

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA	:	
	:	
	:	CRIMINAL NO. _____
v.	:	
	:	VIOLATIONS: 18 U.S.C. § 371
CHRISTOPHER S. WATSON,	:	18 U.S.C. § 287
	:	18 U.S.C. § 2
Defendant.	:	
	:	
	:	

INFORMATION

COUNT 1

(Conspiracy to Commit Wire Fraud – 18 U.S.C. § 371)

THE UNITED STATES CHARGES THAT:

1. From in or about January 2009 through, at least April 2011, within the District of Columbia and elsewhere, the defendant, CHRISTOPHER S. WATSON, did knowingly and voluntarily conspire and agree with others, both known and unknown, to commit the offense of wire fraud, in violation of Title 18, United States Code, Section 1343.

Object of the Conspiracy

2. It was the object of the conspiracy that WATSON and his co-conspirators would enrich ATMS and themselves by submitting inflated claims to the Federal Communications Commission (“FCC”) and the Universal Service Administrative Company (“USAC”) on behalf of ATMS, a holding company that owned and operated multiple subsidiary telephone companies, in order to obtain money from USAC in

connection with the Lifeline Program, a program authorized by the FCC and administered by USAC that reimburses participating telephone companies for providing discounts on telephone installation and monthly telephone service to qualifying customers,.

Manner and Means of the Conspiracy

3. For the purpose of executing the conspiracy, WATSON and his co-conspirators used the following manner and means, among others, to accomplish the objects and purpose of the conspiracy:

- a. WATSON and his co-conspirators made and caused to be made false and misleading representations to the FCC, state regulatory agencies, and other telephone companies regarding the ownership structure, management, and operations of ATMS.
- b. WATSON and his co-conspirators submitted and caused to be submitted false and misleading documents to the FCC, USAC, state regulatory agencies, and other telephone companies on behalf of ATMS in order to fraudulently obtain money from USAC in connection with the Lifeline Program.
- c. ATMS improperly obtained money from USAC in connection with the Lifeline Program based on the conspirators' false submissions.
- d. WATSON and his co-conspirators used money from USAC to continue to fund ATMS and to finance their personal business

ventures and lavish lifestyles, including personal living expenses, luxury automobiles, yachts, and private jet airplanes.

- e. WATSON and his co-conspirators attempted to conceal their conduct from the FCC, USAC, state regulatory agencies, and other telephone companies.

Overt Acts

4. In furtherance of the conspiracy, and to effectuate its objects, the conspirators committed the following overt acts, among others, in the District of Columbia and elsewhere:

- a. On or about August 31, 2010, WATSON and his co-conspirators submitted and caused to be submitted a false claim to USAC on behalf of Bellerud Communications LLC, an ATMS subsidiary, seeking approximately \$174,927 in connection with the Lifeline Program for service provided purportedly to qualifying customers for July 2010 in Arkansas.

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

COUNT TWO
(False Claims – 18 U.S.C. §§ 287 and 2)

5. On or about August 31, 2010, within the District of Columbia and elsewhere, WATSON knowingly and intentionally made and presented, and caused to be made and presented, to the Universal Service Administrative Company, and the Federal Communications Commission, agencies of the United States, a claim upon and against

the Universal Service Administrative Company and the Federal Communications Commission for payment, which they knew to be false, fictitious, and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed a FCC Form 497 on behalf of Bellerud Communications LLC, an ATMS subsidiary, in the amount of approximately \$174,927, with knowledge that such claim was false, fictitious, and fraudulent.

All in violation of Title 18, United States Code, Sections 287 and 2.

FORFEITURE ALLEGATION

Pursuant to Federal Rule of Criminal Procedure 32.2, the defendant is advised that upon conviction of the offense charged in Count One of this information, he shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the violation charged in Counts One and Two.

If property subject to forfeiture meets the requirements of 21 U.S.C. § 853(p), the government will seek an order forfeiting substitute assets.

(In accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)).

JEFFREY H. KNOX
Chief
Criminal Division, Fraud Section
United States Department of Justice

DATED: _____

BY: _____
ANDREW H. WARREN
KYLE MAURER
Trial Attorneys
Criminal Division, Fraud Section
United States Department of Justice