



Department of Justice

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**FORMER DIRECTOR ON REDSTONE ARSENAL CHARGED WITH CORRUPTION INVOLVING
PROCUREMENT FRAUD SCHEME
– RECEIVES \$1.6 MILLION IN BRIBES**

BIRMINGHAM, AL - Michael L. Cantrell, 51, of Huntsville, was charged today in U.S. District Court in an Information 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). Cantrell also faces the criminal forfeiture of real property.

“Cantrell corrupted his leadership position by taking \$1.6 million dollars in kickbacks to allow certain contractors to perpetrate a massive procurement fraud scheme,” stated U.S. Attorney Alice H. Martin. “He has been cooperating, and we expect other individuals to be charged in the near future.”

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 reported to the 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 which was the contracting authority for USASMDC. In Cantrell’s capacity as director of JCTI and ICMD he also had decision making authority over certain projects.

The five-count Information charges Cantrell with receiving approximately \$1.6 million dollars in bribes over a six year period in exchange for giving preference to certain contractors. There is one count of conspiracy, two counts of bribery and one count of evasion of personal income taxes in 2002. The information seeks to forfeit proceeds Cantrell received in this procurement fraud activity, including his residence located in Huntsville, Alabama.

The bribery is 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.

Count four alleging tax evasion specifies that for calendar year 2002, Cantrell prepared or filed a false tax return. The return stated that joint taxable income was \$156,785, when the actual income was \$514,838, due to bribes received.

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, which ever 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.

“We must curb kickbacks and bribes at every level. It's important to consumer confidence, it's important to corporate competitiveness, and it's especially important to the health of our democracy, ” stated Carmen S. Adams, Special Agent In Charge, Federal Bureau of Investigation, Birmingham Field Division.

“It is vital for the integrity of our system of government for its officials to be free of corruption. The role of IRS Criminal Investigation is very often a key component in the successful prosecution of government corruption cases, and this case proves no different. Government officials who violate the tax laws will be prosecuted to the fullest extent, whether the source of the unreported income is from legal, or in this case, illegal activities,” stated Rodney Clarke, Acting Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, Atlanta Field Division.

“The North Alabama Procurement Fraud Working Group encourages anyone with information concerning procurement fraud to contact law enforcement. For a listing of agencies, or to make a report visit www.usdoj.gov/criminal/nfptf,” said U. S. Attorney Alice H. Martin. “Taxpayers are our front line of defense against these thefts, and we encourage those in the government and private sector to alert law enforcement to defective pricing, product substitution, misuse of classified and procurement sensitive information, false claims, grant fraud, labor mischarging, fraud involving foreign military sales, ethics and conflict of interest violations, and public corruption associated with procurement fraud.”

Members of the public are reminded that an Information contains only charges. When a defendant chooses to be charged in a criminal information, the defendant waives the right to have a grand jury review evidence. 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 or until the defendant accepts responsibility for the charges at an appropriate time and place set by the U.S. District Court.

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