



DEPARTMENT OF THE AIR FORCE

WASHINGTON DC 20330-1740

AUG 30 2010

Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/GCR
4040 N. Fairfax Drive
Suite 204
Arlington, VA 22203

Mr. Juan Beltran
The Airborne Group, Inc.



Re: Notice of Debarment

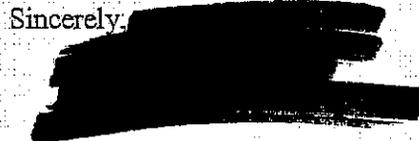
Dear Mr. Beltran:

By letter dated February 4, 2010, the Air Force suspended you from contracting with the United States Government. On July 20, 2010, following your conviction and sentencing in the U.S. District Court, Southern District of Florida, the Air Force initiated proceedings to debar you from contracting with the United States Government. The letter provided you with an opportunity to submit information and argument in opposition to the proposed debarment. To date, you have not responded to the proposed debarment notice.

Based upon the information in the administrative record in this matter, I have determined that protection of the Government's interests requires that you be debarred from contracting with the United States Government. The effects of debarment are those stated in the July 20, 2010, Notice of Proposed Debarment.

Because of the egregious nature of your conduct, I find that a period of debarment longer than generally imposed under the Federal Acquisition Regulation is necessary to protect the Government's interests. This debarment is effective immediately and continues for five years and six months from February 4, 2010, the date you were suspended. Your debarment will terminate on August 3, 2015.

Sincerely,



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)



DEPARTMENT OF THE AIR FORCE

WASHINGTON DC 20330-1740

AUG 30 2010

Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/GCR
4040 N. Fairfax Drive
Suite 204
Arlington, VA 22203

Ms. Mariella Bianchi
The Airborne Group, Inc.

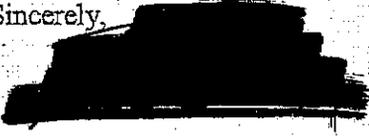

Re: Notice of Debarment

Dear Ms. Bianchi:

By letter dated February 4, 2010, the Air Force suspended you from contracting with the United States Government. On July 20, 2010, following your conviction and sentencing in the U.S. District Court, Southern District of Florida, the Air Force initiated proceedings to debar you from contracting with the United States Government. The letter provided you with an opportunity to submit information and argument in opposition to the proposed debarment. To date, you have not responded to the proposed debarment notice.

Based upon the information in the administrative record in this matter, I have determined that protection of the Government's interests requires that you be debarred from contracting with the United States Government. The effects of debarment are those stated in the July 20, 2010, Notice of Proposed Debarment.

Because of the egregious nature of your conduct, I find that a period of debarment longer than generally imposed under the Federal Acquisition Regulation is necessary to protect the Government's interests. This debarment is effective immediately and continues for five years and six months from February 4, 2010, the date you were suspended. Your debarment will terminate on August 3, 2015.

Sincerely,


STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

AUG 30 2010

Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/GCR
4040 N. Fairfax Drive
Suite 204
Arlington, VA 22203

The Airborne Group, Inc.


Re: Notice of Debarment

Dear Ladies and Gentlemen:

On February 4, 2010, the Air Force suspended The Airborne Group, Inc. ("Airborne") from contracting with the United States Government, and by letter dated July 20, 2010, the Air Force initiated proceedings to debar Airborne from contracting with the United States Government. The July 20, 2010 letter provided Airborne with an opportunity to submit information and arguments in opposition to the proposed debarment. To date, Airborne has not responded to the proposed debarment notice.

Based upon the information in the administrative record in this matter, I have determined that protection of the Government's interests requires that Airborne be debarred from contracting with the United States Government. The effects of debarment are those stated in the July 20, 2010, Notice of Proposed Debarment.

Because of the egregious nature of the misconduct, I find that a period of debarment longer than generally imposed under the Federal Acquisition Regulation is necessary to protect the Government's interests. This debarment is effective immediately and continues for five years and six months from February 4, 2010, the date Airborne was originally suspended by the Air Force. Airborne's debarment will terminate August 3, 2015.

