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**PRESIDENT OF PUBLIC AFFAIRS INTERNATIONAL, INC. PLEADS GUILTY TO
DEFRAUDING THE UNITED STATES OF OVER \$1 MILLION IN PROCUREMENT
FRAUD SCHEME**

Related Civil False Claims Case Remains Pending in Maryland for IRS Training Services Contract

GREENBELT, Maryland - Brosim S. Ekpone, age 46, of Potomac, Maryland, pleaded guilty today to conspiracy to defraud the United States and obstruction of a federal audit, in connection with a conspiracy to submit false claims under a contract between the Internal Revenue Service and Public Affairs International, Inc. (PAI), announced United States Attorney for the District of Maryland Rod J. Rosenstein.

“The Maryland U.S. Attorney’s Office is committed to pursuing appropriate criminal and civil charges to recover money stolen by government contractors. As is often the case, the government relied upon the contractor to submit truthful information about its expenses. The evidence shows that Mr. Ekpone and Mr. Shah overstated the expenses and understated the related income in order to justify more than \$1.3 million in false claims for reimbursement that they submitted to the IRS,” said U.S. Attorney Rod J. Rosenstein.

According to the statement of facts provided to the court as part of the plea agreement, PAI, located in Silver Spring, Maryland, entered into an IRS contract to organize and host informational programs concerning changes in federal tax law, as well as IRS policies. According to the contract, PAI was to use the fees from attendees and exhibitors at these “tax forums” to pay for expenses, and use the surplus at the end of each fiscal year to offset PAI’s management fee under the contract. The IRS was then obligated to pay any unpaid balance after the tax forum income was applied to the fee.

From 2000 through 2003, Ekpone, who was President of PAI and Ketan R. Shah, who served as vice president of PAI, under-reported the tax forum income and over-reported the expenses so that there appeared to be no surplus income to apply to the management fee at the end of each fiscal year. If accurately reported, PAI’s actual income and expenses from the tax forums would have completely offset PAI’s management fee and PAI would not have been entitled to any management fee during contract years 2000 through 2003. As a result of the false invoices, the IRS paid PAI management fees totaling approximately \$1,379,630 for the years 2000 through 2003.

During October 2003, the Office of Audit of the Treasury Inspector General for Tax Administration (TIGTA) initiated an audit of PAI's records relating to the contract. TIGTA subpoenaed PAI for production of documents relating to its earnings and expenses under the contract. Following receipt of that subpoena, Ekpone and Shah directed employees of PAI to alter or manufacture invoices from vendors to increase PAI's apparent expenses, and to remove participant names from the tax forum participant lists, thereby reducing PAI's apparent income. Furthermore, Ekpone and Shah intentionally failed to provide certain documents requested in the subpoena.

Shah, age 50, of Clarksville, Maryland, pleaded guilty to the same charges on June 12, 2007.

In addition to the criminal charges in the indictment, the United States Attorney's Office also filed a civil complaint against Ekpone, Shah and PAI, Inc. under the False Claims Act seeking damages of \$4.2 million based upon the same general factual allegations. Under the False Claims Act the government can recover triple damages, or three times the amount of actual damages caused by the defendants' fraudulent conduct, as well as a penalty for each false claim submitted. That complaint was stayed pending resolution of the criminal charges.

Ekpone and Shah faces a maximum of five years imprisonment for the obstruction of a federal audit charges, and a maximum of 10 years imprisonment for conspiracy to defraud the United States, as well as a \$250,000 fine and supervised release of three years for each count. In addition, they could be ordered to pay restitution in excess of \$1 million. U.S. District Judge Roger W. Titus has scheduled sentencing for Shah on September 24, 2007 at 1:30 p.m. and for Ekpone on December 10, 2007 at 9:00 a.m.

Rodney A. Davis, Special Agent in Charge, Treasury Inspector General for Tax Administration stated that this guilty plea exemplifies the cooperation between the U.S. Attorney's Office and TIGTA's Office of Investigations. Davis commended TIGTA's Procurement Fraud Section on its continued effort to identify and address procurement fraud, which affects tax administration.

In October 2006, the National Procurement Fraud Task Force was formed, designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher for the Criminal Division - includes the United States Attorneys' Offices, the FBI, the U.S. Inspectors General community, and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrate the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

United States Attorney Rod J. Rosenstein praised the Treasury Inspector General for Tax Administration for its investigative work. Mr. Rosenstein also thanked Assistant U.S. Attorneys Tamera Fine, Jonathan Su, and Michael Hanlon who are prosecuting the case.