

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) No.
 v.)
)
 DAVID S. WILDER,) Violations: Title 18, United States
 JORGE L. OQUENDO RIVERA, and) Code, Sections 1341, 1346, and 2
 VICTOR MATEO)

COUNT ONE

The SPECIAL MARCH 2010 GRAND JURY charges:

1. At times material to this indictment:

a. The Chicago White Sox (the “Sox”) was a Major League Baseball organization, which was headquartered in Chicago, Illinois, and used a scouting program to identify and recruit prospective players in, among other places, Latin American countries such as Brazil, Colombia, the Dominican Republic, Mexico, Panama, and Venezuela.

b. The Sox’s Latin American scouting program consisted of individual scouts who, in general, were responsible for identifying and recruiting prospective players in one or more Latin American countries. To be recruited (or “signed”) by the Sox, prospective players were required to enter into and sign a written employment contract.

c. The Sox made two types of payments to recruit players located in Latin American countries. The first type was a signing bonus, which was usually a one-time, up-front payment made to new players after they were signed by the Sox. In general, the amount of a signing bonus was based on a number of factors, including the player’s skill level and the amount of money necessary to induce the player to sign a contract with the Sox.

d. The other type of payment involved purchasing the contract of or rights to a player who was already affiliated with a Mexican baseball team. In those instances, the Sox made payments directly to the Mexican team or to its representative, and the payment amount was controlled by the amount necessary to induce the Mexican team to release the player to the Sox.

e. From approximately late 2003 to in or around 2006, defendant DAVID S. WILDER was a Sox employee, who served as the Sox's Farm System Director. WILDER's responsibilities included overseeing Sox scouts in Latin America, including defendant JORGE L. OQUENDO RIVERA. WILDER was also responsible for authorizing and, in circumstances where approval from additional Sox personnel was required, obtaining authorization for the signings of new players. Between in or around 2006 and approximately May 2008, WILDER was the Sox's Senior Director of Player Personnel. In this position, WILDER's responsibilities continued to include overseeing Sox scouts in Latin America, including OQUENDO and defendant VICTOR MATEO. WILDER also continued to be responsible for authorizing and obtaining authorization for the signings of new players.

f. Between approximately November 2004 and October 2007, defendant JORGE L. OQUENDO RIVERA was a Sox employee, who served as the Sox's Latin American Scout. OQUENDO's direct supervisor was defendant WILDER. OQUENDO's responsibilities included supervising Sox scouts located in Latin American countries, including defendant VICTOR MATEO.

g. Between approximately November 2006 and May 2008, defendant VICTOR MATEO was a Sox employee, who served as a Sox scout in the Dominican Republic. Initially, MATEO's direct supervisor was defendant OQUENDO. Later, MATEO reported directly to defendant WILDER.

h. The Sox authorized its scouts to conduct preliminary negotiations with prospective players and the teams for which the prospects played. After a preliminary payment amount was negotiated, the scout forwarded his recommendation to the Sox's Senior Director of Player Personnel for approval.

i. If the recommended payment to a prospective player or the player's team was less than \$100,000, WILDER could authorize the player's signing without further approval. If the recommended payment was \$100,000 or more, WILDER was required to obtain the authorization of the Sox's General Manager to sign the player.

j. In general, after a player's signing was approved by either defendant WILDER or, if applicable, the Sox's General Manager, the Sox sent a written contract to the scout, who was responsible for facilitating the player's signing of the contract. After the signed contract was returned to the Sox, and Major League Baseball conducted a background check and approved the signing, the Sox's accounting department issued a check, which was drawn on a Sox bank account located in Chicago. Checks were made payable to the player, or to the Mexican team or a representative of the Mexican team, if applicable, with which the player was affiliated.

k. In general, the Sox sent recruitment payment checks by means of commercial interstate carriers, namely, UPS and Federal Express, in the following manner:

i. If a player was located in the Dominican Republic, the Sox sent the signing bonus check to the Major League Baseball office in Santo Domingo, Dominican Republic, directly, or through the Major League Baseball office in New York. Major League Baseball personnel would then provide the check to the player.

ii. If a player was located in a country other than the Dominican Republic, the Sox sent the signing bonus check to the scout who recruited the player. The scout was then responsible for providing the check to the player.

iii. If the Sox was purchasing the contract of or rights to a player affiliated with a Mexican baseball team, the payment check was sent to the team or its representative.

l. The Sox relied on defendants WILDER, OQUENDO, and MATEO, and its other scouts, to recommend and, if applicable, to approve signings and payments in amounts that were: (i) commensurate with a player's skill level; (ii) in an amount that was no greater than necessary to induce a player to sign with the Sox, or to induce another team to release the player to the Sox; and (iii) not artificially inflated by the inclusion of a kickback payment to WILDER, OQUENDO, MATEO, or others.

m. Pursuant to defendants WILDER's, OQUENDO's, and MATEO's written employment contracts with the Sox, each defendant agreed to serve the Sox "diligently and faithfully," and to provide services to the Sox "with diligence and fidelity."

