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U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CA
SAN DIEGO

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

May 1986 Grand Jury

UNITED STATES OF AMERICA,)
)
) Plaintiff,)
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) v.)
)
) CHERYL ANN SMITH, (1))
) GEORGE LEROY SMITH, (2))
) FRANCIS GEORGE CHRISTIE, (3))
) ROBERT A. NOBLE, (4))
) NEIL W. WILLIAMSON, (5))
)
) Defendants.)

Criminal Case No. ~~870073~~ B
I N D I C T M E N T
Title 18, U.S.C., Sec. 371 - Conspiracy to
Violate Presidential Embargo; Title 50,
U.S.C., Sec. 1702 - Illegal Exportation to
Libya; Title 50, U.S.C., Sec. 1702 - Evasion
of Libyan Sanction Regulations; Title 18,
U.S.C., Sec. 1001 - False Statements;
Title 18, U.S.C., Sec. 2 - Aiding and Abetting

The grand jury charges:

Count 1

Introductory Allegations

1. The President of the United States, by virtue of the International Emergency Economic Powers Act, is granted authority to deal with unusual or extraordinary threats to the national security and foreign policy of the United States. On January 7, 1986, the President issued an executive order finding that the policies and actions of the People's Republic of Libya constituted an unusual and extraordinary threat because of its support

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1 of international terrorism. In this executive order the President declared a national
2 emergency to call Libya to account for its policy supporting international terrorism.

3 2. In implementing the President's order, the United States Treasury Depart-
4 ment, through the Office of Foreign Assets Control, issued Libyan sanction regulations.
5 These regulations, among other things, prohibit: (1) exports of equipment used in the
6 petrochemical industry from the United States to Libya; (2) United States citizens from
7 performing contracts in support of industrial or government projects in Libya; and (3) any
8 transaction which has the effect of evading or avoiding the above prohibitions.

9 3. Solar Turbines, Incorporated, a subsidiary of Caterpillar, Inc., manufactures
10 gas turbine systems for use in the oil and gas industry. Prior to the Presidential
11 embargo, Solar gas turbine systems were installed in many of the oil fields located in
12 Libya. These turbines allowed the Libyans to economically and efficiently pump oil from
13 reserves far below the desert surface.

14 4. Since the Presidential embargo, Solar has been restricted from selling and has
15 refused to sell additional gas turbine systems, replacement components or related
16 services to the People's Republic of Libya or any of its recognized purchasing agents. As
17 a result, Libya has been unable to replace, through legal methods, Solar spare parts
18 necessary to the continued efficient operation of their oil fields.

19 5. Defendants CHERYL ANN SMITH and GEORGE LEROY SMITH are principals
20 in Oil Patch Production Services, Inc., an oil field support and service corporation
21 located at 82 Derbes Drive, Gretna, Louisiana. Oil Patch was utilized by defendants
22 CHERYL ANN SMITH and GEORGE LEROY SMITH to obtain oil field-related equipment
23 from Solar and other United States businesses. This equipment was then sent to Christie
24 Noble Services, Ltd., for transshipment to Libya.

25 6. Christie Noble Services, Ltd., is a petrochemical equipment distributor
26 located in Aberdeen, Scotland, that was utilized as an intermediary between Libya and
27 Oil Patch. After receiving orders from the People's Republic of Libya or one of its
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1 designated purchasing agents, Christie Noble Services, Ltd., transshipped petrochemical
2 equipment from the United States to Libya in violation of the Presidential embargo. The
3 directors of Christie Noble Services, Ltd., are defendants FRANCIS GEORGE CHRISTIE,
4 ROBERT A. NOBLE, AND NEIL W. WILLIAMSON.

5 The Conspiracy

6 7. Beginning on or about February 1, 1986, and continuing up to and including
7 January 8, 1987, within the Southern District of California and elsewhere, defendants
8 CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE,
9 ROBERT A. NOBLE, and NEIL W. WILLIAMSON did knowingly and willfully combine,
10 conspire, and agree together and with others to export and attempt to export from the
11 United States of America to the People's Republic of Libya, without authorization from
12 the Secretary of the Treasury, petrochemical equipment; in violation of Title 50, United
13 States Code, Sections 1702 and 1705, Executive Order 12543, and Title 31, Code of
14 Federal Regulations, Parts 550.202, 550.208, and 550.409.

15 The Methods Of The Conspiracy

16 8. It was a part of the conspiracy that defendants FRANCIS GEORGE
17 CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON would and did negotiate with
18 the People's Republic of Libya and its designated agents for the sale to Libya of petro-
19 chemical equipment for use in their oil fields.

20 9. It was a further part of the conspiracy that defendants CHERYL ANN SMITH
21 and GEORGE LEROY SMITH would and did purchase petrochemical equipment destined
22 for use in Libyan oil fields from Solar Turbines, Inc., and other American companies.

