



Department of Justice

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**FORMER DIRECTOR ON REDSTONE ARSENAL PLEADS GUILTY FOR
CORRUPTION INVOLVING PROCUREMENT FRAUD SCHEME**

BIRMINGHAM, AL - Michael L. Cantrell, 51, of Huntsville, plead guilty late yesterday in U.S. District Court to a Criminal Information that charged him with conspiracy to commit bribery, bribery, and tax evasion arising out of a procurement fraud scheme involving contracts with the United States Army Space and Missile Defense Command (USASMDC). A sentencing date has not been announced.

“The high flying lifestyle Cantrell paid for with kickbacks from contractors has crashed,” stated U.S. Attorney Alice H. Martin. “Accepting kickbacks will eventually kick you down, and we hope through prosecutions to make it a ‘high risk - low reward’ crime.”

Michael Cantrell served as the director of the Joint Center for Technology Integration (JCTI) from 2000 to 2005. In 2005, JCTI was renamed Integrated Capabilities Management Directorate (ICMD), and Cantrell continued serving as the Director until April of 2007. Cantrell was a civil employee of USASMDC at Redstone Arsenal in Huntsville.

The USASMDC is the command of the U.S. Army which has responsibility for research, development and acquisition of systems that may be utilized for defense against ballistic missiles. In order to carry out that mission, it issued Broad Agency Announcements, which were a competitive solicitation procedure used to obtain proposals, for basic and applied research projects. Cantrell, and persons under his supervision, were authorized to evaluate proposals for contracts submitted in connection with the solicitations. Their evaluations were included in submissions to the Contracting and Acquisition Management Office for the contracting authority for USASMDC. In Cantrell’s capacity as director of JCTI and ICMD he also had decision making authority over certain projects including the ability to place funding on specific contracts.

At the plea hearing, Cantrell admitted receiving approximately \$1.6 million dollars in bribes over a six year period in exchange for giving preference to certain contractors. That amount includes checks, cash, and wire transfers. Specifically, Cantrell plead guilty to is one count of conspiracy, two counts of bribery and one count of evasion of personal income taxes in 2002. Cantrell also faces the criminal forfeiture of all funds and/or property he received in this procurement fraud activity, including his residence located in Huntsville, Alabama.

Bribery was charged in two different counts as different contractors were involved in the schemes. Count two charges that Cantrell received approximately \$1.2 million in bribes between 2001 and 2005. Count three charges that Cantrell received approximately \$400,000 between 2005 and 2007. Both of the bribery counts allege that Cantrell

received money and/or things of value from persons who had an interest and influence over companies which had contracts with the USASMDC.

Cantrell received kickbacks in exchange for: recommending approval of contracts, applying and designating funding to contracts, and accepting payment or causing payment by USASMDC for materials and items all where Cantrell knew he was dealing with companies owned or controlled by persons from whom he had received money or things of value.

Cantrell plead guilty to tax evasion involving calendar year 2002, in which Cantrell prepared or filed a false tax return. That return stated that joint taxable income was \$156,785, when the actual income was \$514,838, due to bribes received during 2002.

The penalty for conspiracy is not more than five years imprisonment, a fine of \$250,000, or both. The penalty for bribery is not more than 15 years imprisonment, and a fine of \$250,000, or not more than three times the monetary equivalent of the thing of value, whichever is greater, or both imprisonment and a fine on each count. The penalty for tax evasion is not more than five years imprisonment or a fine of \$250,000, or both.

The investigation of this matter was conducted by the Special Agents with the Federal Bureau of Investigation, Immigration and Customs Enforcement, and the Internal Revenue Service along with the assistance and cooperation of USASMDC, the U.S. Army Criminal Investigation Division-Fraud Team, and the Defense Criminal Investigative Service of the Department of Defense. Assistant United States Attorney Herbert H. Henry, III, is prosecuting this matter on behalf of the U.S. Government. A civil forfeiture action was also filed against Cantrell's home in April of 2007. The forfeiture actions are being prosecuted by Assistant United States Attorney James Ingram.

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[Back to Northern District of Alabama Main Page](#)