

Moriarty man found guilty in fraud scheme

Department of Justice
U.S. Attorney's Office
District of New Mexico
June 29, 2022

ALBUQUERQUE, N.M. – Alexander M.M. Uballez, United States Attorney for the District of New Mexico, announced that a federal jury returned a guilty verdict on Milton Boutte, 77, of Moriarty, New Mexico, on June 27. The jury convicted Boutte of conspiracy to defraud the United States and conspiracy to commit wire fraud. Boutte will remain on conditions of release pending sentencing, which has not been scheduled.

Boutte and three other men were charged by indictment with exploiting the now defunct Big Crow Program Office at Kirtland Air Force Base to perpetuate a scheme to defraud the United States. Boutte, along with George Lowe, 60, of Fort Washington, Maryland, Jose Diaz, 63, of El Paso, Texas, and Arturo Vargas, 59, also of El Paso, conspired to submit fraudulent invoices to federal agencies. Beginning in 2004, Boutte, who was then the Director of the Big Crow Program Office, and Lowe, a lobbyist, schemed with Diaz and Vargas, owners of minority-owned small businesses that had sole-source contracts with the Big Crow Program Office, to pay lobbyists, consultants and contractors with funds fraudulently obtained from the United States. The conspirators disguised the nature of the claims for lobbying services provided by Lowe as well as other unauthorized subcontracts and expenditures. The Big Crow Program Office was not authorized to lobby or to expend appropriated funds for lobbying activities under the contracts.

On April 4, 2018, Diaz pleaded guilty to one count of conspiracy to defraud the United States and two counts of fraud against the United States. In his plea agreement, Diaz admitted that over the course of the conspiracy Miratek and Vartek received approximately \$8.4 million from the government, of which Boutte required those small businesses to pay nearly \$4.1 million to lobbyists, consultants and contractors that Boutte had retained. Of that sum, Miratek and Vartek diverted more than \$900,000 to Lowe, and another government contractor paid Lowe an additional \$300,000. Diaz faces up to ten years in prison for each count.

On Sept. 12, 2018, Vargas pleaded guilty to conspiracy to defraud the United States and faces up to 21 months in prison. On March 5, 2020, Lowe pleaded guilty to conspiracy to defraud the United States and faces up to 10 years in prison.

Boutte faces up to 10 years in prison for conspiracy to defraud the United States and up to 20 years in prison for conspiracy to commit wire fraud.

All four men are awaiting sentencing.

The case was investigated by the Major Procurement Fraud Unit of the U.S. Army Criminal Investigations Command, Defense Criminal Investigations Services, Defense Contract Audit Agency – Investigative Support, U.S. Small Business Administration Office – Office of Inspector General, and General Services Administration – Office of Inspector General. Assistant U.S. Attorneys Timothy S. Vasquez and Jeremy Peña are prosecuting the case.

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