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## **GEORGIA MEN PLEAD GUILTY TO BRIBING OFFICIAL TO SECURE GOVERNMENT CONTRACTS**

### *Defendants Admit to Overcharging Defense Department More Than \$900,000*

WASHINGTON – Two men employed by a machine products vendor in Albany, Ga., have pleaded guilty to bribing a public official working for a military organization at the Marine Corps Logistics Base Albany (MCLB-Albany) to secure contracts for machine products, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division and U.S. Attorney Michael J. Moore for the Middle District of Georgia.

Thomas J. Cole, Jr., 43, and Fredrick W. Simon, 55, both of Albany, each pleaded guilty before U.S. District Judge W. Louis Sands in the Middle District of Georgia to one count of bribery of a public official.

During their guilty pleas, Cole, the general manager of an Albany-based machine products vendor, and Simon, an employee responsible for processing sales orders, admitted to participating in a scheme to secure sales order contracts from the Maintenance Center Albany (MCA) at MCLB-Albany by subverting a competitive bid process. The MCA is responsible for rebuilding and repairing ground combat and combat support equipment, much of which has been utilized in military missions in Afghanistan and Iraq, as well as other parts of the world. To accomplish the scheme, Cole and Simon bribed a MCA purchase tech responsible for placing machine product orders. Cole and Simon admitted to participating in the scheme at the purchase tech's suggestion, after Simon had spoken with the purchase tech about how his company could obtain business from the MCA. Cole and Simon admitted that, at the purchase tech's request, they paid the purchase tech a bribe of at least \$75 for each of the more than 1,000 sales orders MCA placed with their company. According to court documents, the purchase tech would transmit sales bids to Simon and then communicate privately to him exactly how much money the company should bid for each particular order. Cole and Simon admitted that these orders were extremely profitable, often times exceeding the fair market value of the machine products, sometimes by as much as 1,000 percent.

Cole and Simon further admitted that, at the purchase tech's urging, in 2011 they began routing some orders through a second company, owned by Cole, because the volume of orders MCA placed with the first company was so high. They also admitted that the purchase tech increased the bribe required for orders as the scheme progressed. Cole and Simon admitted to paying the purchase tech approximately \$161,000 in bribes during the nearly two-year scheme.

Cole admitted to personally receiving approximately \$209,000 in proceeds from the scheme; Simon admitted to personally receiving approximately \$74,500. Both admitted that the total loss to the Department of Defense from overcharges associated with the machine product orders placed during the scheme was approximately \$907,000.

At sentencing, Cole and Simon each face a maximum penalty of 15 years in prison and a fine of not more than twice the pecuniary loss to the government. As part of their plea agreements with the United States, Cole and Simon both agreed to forfeit the proceeds they received from the scheme, as well as to pay full restitution to the Department of Defense. Sentencing has not yet been scheduled.

The case is being prosecuted by Trial Attorneys Richard B. Evans and J.P. Cooney of the Criminal Division's Public Integrity Section and Assistant U.S. Attorney K. Alan Dasher of the Middle District of Georgia. The case is being investigated by the Naval Criminal Investigative Service, with assistance from the Dougherty County District Attorney's Office Economic Crime Unit and the Defense Criminal Investigative Service.

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