

Texas Man Pleads Guilty to Lying About Origin of Chinese-Made Products - GSA Office of Inspector General

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U.S. Attorney's Office
Northern District of Texas
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A Grand Prairie man pleaded guilty Wednesday to lying to the federal government about where his company's products were manufactured, announced U.S. Attorney for the Northern District of Texas Chad E. Meacham.

Suhaib Allababidi, 45, pleaded guilty to one count of conspiracy to defraud the United States. His company, 2M Solutions Inc., pleaded guilty to one count of conspiracy to defraud the United States and one count of filing false or misleading export information.

According to court documents, Mr. Allababidi, the owner and president of 2M, admitted that the company – which provided security cameras, solar-powered light towers, digital video recorders, and other electronics to various U.S. government agencies – claimed that its products were manufactured in the United States, when in actuality they were manufactured in the People's Republic of China by Chinese companies.

In order to secure contracts with U.S. government agencies, including the Department of Defense, Department of Justice, and Department of Homeland Security, Mr. Allababidi represented that 2M was “a USA Manufacturing Company.” In actuality, 2M did little to no manufacturing but instead regularly purchased products from Chinese companies, removed labels indicating the true country of origin, and replaced them with labels indicating they were manufactured in 2M's Grand Prairie facility. On its packaging, 2M included logos including the American flag in the shape of a map of the U.S. and the words “Made in the USA.”

By falsely representing that its products were manufactured in the United States, 2M was able to secure contracts subject to the Buy America Act (BAA), a law which generally prohibits United States Government agencies from purchasing products made outside the United States with some limited exceptions.

2M repeatedly certified to the government that its products were BAA-compliant and took various steps to conceal their Chinese origin. On one occasion, when products were to be shipped directly from a Chinese company to the government agency, a 2M employee sent the Chinese company an email reminding them, “we do not want any Chinese characters or stickers on the shipment” and adding that such stickers “will cause many problems for us.”

2M also pled guilty to submitting false information in relation to products exported to foreign customers. In contravention of export laws, the company submitted false information to the Automated Export System, a government-run platform that collects export information and distributes it to multiple federal agencies to assure compliance. The company falsified the description of items exported, misrepresented the ultimate recipient of the items, and falsely stated that no export license was needed for shipments that required a license.

“The federal government takes pride in purchasing products made in the United States,” said U.S. Attorney Chad Meacham. “This defendant's lies undermined the Buy America Act and with it, American manufacturing.”

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"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 protect the integrity of the DoD procurement process," said Acting Special Agent in Charge Gregory P. Shilling, DCIS Southwest Field Office. "We will continue to aggressively investigate and hold accountable those who put the DoD supply chain at risk."

Mr. Allababidi now faces up to five years in federal prison. 2M faces fines of up to \$1 million or twice the amount of criminally-derived property, whichever is greater.

The Defense Criminal Investigative Service, the Federal Bureau of Investigation's Dallas Field Office, the U.S. Department of Commerce - Bureau of Industry and Security, Office of Export Enforcement, the General Services Administration's Office of Inspector General, Homeland Security Investigations, and the Justice Department's Office of the Inspector General conducted the investigation. Assistant U.S. Attorney Jay Weimer prosecuted the case with the assistance of the Justice Department's National Security Division.

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