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AJIT S. DUTTA SENTENCED TO 21 MONTHS OF INCARCERATION

(WASHINGTON, D.C.) --The Office of Inspector General (OIG) for the United States Agency for International Development (USAID) announced today that Ajit S. Dutta, President of Datex, Inc., was sentenced to 21 months incarceration pursuant to a January 2004 guilty plea of Obstruction of a Federal Audit (18 U.S.C. § 1516). This result occurred pursuant to a 19 month investigation by the Office of Inspector General's Investigations Division in Washington, D.C. Dutta was sentenced in U.S. District Court for the Eastern District of Virginia. In addition to jail time, he was sentenced to make restitution in the amount of \$861,089 – full payment of which was made the day of sentencing – as well as a \$10,000 fine and \$400 special assessment fee.

According to court documents, Datex, Inc. received approximately \$71 million over the last six years in USAID contracts and fraudulently overcharged the agency by approximately \$867,000. The investigation disclosed evidence that Dutta created and certified fraudulent costs for Datex, Inc. on annual reports submitted to USAID, enabling the company to garner inflated reimbursement. Dutta also lied and provided false documentation to Defense Contract Audit Agency auditors responsible for reviewing those annual reports.

Pursuant to this investigation, USAID OIG Special Agents executed four simultaneous search warrants at Dutta's properties and interests in December 2002. Evidence developed from those searches confirmed that Dannix, which was identified by Datex as simply a consulting firm, was wholly owned by Dutta. Dannix did not actually do any work, though it received over a million dollars from Datex. The searches revealed that work statements and other documents "sent" to Datex from Dannix, some of which were later submitted to the U.S. Government, were in actuality created by Dutta. A search of the Datex, Inc. branch office in New Jersey confirmed that it was an unfurnished residential property owned by Dutta and his wife. Dutta's wife, meanwhile, was listed on Datex's books as a full time employee, which was false.

In addition to the above-noted actions by the U.S. Magistrate Court, Dutta and three of his companies - Datex, Tera Foundation, and Dannix, - have been debarred from all U.S. Government procurement contracts for a period of three years.

USAID Inspector General Everett L. Mosley noted that his office worked directly with Assistant United States Attorney Stephen P. Learned of the U.S. Attorney's Office for the Eastern District of Virginia, as well as the Defense Contract Audit Agency, in the successful investigation and prosecution of this matter.

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