2. Beginning no later than in or around December 2004, and continuing until at least in or around February 2008, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER,
JORGE L. OQUENDO RIVERA, and
VICTOR MATEO,

defendants herein, devised and participated in a scheme to defraud the Sox of money, and to defraud and deprive the Sox of its right to the honest services of the defendants through kickbacks, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, and by means of material omissions, which scheme is further described below.

3. It was part of the scheme that defendants WILDER, OQUENDO, and MATEO, for the purpose of receiving kickback payments, misrepresented to the Sox the amount of payments necessary to sign certain players and omitted material information about the nature of such payments, thereby causing the Sox to pay artificially and fraudulently inflated signing bonuses to players, and causing the Sox to purchase the contracts and rights to players from other teams at artificially and fraudulently inflated prices.

4. It was further part of the scheme that defendants WILDER, OQUENDO, and MATEO accepted kickback money paid to the defendants out of the proceeds of signing bonuses and contract purchase payments, paid by the Sox, while concealing the kickbacks from the Sox.

5. It was further part of the scheme that defendants OQUENDO and MATEO scouted for and identified prospective Sox players in Latin America from whom the defendants could obtain a portion of the players' signing bonuses.

6. It was further part of the scheme that defendants OQUENDO and MATEO engaged in discussions with prospective Sox players, and such players' representatives, regarding the signing bonus amounts the players sought and/or the signing bonus amounts the Sox might pay, and the amounts of kickbacks the players were willing or expected to pay to the co-schemers.

7. It was further part of the scheme that defendant OQUENDO scouted for and identified prospective Sox players who were already affiliated with Mexican baseball teams, including Team A, from which teams the co-schemers could obtain kickback payments if the Sox purchased the contracts for or rights to such players.

8. It was further part of the scheme that defendant OQUENDO engaged in discussions with Mexican baseball teams, and their representatives, regarding the amounts for which the teams would be willing to sell the contracts or rights to prospective Sox players, and the amounts of kickbacks the teams were willing or expected to pay to the co-schemers.

9. It was further part of the scheme that, after identifying prospective Sox players' signings from which the co-schemers could obtain kickback payments, defendants OQUENDO and MATEO, directly and indirectly, informed defendant WILDER about, among other things: (a) the prospective players' skill levels; (b) the preliminarily negotiated

signing bonus and contract purchase amounts; and (c) whether kickbacks could be obtained from the players' signings.

10. It was further part of the scheme that, with regard to player signings involving bonus and contract purchase amounts under \$100,000, defendant WILDER authorized the signings of certain players, on behalf of the Sox, knowing, at the time that he engaged in such conduct, that the bonus or contract purchase amounts he authorized, which were to be paid by the Sox, were artificially and fraudulently inflated to include undisclosed kickback payments for himself and his co-schemers, and misrepresented the amount of money necessary to sign the players.

11. It was further part of the scheme that, with regard to certain player signings involving bonus and contract purchase amounts over \$100,000, defendant WILDER obtained the authorization of the Sox's General Manager to sign such players. WILDER obtained such authorization by fraudulently representing to the General Manager that the bonus or contract purchase amounts were necessary to sign the prospective players. At the time that he engaged in such conduct, WILDER knew that the bonus and contract purchase amounts, for which he had obtained the Sox's General Manager's authorization, and which were to be paid by the Sox, were artificially and fraudulently inflated to include undisclosed kickback payments for himself and his co-schemers.

12. It was further part of the scheme that defendant WILDER failed to disclose to the Sox that the signing bonus and contract purchase amounts that he authorized, and for which he obtained the Sox's General Manager's authorization, were, for certain players,

artificially and fraudulently inflated to include kickback payments for himself and his co-schemers.

13. It was further part of the scheme that defendants WILDER and OQUENDO solicited and fraudulently obtained kickback payments from, among others, the signings of Players A through H.

14. It was further part of the scheme that defendants WILDER, OQUENDO, and MATEO solicited and fraudulently obtained kickback payments from, among others, the signings of Players I, J, and K.

