

(1) the Department of the Navy in all phases of its negotiation for and the administration of contracts awarded to CHROMCRAFT for the procurement of rocket launchers under the hereinabove mentioned contracts said;

(2) the Renegotiation Board to ascertain, determine, recoup and eliminate excessive profits derived under the hereinabove specified contracts.

(19) It was a part of said conspiracy that the DEFENDANTS would and did on or about March 4, 1963 cause Scientific Electronics, Limited, to be formed and on or about June 7, 1965 cause Bregman Electronics, Inc. to be formed, each of which would be and was at all times material herein a dummy corporation subject to the direction, control and use by the DEFENDANTS as a conduit for the diversion of monies fraudulently obtained.

(20) It was further a part of said conspiracy that the DEFENDANTS would and did falsely and fraudulently represent and state that Scientific Electronics, Limited and Bregman Electronics, Incorporated were Chromcraft subcontractors which would supply or had supplied among others the following items for the hereinabove described contracts, namely:

- (a) R. F. Filter Assembly.
- (b) Intervalometer Assembly.
- (c) Jumper Cable (Cord) Assembly.
- (d) Leadwire Harness Assembly.
- (e) Package Post Assembly.
- (f) Receptacle Assembly.
- (g) Special Intervalometer Assembly.
- (h) Plug Threaded—Dust Center.
- (i) Ground Button.
- (j) Package—Operational Manual.

(21) It was further a part of said conspiracy that the DEFENDANTS would and did prepare and cause to be prepared CHROMCRAFT purchase orders to and corresponding and related invoices and quotations from Scientific Electronics, Limited and Bregman Electronics, Inc., which purchase orders, invoices and quotations would be and were false, fictitious and fraudulent in that CHROMCRAFT would not and did not purchase nor acquire from either Scientific Electronics, Limited or Bregman Electronics, Inc. the items reflected therein nor would or did CHROMCRAFT purchase or acquire the items therein reflected at a cost or price as great as that reflected in the said documents.

(22) It was further a part of said conspiracy that the DEFENDANTS would and did incorporate in the aforesaid Department of Defense Forms DD 633 the prices and costs reflected in the above described false, fictitious and fraudulent purchase orders, invoices and quotations and further that they would and did falsely and fraudulently state and represent that the prices and costs reflected therein represented the prices and costs which had been or would be experienced and incurred by CHROMCRAFT in purchasing the hereinabove described items.

(23) It was further a part of said conspiracy that the DEFENDANTS would and did falsely certify and cause to be falsely certified in the hereinabove described Certificates of Current Cost or Pricing Data that the prices and costs reflected on the above described false, fictitious and fraudulent invoices, quotations and purchase orders were accurate, complete and current as of the date of execution.

(24) It was further a part of said conspiracy that the DEFENDANTS would and did submit and cause to be submitted to the Department of the Navy for payment invoices incorporating claims based upon the aforesaid false, fictitious and fraudulent purchase orders, invoices and quotations.

(25) It was further a part of said conspiracy that the DEFENDANTS would and did divert and cause to be diverted to the personal use, gratification and the DEFENDANTS money paid by the Department of the Navy under the hereinabove described contracts contrary to and in derogation of the intent of the national defense program and the Renegotiation Act, as amended, as follows:

- (a) It was further a part of said conspiracy that the DEFENDANTS would and did pay and cause to be paid the above described fraudulent invoices purportedly received from Scientific Electronics, Limited and Bregman Electronics, Inc.