Sincerely,


STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

JUL 20 2010

Office of the Deputy General Counsel

MEMORANDUM IN SUPPORT OF THE PROPOSED DEBARMENTS OF:

FILE COPY

THE AIRBORNE GROUP, INC.
MARIELLA BIANCHI
JUAN BELTRAN

Effective this date the Air Force has terminated the suspensions and proposed the debarments of The Airborne Group, Inc., Mariella Bianchi, and Juan Beltran from Government contracting and from directly or indirectly receiving the benefits of Federal assistance programs. The action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

INFORMATION IN THE RECORD

A preponderance of evidence in the administrative record establishes that at all times relevant hereto:

1. Department of Defense ("DoD") contracts require that DoD contractors provide aircraft parts originating from approved manufacturers. In some instances, DoD contracts require that DoD contractors supply new "surplus" aircraft parts which are parts originally released as surplus by the DoD for sale to or within the public sector. Ordering new surplus aircraft parts ensures that the parts have been previously inspected by the DoD or domestic airline inspectors.

2. The Federal Aviation Administration ("FAA"), which is part of the Department of Transportation ("DoT") is charged by statute with regulating aircraft safety in the United States, including the regulation of aircraft repair stations and their employees. Furthermore, an FAA authorized repair station can only perform repairs, certifications, inspections, testing, and overhauls of parts that appear both within its "Rating" and on its "Capabilities List." An FAA repair station's Limited Capability List contains approved aircraft parts listed by both a manufacturer's name and part number.

Relevant Individuals and Companies

3. Zerene Aerospace Inventory, Inc. ("ZAI") was in the business of manufacturing and repairing aircraft parts. ZAI was neither a DoD contractor, nor was it an FAA authorized repair station. ZAI was incorporated in the State of Florida on October 23, 2007. Julio Zerene ("Zerene") is the owner of ZAI. Zerene is also the owner of Zerene Services, Inc. ("ZSI") which was incorporated in the State of Florida on March 1, 1999.

4. Best Aviation Sales, Inc. ("Best") is a DoD supplier of aircraft and other transportation equipment parts for use in several aviation and critical weapons system applications. Best was incorporated in the State of Illinois on August 1, 1998. William H. Miller ("Miller") is the president of Best and owns 100% of Best's stock. Since its incorporation, Best has been awarded approximately 5 million dollars in USAF contracts.

5. Falcon Group Corp. a/k/a Falcon Aviation Group, Inc. ("Falcon") is a DoD supplier of aircraft and other transportation equipment parts for use in several aviation and critical weapons system applications. Falcon was incorporated in the State of Florida on December 31, 2007. Since its incorporation, Falcon has been awarded approximately 1.3 million dollars in USAF contracts. John A. Falco ("Falco") is the president of Falcon and owns 100% of Falcon's stock.

6. The Airborne Group, Inc. ("Airborne") is a DoD supplier of aircraft and other transportation equipment parts for use in several aviation and critical weapons system applications. Airborne was incorporated in the State of Florida on August 9, 2001. Mariella Bianchi ("Bianchi") is the president of Airborne, and Juan Beltran ("Beltran") was the Director of Military Sales. Since its incorporation, Airborne has been awarded approximately 2 million dollars in USAF contracts.

The Conspiracy

7. On May 2, 2008, the Department of Transportation-Office of Inspector General ("DoT-OIG") received information that Zerene, through his business ZAI, was illegally manufacturing aircraft skins, wings, and controlled surfaces for various aircraft including the U.S. Air Force's ("USAF") E-3 Sentry, Airborne Warning and Control System. ZAI was not an approved manufacturer of aircraft parts for either the U.S. Military or the civilian aviation community.

8. Multi-agency investigations revealed that Zerene did not sell illegally manufactured aircraft parts directly to the USAF, but instead sold to various DoD contractors who conspired with Zerene to in turn sell the substandard aircraft parts to the USAF. These various DoD contractors included Best, Falcon, and Airborne.

9. On April 30, 2009, a multi-agency search warrant was executed on Zerene's businesses in Miami, Florida. Agents discovered three large aviation part manufacturing plants complete with bulk raw materials, expensive tools and machinery necessary for the production of aviation parts, and a large number of aviation parts in various stages of production.

10. Following the search of his businesses, Zerene admitted in an interview with agents that he was in the business of manufacturing and repairing aircraft parts, including aircraft parts destined for DoD contractors and FAA repair stations for subsequent sale to the DoD. Zerene admitted that despite the fact he was not licensed or authorized to manufacture any aviation parts, he had fabricated numerous parts for various DoD contractors.

11. As a result of the search, numerous documents were seized from ZAI which implicated Best, Falcon, and Airborne as DoD contractors involved in the conspiracy to sell fraudulent substandard aircraft parts to the DoD. Specifically, the search revealed that Airborne had purchased aircraft parts from ZAI since early 2007.