23 10. It was a further part of the conspiracy that defendants CHERYL ANN SMITH
24 and GEORGE LEROY SMITH would and did conceal from their freight forwarder, among
25 other things, that the end-user for the petrochemical equipment would be the People's
26 Republic of Libya.

1 11. It was a further part of the conspiracy that defendants FRANCIS GEORGE
2 CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON would and did provide
3 certified letters to their United States customers for the purpose of concealing the true
4 end-user from law enforcement officials.

5 12. As a further part of the conspiracy, defendants CHERYL ANN SMITH,
6 GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and
7 NEIL W. WILLIAMSON would and did remove ("purge") all labels from the petrochemical
8 equipment to avoid discovery by law enforcement and the Central Intelligence Agency.

9 13. As a further part of the conspiracy, defendants CHERYL ANN SMITH and
10 GEORGE LEROY SMITH would and did remove serial numbers and other information
11 from their Solar Turbines, Inc. purchase orders which would have identified the orders as
12 going to Libya.

13 14. As a further part of the conspiracy, defendants CHERYL ANN SMITH and
14 GEORGE LEROY SMITH would and did utilize coded terminology when referring to the
15 People's Republic of Libya and its designated purchasing agents.

16 15. As a further part of the conspiracy, defendants CHERYL ANN SMITH,
17 GEORGE LEROY SMITH and FRANCIS GEORGE CHRISTIE would and did avoid
18 contacting Libya from the United States to prevent the discovery of their conversations
19 by wiretaps.

20 Overt Acts

21 In furtherance of said conspiracy, and to effect the objects thereof, the following
22 overt acts, among others, were committed within the Southern District of California,
23 and elsewhere:

- 24 1. On or about March 20, 1986, in Aberdeen, Scotland, defendant FRANCIS
25 GEORGE CHRISTIE telexed defendant GEORGE LEROY SMITH, Oil Patch
26 Production Services, seeking acceptance of a confirmed order of Solar parts.
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2. On or about June 30, 1986, in San Diego, California, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH discussed filling purchase orders on Solar parts that were to be transshipped to Libya with Senior Special Agent Daniel Supnick of the United States Customs Service who was acting in an undercover capacity as a representative of Solar, Inc.
3. On or about July 17, 1986, in San Diego, California, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH ordered from Solar approximately \$40,589.90 worth of petrochemical equipment ultimately destined for Libya.
4. On or about August 28, 1986, in New Orleans, Louisiana, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH did export approximately \$47,225.00 worth of petrochemical equipment to defendants FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON.
5. On or about October 10, 1986, in San Diego, California, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH ordered from Solar approximately \$65,272.51 worth of petrochemical equipment ultimately destined for Libya.
6. On or about October 17, 1986, in New Orleans, Louisiana, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH did export approximately \$35,765.00 worth of petrochemical equipment to defendants FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON.
7. On or about October 17, 1986, in San Diego, California, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH ordered from Solar approximately \$7,091.12 worth of petrochemical equipment ultimately destined for Libya.
8. On or about October 18, 1986, in New Orleans, Louisiana, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH did export approximately \$8,412.00 worth of petrochemical equipment to defendants FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON.

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9. On or about October 31, 1986, in New Orleans, Louisiana, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH did export approximately \$109,457.00 worth of petrochemical equipment to defendants FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON.
10. On or about December 9, 1986, in San Diego, California, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH ordered from Solar approximately \$51,438.20 worth of petrochemical equipment ultimately destined for Libya.
11. On or about December 12, 1986, in New Orleans, Louisiana, defendants CHERYL ANN SMITH and GEORGE LEROY SMITH did export approximately \$68,511.00 worth of petrochemical equipment to defendants FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON.

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

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Count 2

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about August 6, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully enter into a transaction for the purpose of evading and avoiding the Libyan sanction regulations; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Part 550, and Title 18, United States Code, Section 2.



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Count 3

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about August 28, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully export and cause to be exported from the United States of America to the United Kingdom for transshipment to the People's Republic of Libya, approximately \$36,382.07 worth of petrochemical goods and equipment; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Parts 550.202 and 550.409, and Title 18, United States Code, Section 2.



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Count 4

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about August 28, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, in a matter within the jurisdiction of the United States Customs Service, a department and agency of the United States, did knowingly and willfully cause false, fictitious, and fraudulent statements and representations to be made on a Shipper's Export Declaration ("SED"), by representing to the shipper that:

- (1) The country of ultimate destination was the United Kingdom;
- (2) The ultimate consignee was Christie Noble Services, Ltd.; and
- (3) The general license symbol was "G. Dest.";

All in violation of Title 18, United States Code, Sections 1001 and 2.



