

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

**UNITED STATES OF AMERICA**

**v.**

**JULIAN AIRES**

**Defendant.**

**Case No. 24-cr-**

**STATEMENT OF OFFENSE**

Pursuant to Federal Rule of Criminal Procedure 11, the United States of America, by and through its attorneys, and the defendant, JULIAN AIRES, with the concurrence of his attorney, agree and stipulate to the below factual basis for the defendant's guilty plea—that is, if this case were to proceed to trial, the parties stipulate that the United States could prove the below facts beyond a reasonable doubt:

1. South African Airways (“SAA”) was the state-owned flag carrier airline of South Africa. SAA was controlled by and performed government functions for and on behalf of South Africa.

2. South African Airways Technical (“SAAT”) was a wholly-owned subsidiary of SAA that provided technical services for SAA and other airlines. SAAT was controlled by and performed government functions for and on behalf of South Africa.

3. “Company 1,” an entity whose identity is known to the United States and the defendant, was a publicly-traded aviation services company based in the United States.

4. The defendant was a United States citizen who resided in San Diego, California during the relevant time period. The defendant was a principal of an aircraft component services

company based in the United States (“Company 2”) and an affiliated aircraft component services company based in South Africa (“Company 3”).

5. “Individual 1,” an individual whose identity is known to the United States and the defendant, was a United Kingdom citizen and resident. Individual 1 was an executive employed by a U.S.-based subsidiary of Company 1 from approximately 2015 through 2019.

6. “Individual 2,” an individual whose identity is known to the United States and the defendant, was a United States citizen and resident. Individual 2 was an executive of Company 1 between approximately 2010 and 2019.

7. “Individual 3,” an individual whose identity is known to the United States and the defendant, was a citizen of South Africa and a director of Company 3.

8. “Individual 4,” an individual whose identity is known to the United States and the defendant, was a citizen of South Africa and a director of Company 3. Individual 4 was a close relative of Individual 3.

9. “Foreign Official 1,” an individual whose identity is known to the United States and the defendant, was a citizen of South Africa who served as an official at SAAT from approximately 2014 through 2018.

10. “Foreign Official 2,” an individual whose identity is known to the United States and the defendant, was a citizen of South Africa who served as a high-level official of SAA and SAAT from approximately 2009 through in or around August 2016.

11. “Foreign Official 3,” an individual whose identity is known to the United States and the defendant, was a citizen of South Africa who served as a high-level official of SAA and SAAT between approximately 2010 through in or around August 2017.

A. Company 1 Scheme

12. From in or around January 2016 through at least January 2020, the defendant, together with others, knowingly and willfully agreed to use the mails and means and instrumentalities of interstate commerce, including U.S. bank accounts, to corruptly pay bribes to and for the benefit of SAA and SAAT officials in their official capacities in order to secure an improper advantage for Company 1, Company 3, and others in connection with the award of a five-year aircraft component support contract (“SAAT Contract”) and disbursement of payments by SAAT pursuant to that contract. The defendant knew that this conduct was unlawful.

13. In or around January 2016, the defendant attended a meeting in South Africa with Individual 3, Individual 4, and Foreign Official 1, during which it was discussed and agreed that Foreign Official 1, Foreign Official 2, and Foreign Official 3 were to receive a share of the revenue of the SAAT Contract in exchange for helping Company 1 and Company 3 obtain the SAAT Contract. The defendant understood Foreign Official 1, Foreign Official 2, and Foreign Official 3 had authority over the award of the SAAT Contract and that bribes were necessary to win the SAAT Contract.

14. On or about January 18, 2016, Company 1, through its wholly-owned U.S. Subsidiary (“Company 1 Subsidiary”), entered into a joint venture agreement with Company 3 (the “JV Agreement”) for purposes of preparing a joint bid for the SAAT Contract. Under the JV Agreement, Company 1 Subsidiary held a 95% interest in the joint venture and Company 3 held 5%. Company 3 acted as Company 1 Subsidiary’s Broad-Based Black Economic Empowerment (“B-BBEE”) partner for the SAAT Contract bid, which Company 1 and Company 3 submitted on or about January 18, 2016.

15. Pursuant to the JV Agreement, Company 1 Subsidiary’s contributions were to include, among others, providing the capital and resources, paying the expenses of the joint

venture, and providing the services required by SAAT, including component repairs, inventory, warehousing, and analysis. Company 3's contributions were to include, among others, "providing support" and "industry specific know-how," "assist[ing] the Joint Venture to understand the local government procurement rules and guidelines," supplying employees to carry out the business, and performing business development. Company 3 facilitated Company 1's business with SAAT, but did not make operative decisions in the performance of the SAAT Contract. At Company 1's direction, Company 3 engaged with SAAT to pursue contractual payments owed by SAAT to Company 1, approximately five percent of which were shared with Company 3.

16. Also on or about January 18, 2016, following a telephone conversation among the defendant, Individual 1, Individual 2, and Individual 3, Company 1 agreed to pay Company 3 a success fee on the SAAT Contract and to make a one-time advance payment to Company 3, both of which the defendant understood were necessary and would be used to make bribe payments to Foreign Official 1, Foreign Official 2, and Foreign Official 3 in order for Company 1 and Company 3 to win the SAAT Contract.

17. During the bidding process, contrary to the bid procurement rules, the defendant met several times with Foreign Official 1 and obtained confidential information to assist Company 1 and Company 3 in winning the bid.

