

Moriarty Man Sentenced for Scheme to Defraud the United States - GSA Office of Inspector General

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U.S. Attorney's Office
District of New Mexico
June 27, 2023

ALBUQUERQUE, N.M. – Alexander M.M. Uballez, United States Attorney for the District of New Mexico, announced today that Milton Boutte was sentenced to two years in prison and ordered to pay \$1,210,000 in restitution. A federal jury convicted Boutte, 77, of Moriarty, New Mexico, of conspiracy to defraud the United States and conspiracy to commit wire fraud on June 27, 2022.

Beginning in 2004, Boutte, who was then the Director of the Big Crow Program Office at Kirtland Air Force Base, conspired with others to pay lobbyists, consultants and contractors with funds fraudulently obtained from the United States. Boutte conspired with George Lowe, a lobbyist, and Joe Diaz and Arturo Vargas, owners of Miratek and Vartek, two minority-owned small businesses that had sole-source contracts with the Big Crow Program Office. 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.

Over the course of the conspiracy, Miratek and Vartek received approximately \$8.4 million from the government. Of that amount, 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.

Boutte and his co-conspirators were charged in a 46-count indictment on Nov. 28, 2017, with conspiracy to defraud the United States with respect to claims, conspiracy to commit wire fraud, fraud against the United States, and false, fictitious or fraudulent claims. Lowe, Diaz, and Vargas each pleaded guilty previously. The four conspirators were ordered to pay more than \$1.2 million in restitution, with Vargas to contribute up to \$398,027, Diaz to contribute up to \$910,000, and Lowe and Boutte liable for the full amount.

“The United States Attorney's Office is committed to protecting the integrity of our federal agencies and your tax dollars,” said U.S. Attorney Alexander M.M. Uballez. “I want to thank the dedicated investigators and prosecutors who worked on this case. Their hard work and dedication led to these convictions and sentences.”

“The sentencing should serve as a stark reminder that our agents, and those of our partner law enforcement agencies, are relentless in their pursuit of those who choose to defraud the government,” said Special Agent-in-Charge L. Scott Moreland, of the Department of the Department of the Army Criminal Investigation Division’s Major Procurement Fraud Field Office.

The case was investigated by the Department of the Army Criminal Investigation Division Major Procurement Fraud Field Office, 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](#)