

Weatherby Lake Man Sentenced for Fraud Scheme

Department of Justice
U.S. Attorney's Office
Western District of Missouri
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Construction Firms Received \$346 Million for Contracts Set Aside for Veterans, Minorities

KANSAS CITY, Mo. – A Weatherby Lake, Mo., man was sentenced in federal court today for falsely claiming ownership in a firm that fraudulently received hundreds of millions of dollars in government contracts set aside for service-disabled veterans and certified minorities.

“So-called ‘Rent-A-Vet’ schemes often rely on the complicity of dishonest veterans to make the fraud seem credible,” said U.S. Attorney Teresa Moore. “This defendant used his status as a minority and a service-disabled veteran to unfairly enrich himself and others at the expense of honest firms who actually qualified for hundreds of millions of dollars in government contracts.”

Stephon Ziegler, 61, was sentenced by U.S. District Judge Roseann Ketchmark to 12 months in federal prison without parole.

“Today’s outcome demonstrates the commitment of the Department of Defense Office of Inspector General’s Defense Criminal Investigative Service (DCIS) and our law enforcement partners to hold accountable those who manipulate the DoD procurement process in furtherance of personal interests,” said Acting Special Agent in Charge Gregory P. Shilling of the DCIS Southwest Field Office. “We take these matters seriously and will continue to aggressively investigate fraud allegations involving DoD equities.”

“The Veterans Administration Office of Inspector General will continue to vigorously pursue contractors that defraud programs intended to benefit our nation’s veterans with disabilities,” said Special Agent in Charge Gregory Billingsley of the Department of Veterans Affairs Office of Inspector General’s Central Field Office. “We thank the U.S. Attorney’s Office and our law enforcement partners for their efforts in this joint investigation.”

On May 21, 2019, Ziegler pleaded guilty to one count of making a false statement to the U.S. Department of Veterans Affairs. Ziegler, an African-American service-disabled veteran, admitted that he falsely claimed to be the owner of Zieson Construction Company, a Missouri corporation whose primary business was obtaining federal construction contracts set aside for award to qualified small businesses. Zieson used Ziegler’s status to compete for federal contracts designated for businesses owned by service-disabled veterans and minorities.

In reality, Ziegler admitted, he did not control the day-to-day operations or the long-term decision making of Zieson. Ziegler signed Zieson checks when requested to do so, signed bids for government jobs when requested to do so, and served as a courier of checks and invoices when requested to do so. Patrick Michael Dingle, 51, of Parkville, Mo., and his co-conspirators set up, controlled, and operated Zieson, and received

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most of the profits from Zieson. None of the co-conspirators qualified as a minority nor a veteran.

When a site inspector for the U.S. Department of Veterans Affairs visited Zieson operations on Feb. 20, 2015, Ziegler appeared at the Zieson office in Riverside, Mo., even though he did not regularly use an office there, to create the illusion that he actually controlled Zieson. Ziegler denied Zieson's affiliation with the co-conspirators who actually controlled Zieson when questioned by the site inspector. Ziegler told the Veterans Administration site inspector that he, Ziegler, operated seven different offices in three states, even though he knew that he did not in fact operate or control Zieson.

Between 2009 and 2018, Zieson was awarded approximately 199 federal contracts set aside for award to small businesses, minority-owned small businesses, and veteran-owned small businesses for which the government paid Zieson approximately \$335 million.

Ziegler received approximately \$434,383 as a result of his participation in the fraud scheme. From 2010 through 2018, Ziegler received approximately \$114,670 in distributions, \$242,713 in home renovations, and \$77,000 as a down payment on his house. Additionally, Ziegler received \$781,639 as his salary from 2010 through 2018.

Matthew C. McPherson, 46, of Olathe, Kansas, who was charged in a separate but related case, was sentenced on Jan. 5, 2022, to two years and four months in federal prison without parole. McPherson also has forfeited to the government \$5,516,786, which represents his share of the fraud proceeds. On June 3, 2019, McPherson pleaded guilty to one count of conspiracy to commit wire fraud and major program fraud.

McPherson's co-conspirator, Patrick Michael Dingle, 51, of Parkville, Mo., pleaded guilty on Sept. 13, 2020, and awaits sentencing. Dingle pleaded guilty to one count of conspiracy to commit wire and major program fraud. Dingle also pleaded guilty, in a separate case, to one count of filing a false tax return.

This case was prosecuted by Assistant U.S. Attorney Paul S. Becker and former Assistant U.S. Attorney Stacey Perkins Rock. It was investigated by the Department of Veterans Affairs, Office of Inspector General; the Department of Defense Criminal Investigative Service; the U.S. General Services Administration, Office of Inspector General; the U.S. Small Business Administration, Office of Inspector General; the Army Criminal Investigation Command, Major Procurement Fraud Unit; the Department of Agriculture, Office of Inspector General; IRS-Criminal Investigation; the U.S. Secret Service; the Air Force Office of Special Investigations, Procurement Fraud; the Naval Criminal Investigative Service; the Defense Contract Audit Agency - Operations Investigative Support (OIS); the U.S. Department of Labor, Office of Inspector General; and the Department of Labor, Employee Benefits Security Administration (EBSA).

Source: U.S. Attorney's Office [press release](#)