



The United States Attorney's Office

Eastern District of North Carolina

FOR IMMEDIATE RELEASE:

FRIDAY - April 16, 2010

FIVE BLACKWATER EMPLOYEES INDICTED

RALEIGH - United States Attorney George E.B. Holding announced that today a Federal Grand Jury returned a 15-count Indictment charging four employees from Blackwater World-Wide. Included in the Indictment are **GARY JACKSON**, 52, former President; **WILLIAM WHEELER MATHEWS, JR.**, 44, an attorney and former Executive Vice President and Vice President of Operations; **ANDREW HOWELL**, 44, General Counsel; **ANA BUNDY**, 45, former Vice President of Logistics and Procurement; and **RONALD SLEZAK**, 65, a former armorer.

The charges include conspiring to violate a series of federal statutes resulting in the acquisitions and dispositions of firearms, in violation of Title 18, United States Code, Section 371; filing false ATF Forms 4473, in violation of Title 18, United States Code, Section 924(a)(1)(A); unlawful possession of automatic firearms, in violation of Title 18, United States Code, Section 922(o)(1); possession of unregistered firearms, in violation of Title 26, United States Code, Section 5861(d); and obstruction of justice in violation of Title 18 United States Code, Section 1512(b)(2)(B) and 1519.

According to the Indictment, several schemes were uncovered during the investigation. Regarding the first scheme, the defendants allegedly purchased 227 short barrels compatible with M4 rifles and then had their own armorers install the short barrels on what had been long-barrel rifles, in order to facilitate the company's performance of protective services contracts in Iraq and Afghanistan, believing they were better adapted to use inside vehicles and buildings.

The defendants desired a stock of automatic weapons for use at the company's Moyock, North Carolina, facility. According to government regulations, only certain classes of Federal Firearms Licensees are permitted very limited inventory of such weapons and are subject to both quantitative limitations and registration requirements. To evade the legal limit of no more than two weapons of any type, they allegedly arranged straw purchases with a small local sheriff's office. Blank letterhead stationery from the sheriff's office was provided to Blackwater, which was used to prepare letters claiming the sheriff's office wanted to purchase 17 Romanian AK47s and 17 fully automatic M4s. The weapons were paid for by Blackwater, were immediately delivered to Blackwater upon their arrival, and were locked in Blackwater's armory to which the sheriff's office had no direct access.

Another scheme alleged in the Indictment, was Blackwater's hope to land a lucrative contract with the Kingdom of Jordan to build and run a training center. Jordanian officials came and toured the company's 7,000 acre facility in Moyock, North Carolina. The officials were presented with one M4, three Glocks and a Remington shotgun. Each was inscribed with the Blackwater logo and presented in a case. Subsequently, the company realized it could not account for the guns in its required records. **JACKSON** then organized the false completion of four 4473s (one covered two guns) which were designed to give the appearance that employees had bought the guns for their own use.

In March of 2009, the Bureau of Alcohol, Tobacco, Firearms and Explosives let it be known that they would be coming for an inspection of XPG's (Blackwater subsidiary) armory. Allegedly, **HOWELL** did not want any more SBRs to be found and told a subordinate that disclosing the SBRs was "not an option". He and **BUNDY** subsequently ordered the short-barreled guns in XPG's armory to be moved to Blackwater's armory where the barrels could be switched out. Only the long-barreled guns were returned to XPG. **HOWELL** then prepared a letter for the company President's signature and attached it to an email. The letter was intended to be back-dated and would have given a false impression that the President had ordered the alteration of the guns - which had already been accomplished by direction of **HOWELL** and **BUNDY**.

The maximum penalty for the conspiracy charge and for filing false ATF forms is up to five years imprisonment followed by up to three years supervised release and a fine of up to \$250,000. For each of the charges of unlawful possession of a automatic firearms and possessing unregistered firearms, the maximum penalties are up to 10 years imprisonment followed by up to three years supervised release and a fine of up to \$250,000. The maximum penalties for each of the charges of obstruction of justice, are up to 20 years imprisonment followed by up to three years supervised release and a fine of up to \$250,000.

Nothing in the Indictment should be read to suggest any wrongdoing on the part of the Kingdom of Jordan or any of it's officials. The department is grateful for the assistance Jordan has provided to this investigation.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty in court.

Investigation of this case was conducted by the Bureau of Alcohol, Tobacco, Firearms and Explosives, Immigration and Customs Enforcement, the Internal Revenue Service, the Federal Bureau of Investigation, the Department of Commerce and the Defense Criminal Investigative Service. Assistant United States Attorney John Bowler represented the government.

#

News releases are available on the U. S. Attorney's web page at www.usdoj.gov/usao/nce within 48 hours of release.