRY J. LUPTON,

Defendant.

Case No. 07-CR-

07 CR 219

INDICTMENT

THE GRAND JURY CHARGES:

Allegations Common to All Counts

1. UGL Equis Corporation ("Equis") is a real estate firm that was retained by the Wisconsin Department of Administration ("DOA") to serve as DOA's exclusive agent in the sale of the DOA office building located at 101 East Main Street, Madison, Wisconsin.

2. At all times relevant to this indictment, Larry J. Lupton was an independent contractor engaged by Equis to provide real estate brokerage and related services in connection with, among other things, the sale of the DOA office building.

3. Lupton's responsibilities included evaluating the proposals submitted by the potential buyers and making a recommendation to the DOA as to which of the proposals were the best.

4. Equis and the DOA agreed that the sale price for the DOA building would be between \$20 million and \$30 million.

5. The State of Wisconsin received benefits in excess of \$10,000 under federal programs involving grants, contracts, subsidies, and other forms of federal assistance during the one-year

period beginning June 1, 2006, and ending May 31, 2007.

Duties

5. Lupton had a duty to evaluate the competing proposals honestly and fairly.
6. Lupton also had a duty to keep confidential the specific terms of the proposals submitted by the competing bidders. This duty of confidentiality included the duty not to disclose to one prospective buyer the specific terms of another prospective buyer's proposal.
7. Lupton also had a duty to disclose to the DOA all information that was material to the sale of the DOA office building. This duty included the duty to disclose any personal financial interest that Lupton had in a particular bidder being selected.
8. Lupton also had a duty not to accept from any person or entity other than the DOA any compensation related to the sale of the DOA office building.
9. Lupton also had a duty to encourage all prospective buyers to submit their best offers.

Misuse of Position

10. During the period described in this indictment, Lupton misused his position by:
 - a. seeking a monetary kickback from the broker of a particular potential buyer (hereafter referred to as "Broker A") in exchange for Lupton's assistance in ensuring that the proposal submitted by Broker A's client was accepted as the winning one by the DOA;
 - b. seeking that direct payment from Broker A in a form that would allow Lupton to conceal the payment from Equis and from the DOA; and
 - c. disclosing to Broker A the specific terms of proposals submitted by competing prospective buyers.

THE GRAND JURY FURTHER CHARGES:

COUNT ONE

Between on or about April 4, 2007, and on or about May 10, 2007, in the State and Eastern District of Wisconsin, and elsewhere,

LARRY J. LUPTON,

through the factual allegations described above, corruptly solicited, demanded, and agreed to accept something of value from Broker A, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of the State of Wisconsin Department of Administration involving something of value of \$5,000 or more.

All in violation of Title 18, United States Code, Section 666(a)(1)(B).

THE GRAND JURY FURTHER CHARGES:

COUNT TWO

1. Between on or about April 4, 2007, and on or about May 10, 2007, in the State and Eastern District of Wisconsin, and elsewhere,

LARRY J. LUPTON,

through the factual allegations described above, knowingly devised and participated in a scheme to defraud Equis and the State of Wisconsin of both property and the right of honest services.

2. The scheme to defraud included materially false and fraudulent pretenses and representations, and omissions of material fact.

3. On or about April 30, 2007, in the State and Eastern District of Wisconsin, and elsewhere, for the purpose of executing the scheme to defraud, Larry J. Lupton transmitted and caused to be transmitted a wire communication from Wisconsin to Illinois. The communication was a telephone call from Lupton to Broker A, during which Lupton related to Broker A the specific terms of a proposal submitted by a particular competing prospective buyer.

All in violation of Title 18, United States Code, Sections 1343 and 1346.

THE GRAND JURY FURTHER CHARGES:

COUNT THREE

1. On or about May 10, 2007, in the State and Eastern District of Wisconsin,

LARRY J. LUPTON

knowingly and willfully made a materially false statement to an agent of the Federal Bureau of Investigation ("FBI").

2. During an interview with an FBI agent, Lupton falsely stated that he never provided prospective buyers with the specific bid details submitted by other prospective buyers.

3. The statement was false in that on April 30, 2007, Lupton told Broker A the specific details of the proposal submitted by Company B, a competing prospective buyer of the DOA building.

4. The statement concerned a matter within the jurisdiction of the FBI, a part of the Executive Branch of the United States government.

All in violation of Title 18, United States Code, section 1001.

THE GRAND JURY FURTHER CHARGES:

COUNT FOUR

1. On or about May 18, 2007, in the State and Eastern District of Wisconsin,

LARRY J. LUPTON

knowingly and willfully made a materially false statement to an agent of the Federal Bureau of Investigation ("FBI").

2. During an interview with an FBI agent, Lupton falsely stated that he never had suggested to Broker A that the broker pay Lupton directly in cash or by check payable to a company other than Equis.

3. The statement was false in that on April 26, 2007, Lupton told Broker A that the broker could directly pay him either in cash or by check made payable to North American Commercial Opportunities.

4. The statement concerned a matter within the jurisdiction of the FBI, a part of the Executive Branch of the United States government.

All in violation of Title 18, United States Code, section 1001.

A TRUE BILL:


FOREPERSON

Dated: 8-14-07


STEVEN M. BISKUPIC
United States Attorney