Employee of Government Contractor Pleads Guilty to Fraud and Kickback Charges -GSA Office of Inspector General

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Department of Justice

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An employee of a government contractor pleaded guilty today to his involvement in a scheme to overbill a contract administered by the General Services Administration (GSA) by approximately \$1.25 million, and solicit and receive kickbacks from a subcontractor in exchange for providing that subcontractor valuable contract modifications.

Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division; Special Agent in Charge Eric D. Radwick, Mid-Atlantic Division, Office of Investigations, GSA Office of Inspector General; Assistant Director in Charge Steven M. D'Antuono of the FBI's Washington Field Office; and Special Agent in Charge Robert J. Smolich of the Department of State's Office of Inspector General, Office of Investigations, Americas, Pacific, and Asia Division made the announcement.

Elmer Baker, 68, of Gulf Breeze, Florida, pleaded guilty to one count of conspiracy to violate the anti-kickback statute and four counts of wire fraud before Judge Amy Berman Jackson of the U.S. District Court for the District of Columbia. Sentencing will be scheduled for a later date.

According to admissions made in connection with the plea agreement, Baker served as the project manager for his company on the contract administered by the GSA. After his company awarded a subcontract to a construction company for work on the facility, Baker began receiving kickbacks in the form of meals, golf sessions, vacations, and other things of value. In or around 2015, Baker began demanding monetary kickbacks that were valued at 10 percent of the amount of each of the subcontract modifications that he awarded the subcontractor. Baker sent the subcontractor fake invoices to make it appear as though the payments he was receiving were for legitimate work, and he set up a shell company to receive the payments. Additionally, Baker took the subcontract estimates provided to him and illegally inflated them in his requests to the GSA. Over the course of several subcontract modifications, Baker defrauded the GSA out of approximately \$1.25 million.

The Criminal Division's Fraud Section is the nation's leading prosecuting authority on government procurement fraud and corruption matters.

The GSA Office of Inspector General, FBI's Washington Field Office, and the State Department Office of Inspector General are investigating this case. Trial Attorney Vasanth Sridharan of the Criminal Division's Fraud Section is prosecuting the case.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at <u>www.Justice.gov/Celebrating150Years</u>.

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Source: U.S. Department of Justice press release.