


medical billing service in Denton, TX, from which claims were submitted to various insurance carriers, including Medicare, Medicaid and TRICARE.

▶ Richard Roland Alford, a.k.a. Michael Richard Hansen, Edward J. Phillips III, Jack Phellps, Benedict Ryan and Jack Ryan, was sentenced to 52 months incarceration, 5 years supervised probation, to pay restitution of \$56,932 and a \$310 special assessment fee. Alford admitted creating and using false Government ID, impersonating a Federal agent, committing wire fraud, theft of Government property, and submitting false statements on a U.S. passport application. Using the Hansen alias, Alford devised a scheme to dupe individuals into investing in a nonexistent business. Alford created sets of fake law enforcement credentials containing the official DoD seal and used these to impersonate a DoD special agent. He then used the fake ID and bogus DoD affiliation to market a telecommunication venture he reportedly planned to start after his "pending retirement from Government service." Using money from the deceived investors, Alford was able to secure a number of credit cards including a Visa Charge Card from Providian National Bank. He also used the fake ID to obtain the Government rate on a number of domestic airline flights. During this same period, Alford submitted a bogus application to the U.S. Department of State in an attempt to obtain an official U.S. passport. Alford's efforts to obtain the passport were successfully thwarted during the course of the investigation. Following indictment in Arizona, a warrant was issued for Alford's arrest. He fled to the Los Angeles metropolitan area. While attempting to take him into custody there, Alford tried to run-down two DCIS special agents and an assisting officer from the Los Angeles Police Department. After a 45-minute car chase, Alford was apprehended and charged with two additional counts of assaulting a federal officer and numerous state and local charges in Los Angeles County. Those charges are still pending.

▶ Wayne Waterman, East Windsor, CT, pled guilty to one count of criminal trover relating to his misuse of personal property without the consent of its owner. The same date Wayne Waterman was sentenced to 1-year imprisonment, suspended, and 2 years probation. While employed as a vice president of sales at Triumph Manufacturing (Triumph), a DoD prime and subcontractor, Wayne Waterman was also involved in sales for Northern Connecticut Technologies (NorConn), a company started by Barbara Waterman, his wife. Triumph manufactures parts for use in DoD submarines, surface ships and aircraft, as well as other parts for commercial customers. The investigation determined that Wayne Waterman removed technical drawings and aperture cards originally provided to Triumph by the U.S. Government and other DoD contractors. Some of those technical drawings were used by NorConn to develop quotations submitted to companies that formerly did business with Triumph. In October 1999, a civil settlement was reached whereby Barbara Waterman, Wayne Waterman and NorConn agreed to pay Triumph \$127,500 without admission of liability.

▶ Claude I. McClain, Jr., was sentenced to 6 months confinement, 3 years supervised probation, payment of \$18,444 restitution to the Government, \$22,259 restitution to various pawnshops and a \$100 special assessment. He formerly pled guilty to conversion of Government property. An investigation confirmed McClain stole numerous pieces of computer equipment from the DoD Inspector General's warehouse in Springfield, VA, and from its offices located in Arlington, VA.

Civil Settlements Filed--2

 ▶ A **\$5,342,736** out of court settlement agreement was reached between Northrop Grumman Corporation (Northrop), Electronic Sensors Systems Division, Linthicum, MD, and the Government. The settlement resolves allegations involving violations of the Truth in Negotiations Act. Northrop was awarded two Foreign Military Sales type contracts with Taiwan, the Republic of China and the North Atlantic Treaty Organization for the APG-66 fire control radar used aboard the F-16 aircraft. Both contracts were initially awarded to Westinghouse Electric Corporation, Electronic Systems Group, which was later acquired by Northrop in March 1996. Northrop has denied any wrongdoing in this matter. During contract negotiations, Northrop proposed to make certain parts "in-house" for the APG-66 radar system. Specifically, this included the antenna and Lower Power Radio Frequency (LPRF) power supplies, which are considered major parts to the radar system. During the spring of 1996, the Defense Contract Audit Agency and the General Accounting Office performed a review of contracts and discovered Northrop later decided to purchase the antennas and LPRF power supplies. During contract negotiations, this information was never divulged. As a result, the fixed price contracts were negotiated at a substantially higher price.

▶ The Computer Sciences Corporation (CSC), Falls Church, VA, entered into a civil settlement agreement with the Government and will pay \$8,730.16 in lieu of a civil trial. Under a U.S. Army contract, the CSC provided computer-integrated services at the Defense Commissary Agency, Fort Lee, VA, from 1994 through 1997. Allegedly, CSC employees attended college classes while their time was being fraudulently billed against the contract.

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