



Richard I. Keefe GPO OIG Investigation Fact Sheet

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Issue/Event: Plea Agreement Accepted

On November 4, 2010, the Department of Justice, on behalf of the Government Printing Office (GPO), filed a one-count Information charging violation of False Statement, 18 U.S.C. 1001 (a)(2), in the United States District Court for the Northern District of Illinois against Richard I. Keefe (Keefe) related to a GPO print job bid submission. In a formal plea agreement, accepted by the Court on January 12, 2011, Keefe has agreed to plead guilty to a single count of False Statement.

GPO is the printing arm of the federal government. Under 44 U.S.C. § 501, all printing for the federal government, with few exceptions, is to be done by GPO. GPO procures most printing services from private vendors. Its annual print solicitations are over \$600 million. To reduce the cost of printing services, GPO procures these services through competitive bidding procedures that seek to limit payment of commissions and brokerage fees.

Based upon the facts developed in the course of an investigation by the GPO Office of Inspector General (OIG), the United States contended in the plea agreement that in or around January 2008, Keefe made fraudulent statements and representations to the GPO during the course of submitting a bid to GPO. The GPO issued the bid solicitation on behalf of the Internal Revenue Service for printing, imaging, and binding of employer quarterly federal tax return packages. Keefe submitted a bid of \$783,699.35 in the name of a company that had not authorized him to either place a bid on their behalf or to do so as a primary vendor. Keefe also acknowledged that the bid was being submitted for a prohibited brokerage fee of 4%.

Although Keefe only admitted to a single count of making a false statement, the OIG investigation determined that for at least the past three years, Keefe provided print brokerage services to print vendors interested in submitting bids on GPO printing contracts. He would notify print vendors of bid opportunities at GPO as well as arrange who the prime contractor and, as

necessary, subcontractors would be. He also prepared and submitted the bids to GPO on behalf of vendors.

The bid prices, which Keefe determined, typically included an undisclosed brokerage fee of 3% to 10% of the total bid price that was to be paid to Keefe's company, MBK Services (MBK), in the event that the GPO contract was awarded to the print vendors - a violation of the GPO bid prohibition against contingency fees by freelance brokers. When Keefe submitted bids, he was certifying that he was not in violation of that prohibition. In addition, Keefe signed and submitted bids for several vendors without their knowledge or authorization.

This investigation was worked exclusively by agents from the GPO OIG.

The Information was drafted and the Plea Agreement was negotiated by Department of Justice, Antitrust Division Trial Attorneys, Brent Snyder and Craig Lee, Washington, DC.