



Department of Justice

United States Attorney Terrance P. Flynn

Western District of New York

FOR IMMEDIATE RELEASE

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AIR FREIGHT FORWARDER PLEADS GUILTY

TO MAKING A MATERIAL FALSE STATEMENT TO THE GOVERNMENT AND AGREES TO PAY \$28 MILLION

BUFFALO, N.Y.--National Air Caro, Inc., a national air freight forwarder pleaded guilty in the U.S. District Court for the Western District of New York, before U.S. District Judge William M. Skretny, to a felony charge of making a material false statement to the government, U.S. Attorney Terrance P. Flynn of the Western District of New York announced today. This charge against a corporation carries a maximum criminal penalty of a fine of \$8.8 million. In addition to the felony resolution, National Air Cargo has agreed, upon the acceptance of the plea and by the time of sentencing, to make payments totaling \$28 million.

Assistant U.S. Attorney Gretchen L. Wylegala, stated that the defendant, which contracts with various entities of the Department of Defense to transport freight, admitted falsifying a document to show an "on time" delivery date to the government, when in fact, that delivery had been made later than the date reported. This plea resolved an ongoing multi-agency investigation into National Air Cargo's domestic billing and shipping practices. The company is based in Orchard Park, N.Y., and owned by Christopher Alf, of Lakeview, N.Y., and Boca Raton, Fla.

The \$28 million payment would represent the largest criminal monetary resolution in the history of the Western District of New York. Of that amount, National Air Cargo in addition to agreeing to pay the maximum fine of \$8.8 million, has also agreed to pay restitution to the United States in the amount of \$4.4 million, and to settle a related civil forfeiture claim with a payment of \$7.429 million, as well as an additional \$7.371 million in settlement of a related civil qui tam action. AUSAs Robert Trusiak and Richard Kaufman also were part of the prosecution team from the United States Attorney's Office.

"The outstanding effort put forth by the investigators in this matter confirms the commitment by the Defense Criminal Investigative Service (DCIS) to vigorously investigate all charges of fraud and abuse and to ensure accountability and efficiency for the American taxpayer." stated Paul Zeigler, Resident Agent in Charge, DCIS.

This conviction was the culmination of an multi-agency investigation headed by Special Agents of the Defense Criminal Investigative Service, under the direction of Resident Special Agent-in-Charge Paul Ziegler, assisted by the Special Agents of the Army Criminal Investigative Command, under the direction of Carl Russ, and by the investigative auditors of Defense Contract Audit Agency, under the direction of Supervisory Auditor, Ed Nelson, as well as by the Federal Bureau of Investigation, under the direction of the Special Agent-in-Charge, Laurie J. Bennett.

Sentencing is scheduled for Dec.11, 2007, at 2:00 p.m. EST., in Buffalo in front of U.S. District Judge William M. Skretny.

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