



Department of Defense
Office of the Inspector General

Information Release

INFORMATION RELEASE

September 27, 2004

Temperform Vice President Pleads Guilty to Making False Statements in Case Involving the False Certification of Parts Including Flight Safety Components

The Office of the Inspector General (OIG) of the Department of Defense (DoD) announced today that on September 27, 2004, Kerry Jablonski, Vice President and co-owner, Temperform USA, LLC, La Mirada, CA (Temperform), pled guilty in U.S. District Court, Los Angeles, CA, before Judge Robert M. Takasugi, to seven counts of making false statements to the U.S. Department of Defense (DoD), the U.S. Department of Transportation (DoT), and the National Aeronautics and Space Administration (NASA).

The plea agreement was negotiated by Assistant United States Attorney Christine Adams Central District of California, Los Angeles, CA.

Sentencing for Temperform is scheduled for October 25, 2004. For each count, Temperform faces a maximum sentence of a five-year period of probation; a fine of \$500,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; and a mandatory special assessment of \$2,800. Temperform also will be required to pay full restitution to the victims of the offenses.

The guilty plea is the result of a criminal indictment returned on July 3, 2003 which charged Temperform, along with its parent company, Hydroform USA, Inc., Carson, CA (Hydroform), and two other company officials with two (2) counts of conspiracy, and thirty-two (32) counts of making false statements to the DoD, DoT, and NASA.

The two co-defendants are scheduled to go to trial on November 16, 2004. As part of the plea agreement, Hydroform agreed to pay all related fines and restitution in exchange for being placed in a pretrial diversion plan.

The investigation leading to the indictment disclosed that beginning in July 1998, Hydroform and Temperform falsely certified to its customers that the parts they processed, which included flight safety critical components, were heat treated, aged, quenched and inspected in accordance with customer-required specifications and that proper temperature and test results were obtained through standard approved methods, when in fact, they were not. Temperform also knowingly passed defective parts and

falsified maintenance and calibration records related to its heat-treat and inspection process. Temperform's parent company, Hydroform, funneled most of the falsely certified parts to commercial aerospace companies and DoD prime contractors, who in turn, sold them to the DoD, NASA, and commercial aerospace contractors.

In order to notify affected customers, the DCIS issued a DCIS Safety Alert, and the Defense Contract Management Agency (DCMA) issued an Agency Action Notice.

This investigation was conducted by the DCIS, the Air Force Office of Special Investigations, the NASA Office of Inspector General (OIG), the DoT OIG, the DCMA, and the Defense Contract Audit Agency. The prosecution of this and other related cases is being handled by Assistant United States Attorneys Christine Adams, and Dennis Mitchell, Central District of California, Los Angeles, CA.

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