



U.S. Department of Justice

DAVID E. O'MEILIA
United States Attorney
Northern District of Oklahoma

110 West Seventh Street, Suite 300
Tulsa, Oklahoma 74119

(918) 382-2700
Fax (918) 560-7938

NEWS RELEASE

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Contact: Randal Edgmon

Grand Jury Indictments Unsealed Today Allege Public Corruption
Millions Involved in Alleged City of Tulsa Public Works Fraud & Bribery

United States Attorney David E. O'Meilia, FBI Special Agent-in-Charge James E. Finch, and IRS Criminal Investigations Division Special Agent-in-Charge Michael P. Lahey jointly announced today that two former managers at the City of Tulsa Public Works Department and four area businessmen have been charged by a Grand Jury for their participation in bribery and fraud schemes involving millions of dollars intended for city streets, bridges and other public works projects in the City of Tulsa.

Larry Wayne Baker, 52, formerly the Design Engineering Manager, and Albert S. Martinez, 47, formerly the Field Engineering Manager, at the Public Works Department, are separately charged with either receiving or paying bribes to influence the award of contracts by the City of Tulsa for engineering consulting services. The four area businessmen are charged with various crimes, including wire and mail fraud, conspiracy, bribery, and money laundering. The businessmen charged are: Harlan Eugene Yocham, 49, of Sapulpa, owner of Yocham Enterprises; Max Elliot Wolf, 56, of Owasso, president of Horizon Construction Company, Inc.; Kenneth Kirk Shoemaker, 46, of Bartlesville, president of FBS, Inc. and an officer of FBS Engineers, Inc., both Tulsa companies; and Stuart Jay Franklin, 48, of Claremore, an accountant for FBS, Inc. The specific charges are contained in the four separate federal grand jury indictments unsealed today and summarized below. The time frame of the alleged illegal activity outlined in the indictments is from mid-2005 to the present.

- Case 09-CR-09 – **Kenneth Kirk Shoemaker, Stuart Jay Franklin, Albert S. Martinez.** *Conspiracy, Wire Fraud, Bribery, Forfeiture.* The defendants are charged with participating in a conspiracy and scheme between mid-2005 until the present to defraud the City of Tulsa and to deprive the citizens of Tulsa of the honest services of its employee, Martinez, free of corruption and deceit.

It is alleged that Shoemaker and Franklin conspired and schemed with each other and Martinez, and bribed Martinez, to use his vote and influence on a committee of the Public Works Department that awarded contracts for engineering inspection services on public works construction projects to FBS Engineers, Inc. and FBS, Inc. The alleged scheme caused interstate wire transmissions to be made by the City of Tulsa to pay FBS, Inc. invoices in transactions by the Bank of Oklahoma through the Federal Reserve Banking system to an account at the Arvest Bank. The indictment includes notice of the government's intent to forfeit the proceeds of the alleged conspiracy and wire fraud scheme in the amount of \$2,300,000.

- Case 09-CR-10 – **Max Elliot Wolf, Albert S. Martinez.** *Wire & Mail Fraud, Bribery, Conspiracy, Money Laundering, Forfeiture.* It is alleged that the defendants participated in a scheme from mid-2005 to about July 2008 to defraud the City of Tulsa and to deprive the citizens of Tulsa of the honest services of its employee, Martinez, by deceit and fraud. It is alleged that Wolf and Martinez conspired and schemed with each other to fraudulently cause the City of Tulsa to pay illegally inflated final payment invoices submitted by Horizon Construction Company on public construction projects. The proceeds of this alleged illegal activity were then shared equally between the defendants. The alleged scheme caused interstate wire transmissions to be made by the City of Tulsa to pay the fraudulent Horizon Construction Company invoices in transactions by the Bank of Oklahoma through the Federal Reserve Banking system to an account at the First Bank of Owasso. It is also alleged that the scheme included Wolf's use of the United States Mail to send Martinez his share of the fraudulent payments. It is further alleged that Wolf committed money laundering violations to pay Martinez his share of the fraud proceeds by using financial transactions designed to conceal and disguise the nature and source of the payments. The indictment includes notice of the government's intent to forfeit the proceeds of the alleged honest services wire fraud scheme in the amount of \$ 1,913,038.65 and forfeit proceeds of the bribery conspiracy.
- Case 09-CR-11 – **Harlan Eugene Yocham, Albert S. Martinez.** *Bribery, Forfeiture.* It is alleged that between May to October 2007, Yocham, of Yocham Enterprise, paid and Martinez received a \$10,000 bribe for the purpose of influencing a Tulsa Public Works Department committee to award contracts to Yocham's company. The indictment also alleges that Yocham paid a \$7,000 bribe on another occasion for the purpose of influencing the awarding of City contracts to his company. The indictment includes notice of

the government's intent to forfeit the proceeds of the alleged procurement fraud bribery offenses in the amount of \$ 10,000 and \$69,430.

- Case 09-CR-12 – **Larry Wayne Baker**. *Bribery, Forfeiture*. It is alleged that between November 2006 and November 2007, Baker bribed a city employee with approximately \$9,000 to influence his vote in awarding an inspection contract. The employee was a member of a committee at the Public Works Department that awarded design and inspection contracts, by majority vote, to various engineering firms. The specific contract at issue was the widening of 36th Street North from the Osage County line to North Cincinnati Avenue. The indictment includes notice of the government's intent to forfeit the proceeds of the alleged procurement fraud bribery offense in the amount of \$ 199,000.

United States Attorney O'Meilia stated: "These cases and other recent federal public corruption prosecutions in the Northern District reflect the continuing commitment of my office and federal investigative agencies to root out, expose and bring to justice corrupt public officials. Our citizens and communities are entitled to, expect and deserve to be served by only the most honest public servants and we will continue to hold them to the highest standards of conduct."

FBI Special Agent in Charge James E. Finch stated: "The FBI will continue to dedicate significant resources to aggressively pursuing and bringing to justice public officials who betray the trust and confidence of the American public by exploiting their official position for personal gain by engaging in the criminal activity of graft, bidrigging, payoffs and the like."

U.S. Attorney O'Meilia recognized and commended the investigative efforts of the Federal Bureau of Investigation and the Internal Revenue Service's Criminal Investigation Division. U.S. Attorney O'Meilia, Assistant U.S. Attorneys Joseph F. Wilson, Clinton J. Johnson and Catherine Depew are conducting the prosecution of the case for the government.

A Grand Jury indictment is one method of charging a defendant with alleged violations of federal law, which must be proven in a court of law beyond a reasonable doubt to overcome the defendants' presumption of innocence.