

Parkville, Topeka Men Indicted for \$346 Million Fraud Scheme

Department of Justice

U.S. Attorney's Office

Western District of Missouri

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Firms Received Federal Contracts Set Aside for Veterans, Minorities

KANSAS CITY, Mo. – Two men have been indicted by a federal grand jury for a conspiracy in which they fraudulently profited from hundreds of millions of dollars in federal government contracts they were not entitled to receive, which were set aside for small businesses owned and controlled by service-disabled veterans, and minorities.

Patrick Michael Dingle, 48, of Parkville, Missouri, and Matthew L. Torgeson, 46, of Topeka, Kansas, were charged in a 16-count indictment returned by a federal grand jury in Kansas City, Missouri, on Wednesday, June 26.

The federal indictment alleges that Dingle and Torgeson, along with Matthew C. McPherson, 43, of Olathe, Kan., operated companies with straw owners who qualified as socially and economically disadvantaged individuals or service-disabled veterans, but who did not actually control the companies. Conspirators fraudulently obtained small business program certifications and veteran-owned business certifications, the indictment says, which they used to obtain approximately \$346 million in federal contract payments to which they were not entitled. McPherson has been charged and pleaded guilty in a separate, but related, case.

Dingle, Torgeson, and McPherson allegedly used Stephon Ziegler – an African-American service-disabled veteran – as the nominal owner of Zieson Construction Company, headquartered in North Kansas City, Missouri. In reality, the indictment says, Dingle managed and controlled the daily operations of Zieson Construction Company and Dingle, Torgeson, and McPherson controlled the long-term decision making for Zieson Construction Company. They fraudulently obtained approximately 199 set-aside contracts from 2009 through 2018, for which the government paid Zieson Construction Company approximately \$335 million. Ziegler has been charged and pleaded guilty in a separate, but related, case.

Dingle, Torgeson, and McPherson, individually or through their entities, allegedly received approximately \$11 million from Zieson Construction Company using false and fraudulent invoices.

In February 2014, when Zieson Construction Company was growing too large to compete for federal small business contracts, Dingle, Torgeson, and McPherson allegedly used the minority status of a Zieson Construction Company employee, Native American Rustin Simon, 43, of Smithville, Missouri, to form Simcon.

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Simon, the indictment says, was Simcon's nominal owner; Dingle managed and controlled the daily operations of Simcon and Dingle, Torgeson, and McPherson controlled the long-term decision making for Simcon. The indictment alleges they used Simcon to fraudulently obtain two set-aside contracts in 2016 valued at approximately \$11.3 million. Simon has been charged and pleaded guilty in a separate, but related, case.

Dingle, Torgeson, and McPherson, individually or through their entities, allegedly received approximately \$959,598 from Simcon using false and fraudulent invoices.

Torgeson was the president of an electric company in Topeka from 2000 to 2017, when he sold the business to its employees. Torgeson formed another business in 2011. Approximately \$3.1 million was deposited into this business's bank account from Zieson Construction Company and Simcon between February 2016 and February 2018, the indictment says, which was traceable to federal government funds induced by fraudulent misrepresentations and awarded to Zieson and Simcon for set-aside contracts.

Dingle formed METS, LLC, in 2010. Approximately \$6.1 million was deposited into this business's bank account from Zieson and Simcon between July 2010 and February 2018, the indictment says, which was traceable to federal government funds induced by fraudulent misrepresentations and awarded to Zieson and Simcon for set-aside contracts. Those funds were subsequently used to fund Dingle's personal banking and retirement accounts.

In addition to the wire fraud conspiracy, Dingle and Torgeson are charged together in nine counts of wire fraud and are each charged with three counts of money laundering. The indictment also contains a forfeiture allegation, which would require Dingle and Torgeson to forfeit to the government any property obtained as a result of the alleged fraud, including approximately \$688,626 in bank accounts controlled by Dingle, \$5,930,992 in bank accounts controlled by Torgeson, and \$1,841,095 in bank accounts controlled by Zieson Construction Company. They would also forfeit to the government a 2015 Porsche Cayenne, a 2017 Toyota Tacoma, two Rolex watches, Dingle's residential property in Parkville and his property in Palm Beach Gardens, Florida.

The charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Assistant U.S. Attorneys Stacey Perkins Rock and Paul S. Becker. It was investigated by the Department of Veterans Affairs, Office of Inspector General; the Department of Defense Criminal Investigative Service; the U.S. General Services Administration, Office of Inspector General; the U.S. Small Business Administration, Office of Inspector General; the Army Criminal Investigation Command, Major Procurement Fraud Unit; the Department of Agriculture, Office of Inspector General; IRS-Criminal Investigation; the U.S. Secret Service; the Air Force Office of Special Investigations, Procurement Fraud; the Naval Criminal Investigative Service; the Defense Contract Audit Agency - Operations Investigative Support (OIS); the U.S. Department of Labor, Office of Inspector General; and the Department of Labor, Employee Benefits Security Administration (EBSA).

Source: U.S. Department of Justice [press release](#).