18. For example, on or about April 12, 2016, the defendant sent an email to Individual 1, stating, "The head contacted me last night and they are definitely not going with [a third competitor of Company 1]. . . . They still want to go with [Company 1]." The "head" was a reference to Foreign Official 1.

19. As another example, on or about April 18, 2016, the defendant sent an email to Individual 1 and another Company 1 employee attaching a photograph of a sheet of paper with

handwritten information about bid scoring of Company 1 and other competitors, with Company 1 scoring the worst. The competitor bid information and scoring was non-public information which the defendant obtained from Foreign Official 1 as part of the bribery scheme and which Company 1 used to modify its bid.

20. In or around early 2016, the defendant attended meetings in South Africa with Foreign Official 1, Foreign Official 3, Individual 2, and Individual 3 in which they discussed bribe payments to Foreign Official 1, Foreign Official 2, and Foreign Official 3 in exchange for the officials helping Company 1 and Company 3 win the SAAT Contract.

21. On or about July 7, 2016, after winning the SAAT bidding process for the SAAT Contract, Company 1 Subsidiary and Company 3, through their joint venture, entered into a five-year Component Support Agreement with SAAT.

22. On or about August 2, 2016, the defendant sent an email, while in the United States, to Individual 1 and Individual 2, copying Individual 3 and Individual 4, regarding “[Company 3]: Invoice – Success Fee,” and stating “Below is our invoice for assisting [Company 1 Subsidiary] to procure the [SAAT Contract]. Please wire transfer the funds as per bank details stated on the invoice.” The invoice attached to the email was for a \$250,000 success fee to be paid to a Company 2 bank account in the United States.

23. Over the course of the SAAT Contract, the defendant and a Company 2 employee maintained records, which they emailed to Individual 3 and Individual 4, tracking the bribe payments due to Foreign Official 1, Foreign Official 2, and Foreign Official 3. To disguise the bribes, the defendant and his co-conspirators referred to the payments as “consulting fees” and referred to the foreign officials by “Cuz” (Foreign Official 1), “Sisi” or “Sissy” (Foreign Official

2), and “Boetie” (Foreign Official 3). Proceeds from the SAAT Contract were then divided among the defendant, Individual 3, Foreign Official 1, Foreign Official 2, and Foreign Official 3.

24. During the course of the SAAT Contract, the defendant frequently traveled from the United States to South Africa with cash. The defendant gave the cash to Individual 3 in South Africa, a portion of which was to be paid by Individual 3 as bribes to Foreign Official 1, Foreign Official 2, and Foreign Official 3 in exchange for SAAT awarding the SAAT Contract to Company 1 and Company 3.

25. During the course of the SAAT Contract, between in or around 2016 and 2020, SAAT paid Company 1 approximately \$79.6 million for Company 1’s contractual services.

26. In turn, between in or around 2016 and 2020, Company 1 paid Company 2 and Company 3 approximately \$5,397,677 in commissions, success fees, and advance payments in connection with the SAAT Contract, a portion of which was then paid as bribes to Foreign Official 1, Foreign Official 2, and Foreign Official 3. The payments from Company 1 to Company 2 and Company 3 were made to four bank accounts, including two Company 2 bank accounts in the United States over which the defendant had signatory authority; a bank account in the United States held in the name of Company 3 over which the defendant had signatory authority; and a Company 3 bank account in South Africa.

**B. Company 4 Scheme**

27. Separately, the defendant, Individual 3, and others also engaged in a different scheme to bribe Foreign Official 1, Foreign Official 2, and others in connection with two transactions with SAA in or around 2016 (“2016 Transactions”). In connection with the 2016 Transactions, the defendant participated in the drafting of a contract that made it appear as if Company 3 was providing services to a subsidiary of a Swiss airport services company (“Company


4”) in relation to Company 4’s airport ground handling services for SAA, when in fact Company 3 was used to funnel bribes to South African officials, including Foreign Official 1, Foreign Official 2, and others, in order to obtain and retain airport ground handling services business for Company 4. Pursuant to that scheme, Company 4 made payments totaling the equivalent of approximately \$2.7 million to a bank account in South Africa held by Company 3, from which Individual 3 and others then distributed bribe payments to or for the benefit of the South African officials.

28. Defendant admits that some or all the proceeds personally obtained as a result of the offense described above have been dissipated by Defendant and cannot be located upon the exercise of due diligence; have been transferred or sold to, or deposited with, a third party; and/or have been placed beyond the jurisdiction of this court.

**DEFENDANT'S ACCEPTANCE**

I have read every word of this Statement of Offense. Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, after consulting with my attorney, Michael Lipman, Esq., I agree and stipulate to this Statement of Offense. The Statement of Offense is a summary made for the purpose of providing the Court with a factual basis for my guilty plea. It does not include all of the facts known to me regarding this offense. I make this statement knowingly and voluntarily and because I am in fact guilty of the crime to which I am pleading guilty.

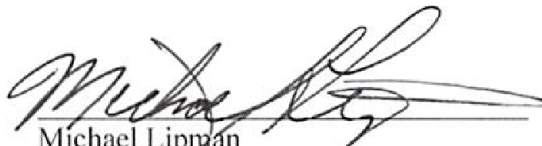
Date: 1/15/2024

  
Julian Aires  
Defendant

**ATTORNEY'S ACKNOWLEDGEMENT**

I have read this Statement of Offense and have reviewed it with my client fully. I concur in my client's desire to adopt and stipulate to this Statement of Offense.

Date: 1/15/24

  
Michael Lipman  
Attorney for Defendant