EASTERN DISTRICT of VIRGINIA

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NEWS



Former Regional Director Of Federal Protective Service Sentenced For Accepting Bribes From Government Contractor

FOR IMMEDIATE RELEASE

July 18, 2013

ALEXANDRIA, Va. – Derek Matthews, 47, of Harwood, Md., was sentenced today to 15 months in prison, followed by a one year term of supervised release for accepting bribes from a government contracting company in exchange for using his position to help the company find and win contracts.

Neil H. MacBride, United States Attorney for the Eastern District of Virginia, Mythili Raman, Acting Assistant Attorney General for the Justice Department's Criminal Division, and Charles K. Edwards, U.S. Department of Homeland Security (DHS) Deputy Inspector General, made the announcement after the sentence was pronounced by United States District Judge Leonie M. Brinkema.

Matthews previously pleaded guilty on April 11, 2013. According to court documents, Matthews served as Deputy Assistant Director for Operations for the DHS's Federal Protective Services (FPS) and was later promoted to FPS Regional Director for the National Capital Region. In the fall of 2011, Matthews agreed with Keith Hedman, an executive at an Arlington, Va., security service consulting company referred to as Company B in court records, that in exchange for a monthly payment from Company B and a percentage of any new business obtained, Matthews would use his position to help Company B find and win U.S. government contracts, including with FPS. Matthews engaged in a series of official acts, including lobbying of government officials and sharing of information with Hedman, in an effort to obtain business for Hedman and Company B. In turn, Hedman and Company B agreed to pay \$50,000 in monthly installments over a year, as well as a percentage of any new business Matthews obtained for Company B. Hedman and Company B actually paid Matthews three monthly payments totaling \$12,500 before the scheme was interrupted. Hedman pleaded guilty on March 18, 2013, to conspiracy to commit bribery in connection with Matthews' scheme, along with conspiracy to commit major government fraud as part of a separate scheme to fraudulently obtain more than \$31 million in government contract payments that should have gone to disadvantaged small businesses. On June 21, 2013, Hedman was sentenced to 72 months in prison for his role in the major government fraud and 24 months for his role in the bribery scheme.

This case was investigated by the Washington Field Office for the DHS Office of the Inspector General (OIG), the National Aeronautics and Space Administration OIG, the Small Business Administration OIG, the Defense Criminal Investigative Service, and the General Services Administration OIG. Assistant United States Attorneys Chad Golder and Ryan Faulconer, a former Trial Attorney for the Criminal Division's Fraud Section, are 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 https://pcl.uscourts.gov.