



Department of Justice

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FOR IMMEDIATE RELEASE

Friday, February 29, 2008

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WESLEY CHAPEL MAN PLEADS GUILTY TO STEALING MORE THAN A MILLION DOLLARS FROM HIS FORMER EMPLOYER QUEST DIAGNOSTICS

Tampa, Florida - United States Attorney Robert E. O'Neill today announced David Alan Smith, a 46 year old resident of Wesley Chapel, Florida, pleaded guilty to three counts of wire fraud, three counts of mail fraud, and two counts of aggravated identity theft. The maximum penalty Smith faces is 124 years' imprisonment, a \$20.9 million fine, 18 years of supervised release, and a special assessment of \$800.

According to the plea agreement, Smith was the Facilities Manager for Quest Diagnostics Incorporated's ("Quest Diagnostics") Tampa laboratory and laboratory annex. Starting in at least 2001, Smith began submitting with his expense reports fraudulent invoices from fake "shell" companies that Smith claimed he had paid on behalf of Quest Diagnostics and for which Smith sought reimbursement. The fake "shell" companies involved in the scheme were Smith's creations and they were generally little more than a name, a fake address, and fake invoices. For example, the address used by Smith for Environmental Tech was effectively the on ramp to Tampa Crosstown Expressway and TLSmith's address was a Post Office Box opened by Smith. Approval of the fraudulent expense reports submitted by Smith to Quest required a countersignature by one of

Smith's supervisors. Smith simply forged the signatures of at least two of his supervisors on many of his expense reports. He used their means of identification, that is their names, to cause wire transmissions (electronic funds transfers) and mailings (checks) to be made to him because, in forging their signatures, Quest Diagnostics approved his fraudulent requests for payments. Over the course of his scheme to defraud, Smith obtained \$1,187,379 in payments from his employer Quest Diagnostics by and through his false representations to Quest Diagnostics regarding the fake "shell" companies. Quest Diagnostics also identified an additional \$122,520 in fraudulent expenses for a total loss of \$1,309,899.

The case was investigated by U.S. Secret Service and the Tampa Police Department. The case was prosecuted by Assistant United States Attorney Thomas N. Palermo.