



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

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**FEDERAL GRAND JURY INDICTS THREE IN AIR FORCE MEDICAL SYSTEMS
INFRASTRUCTURE MODERNIZATION (MISM) MILLION DOLLAR FRAUD CASE**

United States Attorney Robert Pitman announced this afternoon that a federal grand jury in San Antonio has indicted three individuals for their roles in a scheme to defraud the United States Government of millions of dollars.

A 17-count indictment, returned this afternoon, charges 62-year-old Donald Dean Brewer of Clovis, New Mexico, his wife, 62-year-old Sherri Lynn Brewer, and 60-year-old James McKinney of San Antonio, with one count of conspiracy to defraud the United States, twelve counts of wire fraud and four counts of major fraud against the United States.

According to the indictment, Donald Brewer was employed by KARTA Technologies, Inc. (KARTA), as the Medical Systems Infrastructure Modernization (MSIM) program manager at Brooks City-Base, San Antonio; McKinney served as the Vice President of Government Systems for Ark Systems, Inc. (Ark). Both companies contracted with the Air Force—KARTA, to provide engineers and analysts to evaluate projects and proposals; Ark, to provide installation of cabling and electronics in support of information technology and telephone systems at government medical facilities worldwide. The indictment alleges that the defendants and others created a sham subcontracting business, Enterprise and Deployment, LLC. (E&D) with the idea of inserting it as an extra subcontractor between prime contractors and Ark. By submitting false E&D invoices, the defendants caused prime contractors to overcharge the Air Force by including E&D's fraudulent charges in the prime contractor invoices. The indictment specifically alleges that from July 2002 through 2008, the defendants carried out their fraudulent scheme, obtaining approximately \$33.5 million in subcontracts for E&D and thereby enriching themselves by almost \$6.5 million.

The indictment also contains a notice of criminal forfeiture whereby the Government is seeking the forfeiture of any property derived from the proceeds of the defendants' scheme. The Government is also seeking a monetary judgment against the defendants in the amount of \$6,445,370 representing the proceeds obtained directly or indirectly by the defendants as a result of their scheme.

Upon conviction, the conspiracy charge carries a statutory maximum penalty of five years in federal prison; each wire fraud charge, up to 20 years in federal prison; and, each major fraud charge, up to 10 years in federal prison.

"This is why we need ethics laws for federal contractors who can in effect steer taxpayer dollars to their own pockets," said GSA Inspector General Brian D. Miller. "Allegedly, the taxpayers were overcharged \$6 million by a company created by the defendants. We will aggressively pursue all schemes that siphon off scarce taxpayer dollars."

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This case was investigated by Air Force Office of Special Investigations together with the General Services Administration–Office of Inspector General. Assistant United States Attorney James Blankinship and Special Assistant United States Attorney Gary McCown are prosecuting this case on behalf of the Government.

An indictment is merely a charge and should not be considered as evidence of guilt. The defendant is presumed innocent until proven guilty in a court of law.

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