



Department of Justice

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Former Red River President Pleads Guilty to Wire Fraud and Conversion of Federal Funds

CONCORD, NH – Breck A. Taylor, 54, pled guilty today in United States District Court for the District of New Hampshire to two counts of wire fraud, one count of attempted wire fraud, and one count of conversion of federal funds, announced United States Attorney John P. Kacavas.

According to documents that were filed in United States District Court, Taylor was the President of the Red River Computer Co., Inc. (“Red River”). Red River is a business in New Hampshire that contracts to sell computer equipment and services to government entities. Between 2003 and 2008, Taylor participated in several schemes that defrauded the United States of over \$1 million.

At the plea hearing, Taylor, a resident of Lyme, New Hampshire, admitted that he defrauded the United States of \$1,084,446.58 by contracting with government agencies to provide Sun Microsystems service support but failing to arrange to provide the full amount of support required by the government contract. Taylor further admitted to attempting to commit wire fraud during one incident when Sun detected that Taylor had failed to arrange for all of the service support called for by a government contract at the Patuxent River Naval Air Station. As a result, Red River purchased additional coverage from Sun to comply with the requirements of the government contract. This attempted fraud would have caused a loss of \$184,400.77 to the government if it had not been detected.

Taylor also admitted that he arranged for Red River to enter into a contract in which the Army paid over \$48,000.00 to obtain services for certain Cisco products at Fort Bragg. However, Red River did not register for all of the services and Taylor arranged for Red River to receive a refund. Taylor never told the Army about the refund and did not refund the money to the government. As a result, the government lost \$30,574.10. Taylor also admitted to engaging in a scheme in which he arranged for Red River to sell Panasonic laptops containing Panasonic memory to government customers. Although the government contracts specifically called for Panasonic memory, Taylor arranged to provide laptops containing lower cost third-party memory, causing a loss to the government of \$149,516.80.

In addition to pleading guilty to these crimes, Taylor agreed to forfeit \$431,949.14 to the United States. He is scheduled to be sentenced by United States District Court Judge Joseph D. DiClerico on December 19, 2011.

Red River previously entered into a civil settlement with the United States in which it agreed to pay \$2.3 million to resolve allegations that its conduct violated the civil False Claims Act.

This case was investigated by agents of the Office of Investigations of the Office of Inspector General of the General Services Administration, the Defense Criminal Investigative Service, and the Federal Bureau of Investigation. The case was handled by Assistant United States Attorneys Don Feith and John J. Farley.

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