

Montrose Man Sentenced to Federal Prison for Role in Kickback Scheme - GSA Office of Inspector General

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Department of Justice
U.S. Attorney's Office
District of Colorado
June 13, 2022

DENVER – The U.S. Attorney's Office for the District of Colorado announces that Jared Newman, age 44, of Montrose, Colorado, was sentenced to 55 months in federal prison for wire fraud.

According to the plea agreement, the defendant was the ringleader of a bogus billing fraud scheme while employed as a subcontractor working in the warehouse at the Western Area Power Administration ("WAPA") in Montrose, Colorado. WAPA is a government agency within the U.S. Department of Energy that is responsible for supplying and marketing electricity generated from federal dams to public entities within the U.S. As part of Newman's scheme, he enlisted the assistance of friends and family members to create various shell companies which were in turn used to submit fraudulent invoices to WAPA for goods which were never provided to the government. After receiving funds for the nonexistent goods, Newman and his associates split the stolen funds. Newman received his funds by way of "kickbacks" which totaled \$652,292. Newman used most of the funds to support his lavish lifestyle, which included making personal expenditures on such things as a private airplane and a vacation home located on Lake Havasu in Arizona. As part of his sentence, Newman will be responsible for paying WAPA's total loss of \$879,392 back to the government as restitution.

"This was a complex fraud, carried out over a long period of time, and it resulted in a substantial loss to the government," said U.S. Attorney Cole Finegan. "We will go after anyone who cheats the government for their own personal gain."

"Those who steal from the government steal from all of us, and we will continue to make sure they are found out and held accountable," said Department of Energy Inspector General Teri L. Donaldson. "I'd like to thank our partners at DOJ and GSA for their hard work on this case, and also WAPA who brought this matter to our attention."

"Procurement fraud schemes such as this one harm the taxpayer and are a violation of the public's trust," said Special Agent in Charge Jamie Willemin of the GSA Office of Inspector General, Southwest and Rocky Mountain Division. "GSA OIG special agents are committed to working with their partners to find and hold accountable those who violate that trust."

United States District Court Judge Regina Rodriguez sentenced the defendant Jared Newman on June 8, 2022.

The U.S. Department of Energy, Office of Inspector General and the U.S. General Services Administration, Office of Inspector General jointly conducted the investigation. Assistant United States Attorney Tim Neff handled the prosecution of the case.

Case number: 21-cr-00300-RMR

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