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Count 5

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 17, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully export and cause to be exported from the United States of America to the United Kingdom for transshipment to the People's Republic of Libya, approximately \$4,207.83 worth of petrochemical goods and equipment; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Parts 550.202 and 550.409, and Title 18, United States Code, Section 2.

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Count 6

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 17, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, in a matter within the jurisdiction of the United States Customs Service, a department and agency of the United States, did knowingly and willfully cause false, fictitious, and fraudulent statements and representations to be made on a Shipper's Export Declaration ("SED"), by representing to the shipper that:

- (1) The country of ultimate destination was the United Kingdom;
- (2) The ultimate consignee was Christie Noble Services, Ltd.; and
- (3) The general license symbol was "G. Dest.";

All in violation of Title 18, United States Code, Sections 1001 and 2.



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Count 7

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 17, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully enter into a transaction for the purpose of evading and avoiding the Libyan sanction regulations; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Part 550, and Title 18, United States Code, Section 2.

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Count 8

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 18, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully export and cause to be exported from the United States of America to the United Kingdom for transshipment to the People's Republic of Libya, approximately \$7,091.12 worth of petrochemical goods and equipment; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Parts 550.202 and 550.409, and Title 18, United States Code, Section 2.



Count 9

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2 1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and
3 incorporated by reference as if set forth in full herein.

4 2. On or about October 18, 1986, in the Southern District of California and
5 elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS
6 GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, in a matter within
7 the jurisdiction of the United States Customs Service, a department and agency of the
8 United States, did knowingly and willfully cause false, fictitious, and fraudulent
9 statements and representations to be made on a Shipper's Export Declaration ("SED"), by
10 representing to the shipper that:

- 11 (1) The country of ultimate destination was the United Kingdom;
- 12 (2) The ultimate consignee was Christie Noble Services, Ltd.; and
- 13 (3) The general license symbol was "G. Dest.";

14 All in violation of Title 18, United States Code, Sections 1001 and 2.
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Count 10

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 22, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully enter into a transaction for the purpose of evading and avoiding the Libyan sanction regulations; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Part 550, and Title 18, United States Code, Section 2.



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Count 11

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 31, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully export and cause to be exported from the United States of America to the United Kingdom for transshipment to the People's Republic of Libya, approximately \$65,272.51 worth of petrochemical goods and equipment; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Parts 550.202 and 550.409, and Title 18, United States Code, Section 2.



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Count 12

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about October 31, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, in a matter within the jurisdiction of the United States Customs Service, a department and agency of the United States, did knowingly and willfully cause false, fictitious, and fraudulent statements and representations to be made on a Shipper's Export Declaration ("SED"), by representing to the shipper that:

- (1) The country of ultimate destination was the United Kingdom;
- (2) The ultimate consignee was Christie Noble Services, Ltd.; and
- (3) The general license symbol was "G. Dest.";

All in violation of Title 18, United States Code, Sections 1001 and 2.



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Count 13

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about December 9, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully enter into a transaction for the purpose of evading and avoiding the Libyan sanction regulations; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Part 550, and Title 18, United States Code, Section 2.



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Count 14

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about December 12, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, without authorization from the Secretary of the Treasury, did knowingly and willfully export and cause to be exported from the United States of America to the United Kingdom for transshipment to the People's Republic of Libya, approximately \$51,438.20 worth of petrochemical goods and equipment; in violation of Title 50, United States Code, Sections 1702 and 1705, Executive Order 12543, Title 31, Code of Federal Regulations, Parts 550.202 and 550.409, and Title 18, United States Code, Section 2.

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Count 15

1. Paragraphs 1 through 6 and 8 through 15 of Count 1 are hereby realleged and incorporated by reference as if set forth in full herein.

2. On or about December 12, 1986, in the Southern District of California and elsewhere, defendants CHERYL ANN SMITH, GEORGE LEROY SMITH, FRANCIS GEORGE CHRISTIE, ROBERT A. NOBLE, and NEIL W. WILLIAMSON, in a matter within the jurisdiction of the United States Customs Service, a department and agency of the United States, did knowingly and willfully cause false, fictitious, and fraudulent statements and representations to be made on a Shipper's Export Declaration ("SED"), by representing to the shipper that:

- (1) The country of ultimate destination was the United Kingdom;
- (2) The ultimate consignee was Christie Noble Services, Ltd.; and
- (3) The general license symbol was "G. Dest.";

All in violation of Title 18, United States Code, Sections 1001 and 2.

DATED: January 23, 1987.

A TRUE BILL:

Foreperson

PETER K. NUNEZ
United States Attorney

By: _____
PHILLIP L.B. HALPERN
Assistant U.S. Attorney