



# U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT PRESS RELEASE

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## USAID INVESTIGATION LEADS TO GUILTY PLEA

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., Inc., pleaded guilty to one count of Obstruction of a Federal Audit (18 U.S.C. § 1516) pursuant to a nineteen-month investigation by the Washington field office. Dutta entered his guilty plea in U.S. Magistrate Court for the Eastern District of Virginia.

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 simply as 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.

Dutta faces a maximum penalty of five years imprisonment, full restitution of the \$867,000 and a \$250,000 fine. Sentencing is set for March 26, 2004.

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

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