



Department of Justice

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District of Maryland**

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**PRESIDENT AND VICE PRESIDENT OF NEW ORLEANS GOVERNMENT
CONTRACTOR PLEAD GUILTY TO CLAIMING FALSE LABOR COSTS
UNDER NAVY CONTRACT**

Father and Son Sought to Defraud Navy of \$118,472

Greenbelt, Maryland - Nicholas Baroni, age 63, and his son, Keith Baroni, age 39, both of Kenner, Louisiana, pleaded guilty today to 13 counts of mail fraud in connection with submitting false labor costs under a government contract, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

According to their guilty pleas entered on the eve of trial scheduled to begin today, Nicholas Baroni was president and Keith Baroni was vice president and secretary-treasurer of Urban Planning and Innovations (UPI), a civil engineering, urban regional planning and information technology business located in Kenner, Louisiana. UPI was awarded a subcontract on May 2, 2001 to provide technical support for a project to create an electronic database of the parts for Navy and U.S. Marine Corps helicopters.

From June through December 2001, the defendants caused UPI to submit invoices to the Navy by mail for 2,216 hours of work they purported to perform as a systems administrator. Neither defendant performed such work. Additionally, on November 15, 2001 Keith Baroni instructed employees of UPI to falsely advise a Defense Contract Audit Agency auditor, who was conducting an on-site inspection at UPI's offices, that they were working on the Navy contract. Keith Baroni also instructed a UPI employee to place folders related to the Navy contract on the desks of several UPI employees to make it appear to the auditor that those employees were working on the Navy contract.

The Navy paid all of the invoices in the total amount of \$148,672. This loss is reduced by approximately \$30,000 for administrative tasks performed by the defendants that were legitimately billed as overhead.

The defendants face a maximum sentence of five years in prison followed by three years of supervised release on each of the 13 counts of mail fraud. As part of the plea agreement, Keith Baroni has agreed to forfeit \$57,896 and Nicholas Baroni has agreed to forfeit \$60,576. U.S. District Judge Alexander Williams, Jr. has scheduled sentencing for January 16, 2008.

In October 2006, the Department of Justice announced the formation of a National Procurement Fraud Task Force 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 Naval Criminal Investigative Service for its investigative work and thanked Assistant U.S. Attorneys Bryan E. Foreman and Stacy Belf, who are prosecuting the case.