

Wisconsin Accountant Found Guilty of Conspiracy to Obtain Over \$260 Million in Small Business Contracts - GSA Office of Inspector General

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Department of Justice

U.S. Attorney's Office

Eastern District of Wisconsin

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FOR IMMEDIATE RELEASE

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Mark F. Spindler, a certified public accountant, was found guilty of conspiring with Brian L. Ganos in a scheme to use front companies to obtain set-aside contracts intended for small businesses led by service-disabled veterans and disadvantaged individuals.

United States Attorney Matthew D. Krueger announced that on January 24, 2020, a jury found Mark F. Spindler of Menomonee Falls, Wisconsin, guilty of conspiracy to commit wire and mail fraud. Spindler is a certified public accountant ("CPA") in the firm Komisar & Spindler, s.c. From the late 1990s to 2017, Spindler provided accounting services to Brian L. Ganos and Milwaukee-based construction companies Ganos controlled, including Sonag Company, Inc.; Sonag Ready Mix LLC; Nuvo Construction Company, Inc.; and C3T, Inc.

After a four-day trial before the Honorable Pamela Pepper, Spindler was found guilty of conspiring with Ganos and others in scheme to use front companies to obtain set-aside contracts intended for small businesses owned by service-disabled veterans and disadvantaged individuals. The scheme involved operating three construction companies with straw owners who qualified as a disadvantaged individual or as a service-disabled veteran, but who did not actually control the companies. Ganos then fraudulently obtained small business program certifications to win government-funded contracts to which the companies were not entitled. Specifically,

- Nuvo Construction Company, Inc. ("Nuvo") was misrepresented to be majority-owned and controlled by Jorge Lopez in order to obtain certifications as a Small Disadvantaged Business from the U.S. Small Business Administration ("SBA") and as a Disadvantaged Business Enterprise from Milwaukee County. In reality, Jorge Lopez worked full-time for a different entity in Minnesota and did not actually control Nuvo.
- C3T, Inc. was misrepresented to be majority owned and controlled by Telemachos Agoudemos to obtain verification as a Service-Disabled Veteran-Owned Small Business. In reality, for long stretches, Telemachos Agoudemos had virtually no involvement in C3T.
- Pagasa Construction Company, Inc. was misrepresented to be majority owned and controlled by Odessa Millan in order to obtain certification as a Small Disadvantaged Business from the SBA. In reality,

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Odessa Millan relied on the assistance of Ganos-controlled companies to form Pagasa.

The scheme continued from 2004 to mid-2016 during which period, Ganos and others used those certifications to obtain over \$260 million in federal, state, and local contract payments. These included federal construction contracts that were set aside for small businesses controlled by service-disabled veterans or disadvantaged individuals.

At trial, the government introduced evidence that Spindler participated in the conspiracy in several ways, including:

- Spindler wrote multiple letters to certifying agencies that contained false information and enabled the front companies to retain their certifications. For example, Spindler wrote a letter for the Department of Veterans Administration ("VA") that claimed T.A. was the highest-compensated employee of C3T, when in fact, multiple C3T employees were earning more than Telemachos Agoudemos, the purported President of C3T.
- Spindler provided accounting advice to help Ganos and others conceal the profits they were moving out of the front companies. For example, Spindler provided accounting entries that charged "services" from Ganos's Sonag Company to the front companies, even though no services had been rendered, in order to justify millions of dollars that Ganos was taking from the front companies.
- Spindler lied to criminal investigators from the FBI and VA during an interview in June 2012. Spindler falsely stated that Ganos had no influence over C3T and that the front companies had no affiliation with each other or Ganos's Sonag Company. Partly as a result of Spindler's false statements, the criminal investigation was closed and the scheme continued for four more years. Only after new information came to light several years later was a new investigation started, which eventually ended the scheme.

Spindler is scheduled to be sentenced on May 6, 2020. The maximum penalties for the wire and mail fraud conspiracy conviction are 20 years in prison, a \$250,000 fine, and a term of supervised release. In December 2019, Spindler's co-conspirator, Ganos, was sentenced to 78 months in prison. Ganos had earlier pleaded guilty to one count of wire fraud and one count of mail fraud. Four other individuals and one corporation have also pleaded guilty to a felony charge in connection with the conspiracy.

"This verdict shows that CPAs and other professionals who use their expertise to facilitate fraud will be held accountable," said United States Attorney Krueger. "CPAs hold a position of trust in our society because they are supposed to exercise objective, independent judgment as they review clients' financial statements. Spindler exploited that trust and used the credibility of his CPA license to enable a massive fraud scheme. What's worse, the scheme stole opportunities from disabled veterans and disadvantaged individuals who lost out on the contracts that Spindler helped Ganos steal. I commend the extraordinary efforts of the federal agencies that investigated this complex case and brought this sweeping fraud to light."

The following agencies participated in the investigation: the Federal Bureau of Investigation; U.S. General Services Administration, Office of Inspector General; Department of Veterans Affairs, Office of Inspector General; Department of Defense, Office of the Inspector General, Defense Criminal Investigative Service; U.S. Department of Transportation, Office of Inspector General; U.S. Small Business Administration, Office of Inspector General, Investigations Division; Defense Contract Audit Agency; and U.S. Army Criminal

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Investigations Command Major Procurement Fraud Unit.

At trial, the government was represented by United States Attorney Matthew D. Krueger and Assistant United States Attorney Adam H. Ptashkin. The case and related forfeiture matters were also handled by Assistant United States Attorneys Scott J. Campbell and Michael A. Carter.

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