

## **VA Employees Plead Guilty in \$2.9 Million Embezzlement Scheme - GSA Office of Inspector General**

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U.S. Attorney's Office  
Northern District of Texas  
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Two former employees of the U.S. Department of Veteran's Affairs entered guilty pleas in a \$2.9 million embezzlement scheme, announced U.S. Attorney for the Northern District of Texas Chad E. Meacham.

Randius McGlown, 56, and Charles Gates, 54, both pleaded guilty to theft of government funds. Mr. McGlown entered his plea in October and Mr. Gates entered his on Thursday.

According to plea papers, Mr. McGlown, an inventory manager and acquisition utilization specialist at the Dallas VA Medical Center, entered a company he created, G4 Logistics, into the medical center's vendor system in 2014.

He and Mr. Gates then generated phony purchase orders for G4 equipment and materials and used a medical center-issued purchase card to pay the bill using the payment processing platform Stripe. G4 never delivered any items.

The VA money paid to G4 was deposited into an account controlled by an individual identified in court documents as J.R. When he was notified of a fake purchase, J.R. would withdraw the money from the account, deliver most of it to Mr. McGlown or Mr. Gates, and keep the remaining amount for himself.

In 2018, Mr. McGlown switched from G4 to another company he created, Caprice Electronics.

To conceal the scheme, Mr. McGlown created fake invoices and used existing items in the medical center's inventory to cover up the fact that G4 and Caprice never delivered any materials.

"Using their official government positions to steal millions of taxpayer dollars is an egregious crime that diverts resources from deserving veterans and erodes public trust. These guilty pleas should send a clear message that the VA Office of Inspector General will diligently investigate those who would misuse their positions to commit fraud," said Acting Special Agent in Charge Patrick Roche of the VA Office of Inspector General's South Central Field Office. "The VA OIG thanks the US Attorney's Office and our law enforcement partners for their efforts in this joint investigation."

Mr. McGlown and Mr. Gates now face up to 10 years in federal prison.

The Department of Veterans Affairs, Office of Inspector General, conducted the investigation with the assistance of the Federal Bureau of Investigation's Fort Worth Field Office, and the General Services Administration, Office of Inspector General. Assistant U.S. Attorney Renee Hunter is prosecuting the case.

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