

Contractor Indicted on Fraud Charges Armet Armored Vehicles Accused of Defrauding U.S. Military on Armor Used in Convoy Vehicles in Iraq

U.S. Attorney's Office
Western District of Virginia
(540) 857-2250
July 19, 2012

— filed under: [Fraud](#), [Press Release](#)

ROANOKE, VA—A military contractor with offices in Danville, Virginia, and Ontario, Canada, was indicted this afternoon by a federal grand jury sitting in the U.S. District Court for the Western District of Virginia in Roanoke on charges that it falsely represented the level of protection provided by armored vehicles used by convoys in Iraq.

A grand jury has charged Armet Armored Vehicles and its president, William R. Whyte, 67, of Ontario, with three counts of major fraud against the United States, seven counts of wire fraud, and three counts of false, fictitious, and fraudulent claims.

“The Department of Justice has no higher priority than protecting our national security,” U.S. Attorney for the Western District of Virginia Timothy J. Heaphy said today. “We will work to ensure that the goods provided by contractors to the brave men and women of our military meet safety standards and contract specifications.”

According to the indictment, Armet entered a \$4 million contract in April 2006 to provide the Department of Defense with 24 armored vehicles for use in Iraq. In June 2006, Armet entered a second contract to deliver an additional eight armored vehicles. These trucks were to be used as security vehicles to Iraqi “VIPs” who regularly traveled by motorcade through a “hostile and dangerous environment.”

Both contracts included specific requirements for the armoring of the vehicles, including that each vehicle be reinforced to a standard at which an armor-piercing bullet could not penetrate the passenger compartment and ceiling. In addition, the contracts required the undercarriage of each armored truck have mine plating protection that could withstand explosions underneath the vehicles. Finally, the contracts required the armored vehicles to have run-flat tires, plus one spare, so they could continue to operate should their tires be shot out or otherwise flattened.

Despite the requirement in the contract that the first 24 armored gun trucks be delivered by July 31, 2006, Whyte and Armet failed to ship a single vehicle by that deadline. Armet ultimately supplied seven armored vehicles after the contract deadline and was paid \$ 2,019,454. Each of

these vehicles was delivered with a “Material Inspection and Receiving Report” certifying it met the contract standards.

The indictment alleges that none of the armored gun trucks delivered by Armet and Whyte met the ballistic and blast protection requirements of the contracts, despite the defendant’s claims that the vehicles met the standards. Armet and Whyte knew that each of the six armored gun trucks failed to meet the required standards, that they were defective, and that they would not protect the officials they were intended to protect.

The investigation of the case was conducted by the Defense Criminal Investigative Service, the Special Inspector General for Iraq Reconstruction, the Department of Justice’s Fraud Section, and the FBI. Criminal Chief for the Western District of Virginia Stephen Pflieger, Trial Attorney for the Department of Justice’s Fraud Section Catherine Votaw, and Special Assistant U.S. Attorney Ramin Fatehi will prosecute the case for the United States.

A grand jury indictment is only a charge and not evidence of guilt. These defendants are entitled to a fair trial with the burden on the government to prove guilt beyond a reasonable doubt