



Department of Justice

United States Attorney Rod J. Rosenstein
District of Maryland

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 21, 2007
<http://www.usdoj.gov/usao/md/>

CONTACT: VICKIE E. LEDUC
PHONE: (410) 209-4885
FAX: (410) 962-3091

FATHER AND SON INDICTED IN FRAUD SCHEME FOR CLAIMING FALSE LABOR COSTS UNDER NAVY CONTRACT

Indictment Seeks Forfeiture of \$207,860

Greenbelt, Maryland - A federal grand jury indicted Nicholas Baroni, age 62, and his son, Keith Baroni, age 38, both of Kenner, Louisiana, today for mail fraud and false claims in connection with a government contract, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

According to the 15-count indictment, 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 several Navy and U.S. Marine Corps helicopters. The subcontract was part of a larger competitive procurement contract to provide technical and management logistics support services for the Naval Air Systems Command at the Patuxent River Naval Air Station in St. Mary's County, Maryland. The subcontract was a cost plus award fee agreement that allowed UPI to be compensated by submitting payment vouchers for their labor costs.

The indictment alleges that from May through December 2001, the defendants caused UPI to submit invoices to the Navy by mail that contained fraudulent labor costs. Specifically, the indictment charges that the Baronis instructed a UPI employee to charge all of her time to the Navy contract even when she was doing jobs not related to the contract; that the Baronis engaged in business wholly unrelated to the Navy contract and charged that time to the Navy contract; and that the Baronis submitted time sheets to the Navy indicating that they had performed hundreds of hours of work on the Navy contract under the job category of Systems Administrator, when in fact, neither was qualified to perform work as a Systems Administrator and had not performed such work.

The indictment further alleges that when a Defense Contract Audit Agency (DCAA) auditor performed an on-site visit at UPI, Keith Baroni instructed a UPI employee to place folders related to the Navy contract on the desks of several UPI employees to make it appear that those employees were working on the Navy contract. He instructed other employees to falsely advise the auditor that they were working on the Navy contract. During a later visit conducted by a DCAA auditor, Nicholas Baroni walked around the UPI office carrying computer equipment to give the appearance that he was performing the job of a Systems Administrator on the Navy contract.

The indictment seeks forfeiture of \$207,860. The defendants face a maximum sentence of 20 years in prison followed by three years of supervised release for mail fraud; and five years in prison, followed by three years of supervised release for false claims. No court appearances have yet been scheduled.

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.

In October 2006, Deputy Attorney General Paul J. McNulty 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 investigative work performed by the Naval Criminal Investigative Service. Mr. Rosenstein thanked Assistant U.S. Attorney Bryan E. Foreman, who is prosecuting the case.

###