



Department of Justice

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Eastern District of Virginia

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 2, 2013
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Former Employee of Two Government Contractors Pleads Guilty to Role in Procurement Fraud Scheme Involving Over \$33 Million in Federal Contracts

ALEXANDRIA, Va. – Anthony R. Bilby, 40, of Leesburg, Va., pleaded guilty today to conspiracy to commit wire fraud and major government fraud.

Dana J. Boente, Acting United States Attorney for the Eastern District of Virginia; Charles K. Edwards, Deputy Inspector General for the Department of Homeland Security (DHS); Brian D. Miller, General Services Administration (GSA) Inspector General; Peggy E. Gustafson, Small Business Administration (SBA) Inspector General; and Kim Lampkins, Special Agent in Charge, Department of Veterans Affairs (VA), Office of Inspector General, made the announcement after the plea was accepted by United States District Judge Anthony J. Trenga.

Bilby faces a maximum penalty of five years in prison when he is sentenced on February 21, 2014. He has agreed to forfeit \$1,065,103.90, representing his personal proceeds from the conspiracy.

In a statement of facts filed with the plea agreement, Bilby admitted that from April 2007 through November 2012, while he was employed by two service-disabled veteran-owned small businesses, he participated in a conspiracy to obtain government contracts through fraud and misrepresentation. During this time period, Bilby caused employees at a nominal competitor to submit inflated bids on the same procurements for which Bilby submitted bids on behalf of his employers. Bilby also gained improper access to the procurement process through co-conspirators working within the government. These co-conspirators provided Bilby and others with internal government cost estimates, so that Bilby knew how much the government was willing to pay before he drafted his and his competitor's bids. Bilby also drafted portions of internal procurement documents in a manner that increased his odds of winning contracts without facing actual competition.

One of Bilby's employers, with Bilby's knowledge and assent, agreed to pay ten percent of its profits on a contract worth more than \$24 million to co-conspirators within the government. These co-conspirators, in turn, provided Bilby and his employer with improper access to documents and a competitive advantage in obtaining the contract. In total, the conduct of Bilby and others resulted in

the award of more than \$33 million in federal contracts through fraudulent procurement practices.

As part of his plea agreement, Bilby has agreed to cooperate in the investigation of others involved in the conspiracy. Another co-conspirator, Thomas S. Flynn, pleaded guilty on October 2, 2013.

This case was investigated by the Offices of the Inspector General for DHS, GSA, SBA, and the VA, with assistance from DHS's Office of the Chief Security Officer, Cyber Forensic Branch. Assistant United States Attorney Kosta S. Stojilkovic is prosecuting the case on behalf of the United States.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.

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