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FOR IMMEDIATE RELEASE**

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**TWO CORPORATE OFFICERS CHARGED WITH  
DEFRAUDING THE UNITED STATES OF OVER \$1 MILLION**

**GREENBELT**, Maryland - Allen F. Loucks, United States Attorney for the District of Maryland, announced today that a federal grand jury has indicted Brosim S. Ekpone, age 44, of Potomac, Maryland, and Ketan R. Shaw, age 48, of Clarksville, Maryland, for crimes committed in connection with a conspiracy to submit false claims under a contract between the Internal Revenue Service and Public Affairs International, Inc. a Maryland corporation in which both men served as officers. The six-count indictment, which was returned by the grand jury on December 28, 2004, and sealed until the defendants' arrests today.

The indictment alleges that PAI, Inc. entered into an IRS contract to organize and host informational programs concerning changes in federal tax law as well as IRS policies and procedures. According to the indictment, PAI, Inc., was to use the fees from attendees and exhibitors at these "tax forums" to pay for expenses, and use the surplus at the end of each fiscal year to offset PAI's management fee under the contract. The IRS was then obligated to pay any unpaid balance after the tax forum income was applied to the fee. According to the indictment,

Ekpone and Shaw materially under-reported the tax forum income and materially over-reported the tax forum expenses so that there appeared to be no surplus income to apply to the management fee at the end of each fiscal year, resulting in a grossly inflated claim against the IRS, which was paid.

The indictment also charges Ekpone and Shaw with obstructing a federal audit of the PAI, Inc. contract by, among other things, submitting invoices which had been scanned into a computer and materially modified to reflect inflated expenses. The defendants are also alleged to have claimed that other documents had already been destroyed when, in fact, they were being held at PAI offices and were subsequently recovered during the execution of a search warrant at PAI offices.

In addition to the criminal charges in the indictment, the United States Attorney's Office also filed a civil complaint against Ekpone, Shaw and PAI, Inc., under the False Claims Act seeking damages of \$4.2 million based upon the same general factual allegations. Under the False Claims Act the government can recover triple damages, or three times the amount of actual damages caused by the defendants' fraudulent conduct, as well as a penalty for each false claim submitted.

Defendants were arrested today by agents of the Treasury Inspector General for Tax Administration and brought into United States District Court for initial appearances in the case. If convicted of the criminal charges, the defendants face a maximum of five years imprisonment for each count of the false claims and for the obstruction of a federal audit charges, and a maximum of 10 years imprisonment for the conspiracy to make false claims, as well as a \$250,000 fine and supervised release of three years for each count. In addition, the defendants could be ordered to pay restitution in excess of \$1 million.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The criminal charges in this indictment are the result of a joint investigation by the Treasury Inspector General for Tax Administration and the United States Attorney's Office.

The case is being prosecuted by Assistant U.S. Attorneys Tamera L. Fine and Michael Hanlon. The civil case is being handled by Assistant U.S. Attorney Jamie Bennett.