



Department of Justice

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CURRENT & EX -ARMY OFFICIALS & TWO CONTRACTORS INDICTED ON DEFENSE PROCUREMENT FRAUD CHARGES

Atlanta, GA - AARON TERRY, 55, of Wichita Falls, Texas; TIMOTHY THOMAS, 51, of Powder Springs, Georgia; JAMES MCMANN, 43, of Kent, Washington; and ERIC AUYANG, 56, of Mobile, Alabama, have been indicted by a federal grand jury in Atlanta on charges of conspiracy and major fraud against the United States relating to a defense procurement fraud scheme.

United States David E. Nahmias said, "The defendants' alleged scheme betrayed the public's trust and undermined the fairness of the government procurement process. We are committed to maintaining an honest and fair system for awarding government contracts, and to rooting out corruption in all its forms."

"Such activity by Army employees or government contractors who work with the Army will not be tolerated. We will continue to investigate allegations of this nature and do everything in our power to see that persons responsible are held accountable and brought to justice," said Brigadier General Rodney Johnson, the Commanding General of the U.S. Army Criminal Investigation Command (US Army CID).

AARON TERRY is making an initial appearance in federal court today in Tampa, Florida, and ERIC AUYANG is making an initial appearance in federal court today in Mobile, Alabama. The exact time of the hearings have not yet been set. The indictment was handed down by the grand jury last week.

According to Nahmias, the indictment and information presented in court: THOMAS was a civilian employee of the United States Army Medical Command from approximately September 1994 through approximately December 2001, based at Fort McPherson in Atlanta. THOMAS' duties included oversight and review of the procurement process of medical facility construction contracts. THOMAS also oversaw and reviewed the work of United States Army Corps of Engineer civilian employee AUYANG, who is based in Mobile, Alabama. AUYANG, who is still a government employee, but faces suspension and being placed on administrative leave, was also involved in the procurement decision making process.

AARON TERRY and JAMES MCMANN were the principals in “Global Engineering and Construction, Inc.” (“Global, Inc.”), and “Global Engineering and Construction, LLC.” (“Global, LLC”). They formed at least two joint venture partnerships with other subcontractors to bid on Army medical facility construction contracts.

The indictment alleges that beginning in approximately 1995, the defendants secretly agreed to corruptly facilitate and assist Global, Inc. in being awarded government medical facility construction contracts. As part of the arrangement, TERRY allegedly made cash payments to THOMAS and paid the travel and hotel expenses of both THOMAS and AUYANG. Both TERRY and MCMANN allegedly sent gifts to AUYANG and THOMAS. In return, AUYANG provided confidential and sensitive government procurement information to TERRY, which gave Global, Inc. and Global, LLC a competitive advantage in the bidding process. On various occasions, Army officials questioned THOMAS, TERRY and AUYANG about their financial arrangements, and they actively concealed their relationship from Army officials. As a result of THOMAS’ and AUYANG’s assistance, the government awarded TERRY’s and MCMANN’S joint ventures at least four multi-year, multi-million dollar construction contracts. At least one of the contracts was valued at over \$12,000,000.

The indictment charges two counts: one count of conspiracy to pay and receive bribes and to commit major fraud against the United States, and one substantive count of major fraud against the United States. The charges carry a maximum sentence of 15 years in prison and a fine of up to \$10.25 million. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the U.S. Army Criminal Investigation Command and the Defense Contract Audit Agency.

Assistant United States Attorney David Leta is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.