

## MEMORANDUM

TO: File

CC: Shane Williams

FROM: Aaron Bates

DATE: June 28, 2007

RE: *Telephone conference with Craig Vanderburg ("Vanderburg") regarding reliance memorandum*

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Shane Williams and I spoke with Vanderburg today, June 28, 2007, around 11:00 am regarding Vanderburg's two (2) meetings with Agent Sputo, of the Federal Bureau of Investigation ("Sputo"), in 2006 regarding the funding of Presidion PEO operating costs with fraudulent letters of credit. Vanderburg indicated he first met with Sputo in or about March 2006<sup>1</sup> and was accompanied by counsel, Bogenschutz, Dutko, & Kroll, P.A. ("Bogenschutz"). This was the first physical meeting between Sputo and Vanderburg, but there were phone calls between the two prior to this call.

At the March 2006 meeting, Sputo raised the subject of the unpaid payroll tax liability of the Presidion PEOs to Vanderburg. Vanderburg informed me that he told Sputo that he was unaware that they would be discussing the topic of unpaid taxes at the meeting and, subsequently, Bogenschutz asked Sputo, and the other government parties at the meeting, to step out of the room so as to allow Bogenschutz to confer with Vanderburg regarding the proposed questions. Vanderburg informed Bogenschutz that he was working with partners in Orlando who had been discussing and working on the tax liability directly with the Internal Revenue Service over the course of the previous year. Bogenschutz told Vanderburg to inform Sputo of the same. Sputo returned to the room and

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<sup>1</sup> Vanderburg informed me that Jim Baiers and he kept a file on these events with exact dates of meetings and would get back to Shane or I with the exact dates.

Vanderburg relayed the aforementioned information to Sputo. Sputo did not indicate that there was any problem with that and returned to discussing the fraudulent letters of credit. The issue of the payroll tax liability was not mentioned again by Sputo.

Vanderburg's second meeting with Sputo took place in or about August 2006, again, regarding the fraudulent letters of credit. No discussions or questions relevant to the tax liability were raised at this meeting.