12. As a DoD supplier of aircraft and other transportation equipment parts, Airborne would respond to numerous bids advertised by the USAF for the supply of various military aircraft parts. From approximately March 2007 until October 2008, the DOD awarded Airborne in excess of \$1 million worth of contracts for the provision of various aircraft parts.

13. Investigations revealed that once Airborne was awarded a USAF contract, Bianchi, president of Airborne, and Beltran, the Director of Military Sales, would have the parts manufactured by various unauthorized local fabricators, including ZAI.

14. Upon completion of the fabricated parts, Bianchi or Beltran would complete a Certificate of Compliance, as well as other paperwork such as packing slips and invoices, all of which misrepresented the supplied parts' condition, the origin of manufacture, or both. The fraudulent paperwork was then forwarded, along with the counterfeit parts, to the USAF in an attempt to satisfy and fulfill the requirements of the awarded contracts.

15. In a July 8, 2009 interview with agents, Bianchi and Beltran disclosed that they knowingly misrepresented the condition and origin of aircraft parts sold to the USAF. They further identified ZAI as one of the manufacturers used to supply the fabricated parts.

16. On July 22, 2009, Zerene pled guilty in the U.S. District Court, Southern District of Florida to one count of Fraud Involving Aircraft or Space Vehicles in violation of 18 U.S.C. §38(a)(1)(B). On October 2, 2009, Zerene was sentenced to 37 months imprisonment and 2 years supervised release, and ordered to pay a fine in the amount of \$100. Zerene, ZAI, and ZSI were subsequently debarred by the Air Force on May 10, 2010.

17. On November 13, 2009, Falco, owner of Falcon, pled guilty in the U.S. District Court, Southern District of Florida to one count of Fraud Involving Aircraft Parts in violation of Title 18, U.S.C. §38. On February 9, 2010, Falco was sentenced to 37 months imprisonment and 3 years supervised release, and ordered to pay a fine in the amount of \$100 and restitution to the Air Force in the amount of \$1.3 million. Falco and Falcon were subsequently debarred by the Air Force on May 10, 2010.

18. On January 5, 2010, Bianchi and Beltran were indicted in the U.S. District Court, Southern District of Florida on one count of Conspiracy to Commit Aircraft Parts Fraud in violation of 18 U.S.C. §38(a)(3) and eight counts of Aircraft Parts Fraud in violation of 18 U.S.C. § 38(a)(1)(A). Bianchi and Beltran each pled guilty to one count of Conspiracy to Commit Aircraft Parts Fraud, and they were sentenced on July 7, 2010 to 30 months imprisonment and ordered to pay restitution in the amount of \$1.9 million.

BASES FOR THE PROPOSED DEBARMENTS

1. The convictions against Bianchi and Beltran in the U.S. District Court for the Southern District of Florida provides a separate independent basis for each of their debarments pursuant to FAR 9.406-2(a)(1), (3), and (5).

2. Bianchi, Beltran, and Airborne's willful violations of the terms of one or more Government contracts or subcontracts provides a separate independent basis for each of their debarments pursuant to FAR 9.406-2(b)(1).

3. There is a preponderance of evidence in the administrative record establishing that Bianchi and Beltran knowingly failed, within three years after final payment on a Government contract or subcontract awarded to Airborne, to timely disclose to the Government, in connection with the performance of the contract or subcontract, credible evidence of violation of a Federal criminal law involving fraud. The evidence provides a separate and independent basis for each of their debarments pursuant to FAR 9.406-2(b)(1)(vi)(A).

4. The improper conduct of Bianchi, Beltran, and Airborne is of so serious or compelling a nature that it affects their present responsibility to be Government contractors or subcontractors and provides a separate independent basis for each of their debarments pursuant to FAR 9.406-2(c).

5. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Bianchi, Beltran, and Airborne are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, Bianchi and Beltran have the power to control Airborne. The affiliation of Bianchi, Beltran, and Airborne provides a separate independent basis for each of their debarments.

6. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Bianchi and Beltran is imputed to Airborne, because their seriously improper conduct occurred in connection with the performance of their duties for or on behalf of Airborne, or with the knowledge, approval, or acquiescence of Airborne. The imputation of Bianchi and Beltran's conduct provides a separate independent basis for the debarment of Airborne.

7. Pursuant to FAR 9.406-5(b), the seriously improper conduct of Airborne is imputed to Bianchi and Beltran because as an officer, director, shareholder, partner, employee or other person associated with Airborne, they knew or had reason to know of Airborne's seriously improper conduct. The imputation of Airborne's seriously improper conduct to Bianchi and Beltran provides a separate independent basis for each of their debarments.



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)