



**U.S. Department of Justice**

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**PRESS RELEASE**

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**Federal grand jury indicts former NASA employee on conspiracy to accept gratuities, false statements, and acts affecting a financial interest charges**

**Washington, D.C.** - A federal grand jury has indicted former National Aeronautics and Space Administration (NASA) employee, Michael J. Peters, on conspiracy to accept gratuities, false statements, and acts affecting a financial interest charges, U.S. Attorney Jeffrey A. Taylor, Joseph Persichini, Jr., Acting Assistant Director in Charge of the FBI's Washington Field Office, and Robert Cobb, Inspector General of NASA, announced today.

The three-count indictment was returned today by a federal grand jury sitting in the District of Columbia. If convicted of all counts at trial, Peters could face a likely sentence of between 18 to 24 months under the Federal Sentencing Guidelines. According to the indictment, from April 2002 to August 2003, Peters was a Senior Analyst for NASA, and worked in the Office of the Administrator, NASA headquarters in Washington, D.C. Peters' job at NASA was to evaluate and recommend financial software so that NASA's senior leadership could access the various NASA centers' budgets and expenditures from a central location. In carrying out this job, Peters was expected to provide information about the advantages and disadvantages of financial software both available from outside vendors and developed from within NASA, and to provide a recommendation as to the financial software best fitted for the project.

The indictment alleges that Open Systems Sciences (OSS), a company which owned a financial software product and sought to market the software product to the government, paid Peters to develop and market the OSS software. While Peters was employed at NASA, he received and accepted monthly checks, for a total of about \$25,500, from OSS, through a company identified in the indictment as CDC, for his work on the financial software product for OSS. Peters asked for these payment checks, sent by CDC for OSS, to be written in the name of Peter's company, Greenlea Associates. Peters received and accepted these checks and deposited them into his bank account. Peters arranged for OSS to demonstrate their financial software product to officials at NASA and then advocated that NASA purchase and use OSS's financial software product.

According to the indictment, Peters completed a Questionnaire for a National Security Position, and failed to disclose to NASA that he was employed by OSS and received money from OSS through CDC. In order to disguise and conceal money he received from OSS through CDC in calendar year 2002, Peters represented to NASA that he received income from his work on horses. In particular, Peters falsely completed a Financial Disclosure Report for finances relating to calendar year 2002, listing \$18,000 of income from Greenlea Associates/Greenlea Farm, and identifying the income as "equine consulting services." Peters did not list anywhere on his Financial Disclosure Report any income, payments, or employment from or with CDC or OSS.

In announcing the indictment, U.S. Attorney Taylor, Acting Assistant Director in Charge Persichini, and Inspector General Cobb commended Special Agent Jason R. Cassata of NASA's Office of Inspector General and Special Agent John Jacobs of the Federal Bureau of Investigation. In addition, they commended Legal Assistant April Peeler and Assistant U.S. Attorney Virginia Cheatham.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws. Every defendant is presumed innocent until and unless found guilty.