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Twenty-Two Arrested in U.S. Bribery Probe

By [EVAN PEREZ](#) And [BRENT KENDALL](#)

Federal agents used a trade gathering of arms-industry executives in Las Vegas as an opportunity to arrest and charge nearly two dozen people in a sting operation targeting alleged bribery of foreign officials.

Federal Bureau of Investigation agents posed as representatives of a senior government minister of an African country. The agents proposed a scheme under which executives and employees at several companies would pay 20% "commissions" in order to win business, according to the Justice Department.

The business, according to indictments unsealed by a federal judge Tuesday, was purported to be a \$15 million deal to outfit the unnamed African country's presidential guard with pistols, tear-gas launchers, bullet-proof vests and other supplies.

Instead, 21 of the 22 defendants were arrested when they arrived in Las Vegas for the Shooting, Hunting, Outdoor Trade Show and Conference, Justice officials said. One defendant was arrested in Miami, officials said.

The employees targeted work for companies in the U.S., U.K. and Israel.

Among those arrested was Amaro Goncalves, 49 years old, vice president for sales at [Smith & Wesson Holding Corp.](#) Also arrested was R. Patrick Caldwell, a former Secret Service agent who last year became chief executive of Protective Products of America, a Sunrise, Fla., company that makes bullet-proof products.

A Smith & Wesson official didn't respond to a request for comment. A spokesman for Protective Products of America didn't return a call for comment.

FBI agents met with the defendants in luxury hotels in Miami and elsewhere and arranged for a small "test" sale of the defendants' products to gain the trust of the accused employees, according to the indictments.

Lanny Breuer, assistant attorney general and chief of the Justice Department's criminal division, called the case the department's largest-ever foreign bribery case. It is part of a crackdown that began four years ago and has focused on a variety of companies, including many in the oil industry. The sting was the department's biggest undercover operation involving the Foreign Corrupt Practices Act, Mr. Breuer said.

Mr. Breuer said officials hope the two-year sting would deter bribery by prompting executives involved in potential schemes to ask themselves, "Am I really paying off a foreign government official or is this a federal agent?"

No companies were charged in the indictments unsealed Tuesday. Mr. Breuer said the investigation was continuing.

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