15. It was further part of the scheme that defendants WILDER, OQUENDO, and MATEO obtained kickbacks of approximately \$400,000 from the signings of approximately 23 prospective players, including Players A through K.

16. It was further part of the scheme that defendants WILDER, OQUENDO, and MATEO concealed, misrepresented, and hid and caused to be concealed, misrepresented, and hidden, the existence and purpose of the scheme and the acts done in furtherance of the scheme.

17. On or about December 16, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER and
JORGE L. OQUENDO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by UPS, a commercial interstate carrier, according to the directions thereon, from the Chicago White Sox in Chicago, Illinois, to an

individual in Sao Paulo, Brazil, which envelope contained a \$213,500 check payable to Player A, which check was drawn on the account of the Chicago White Sox and was to be Player A's signing bonus;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT TWO

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are realleged and incorporated by reference as if fully set forth herein.
2. On or about December 20, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER and
JORGE L. OQUENDO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by UPS, a commercial interstate carrier, according to the directions thereon, from the Chicago White Sox in Chicago, Illinois, to an individual in Sao Paulo, Brazil, which envelope contained: (a) a \$125,000 check payable to Player B; and (b) a \$200,000 check payable to Player C, which checks were drawn on the account of the Chicago White Sox and were to be Player B's and Player C's signing bonuses;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT THREE

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about December 21, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER and
JORGE L. OQUENDO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by UPS, a commercial interstate carrier, according to the directions thereon, from the Chicago White Sox in Chicago, Illinois, to an individual in Yucatan, Mexico, which envelope contained a \$285,000 check payable to the President of Team A, which check was drawn on the account of the Chicago White Sox and was for the purchase of the contract of or rights to Player D from Team A by the Chicago White Sox;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT FOUR

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about December 13, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER and
JORGE L. OQUENDO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by Federal Express, a commercial interstate carrier, according to the directions thereon, from the Chicago White Sox in Chicago, Illinois, to an individual in Maracay, Venezuela, which envelope contained: (a) a \$30,000 check payable to Player E; (b) a \$170,000 check payable to Player F; (c) a \$100,000 check payable to Player G; and (d) a \$90,000 check payable to Player H, which checks were drawn on the account of the Chicago White Sox and were to be Player E's, Player F's, Player G's, and Player H's signing bonuses;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT FIVE

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about November 14, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER,
JORGE L. OQUENDO RIVERA, and
VICTOR MATEO,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by UPS, a commercial interstate carrier, according to the directions thereon, from the Chicago White Sox in Chicago, Illinois, to the Major League Baseball office in Santo Domingo, Dominican Republic, which envelope contained a \$100,000 check payable to Player I, which check was drawn on the account of the Chicago White Sox and was to be Player I's signing bonus;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT SIX

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about November 26, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER,
JORGE L. OQUENDO RIVERA, and
VICTOR MATEO,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by UPS, a commercial interstate carrier, according to the directions thereon, from the Chicago White Sox in Chicago, Illinois, to the Major League Baseball office in Santo Domingo, Dominican Republic, which envelope contained a \$70,000 check payable to Player J, which check was drawn on the account of the Chicago White Sox and was to be Player J's signing bonus;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT SEVEN

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about January 25, 2008, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID S. WILDER,
JORGE L. OQUENDO RIVERA, and
VICTOR MATEO,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused an envelope to be sent by UPS, a commercial interstate carrier according to the direction, from the Chicago White Sox in Chicago, Illinois, to the Major League Baseball office in Santo Domingo, Dominican Republic, which envelope contained a \$525,000 check payable to Player K, which check was drawn on the account of the Chicago White Sox and was to be Player K's signing bonus;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

FORFEITURE ALLEGATIONS

The SPECIAL MARCH 2010 GRAND JURY further alleges:

1. The allegations contained in this indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of their violations of Title 18, United States Code, Sections 1341, 1346, and 2, as alleged in the foregoing indictment,

DAVID S. WILDER,
JORGE L. OQUENDO RIVERA, and
VICTOR MATEO,

defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendants jointly and severally subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include but are not limited to all money and other property that constitutes or was derived from the proceeds of the above-described scheme, and was obtained directly or indirectly, as a result of said scheme.

4. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendants:

a. Cannot be located upon the exercise of due diligence;

- b. Has been transferred or sold to, or deposited with, a third party;
- c. Has been placed beyond the jurisdiction of the Court;
- d. Has been substantially diminished in value; or
- e. Has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY