

Maryland Defense Contractor Sentenced to Almost Four Years in Federal Prison for Procurement Fraud

Friday, July 14, 2023

For Immediate Release

U.S. Attorney's Office, District of Maryland

Misrepresented to the U.S. Departments of Defense and Labor the Condition of the Equipment and Provided Fraudulent Documentation Concerning His Company's Certifications

Baltimore, Maryland – Chief U.S. District Judge James K. Bredar today sentenced Cory Collin Fitzgerald Sanders, age 39, of Hagerstown, Maryland, to 45 months in federal prison, followed by three years of supervised release, for wire fraud, false claims, and making and using a false document in connection with his companies' performance on federal contracts. Chief Judge Bredar also ordered Sanders to forfeit \$173,926.99 and to pay restitution of \$27,315.10. A federal jury convicted Sanders on March 6, 2023, after a nine-day trial.

The sentence was announced by United States Attorney for the District of Maryland Erik L. Barron; Acting Special Agent in Charge Troy W. Springer, of the National Capital Region of the U.S. Department of Labor's Office of Inspector General ("DOL-OIG"); and Special Agent in Charge Greg Gross of the U.S. Naval Criminal Investigative Service (NCIS) Economic Crimes Field Office (ECFO).

According to the evidence presented at the nine-day trial, in June 2014 Sanders formed Sandtech LLC, a Maryland limited liability company whose business was the sale of video teleconference equipment to the Department of Defense and other agencies of the federal government. Sanders was the sole owner, agent, and president of Sandtech. Witnesses testified that Sanders obtained contracts with federal agencies for Sandtech to provide telecommunications equipment and services. Sanders caused Sandtech to fail to perform on contracts with the U.S. Department of Labor and the Department of the Army, which terminated the Sandtech contracts for cause. Sanders then formed Cycorp Technologies in 2016 to provide the same type of telecommunication services as Sandtech.

The trial evidence proved that from February 10, 2015 through June 30, 2020, Sanders engaged in a scheme to defraud the government by entering into contracts with federal agencies that required

Sandtech or Cycorp Technologies to provide new telecommunications equipment which was still under manufacturers' warranty. The evidence showed that in his communications with federal agency contracting officers Sanders provided false information about the delivery, source, warranty, and/or condition of the electronic equipment provided by his companies, including misrepresentations that the equipment was new and protected by the manufacturer's warranty, when Sanders knew that the equipment was not new, or was new but not under warranty, or was procured through unauthorized channels. The evidence also showed that Sanders was not authorized to provide certain IT services to the federal government, although he represented to government officials that he was.

Further, Sanders provided contracting officials with false information and false documents about the credentials, certifications, and qualifications of Cycorp Technologies. As proven during trial, Sanders provided fabricated and forged documents falsely certifying Cycorp Technologies' status as an "authorized partner" of two large national telecommunications equipment manufacturers. If true, the certificates would have authorized Cycorp Technologies to buy directly from those companies' distributors, provide maintenance to their equipment, or re-sell their new and warrantied products. In addition, Sanders submitted invoices on behalf of Sandtech and Cycorp Technologies so that the government agencies he contracted with would pay for deficient or non-existent performance by electronic deposit into business bank accounts.

"Cory Collin Fitzgerald Sanders executed a brazen scheme using a pattern of deception to defraud numerous federal agencies on telecommunication contracts awarded to his companies. Today's sentencing should serve as a strong message to those who choose to defraud the government and harm the American taxpayer," said Acting Special Agent in Charge Troy W. Springer of the U.S. Department of Labor – Office of Inspector General (DOL-OIG), National Capital Region. "DOL-OIG is committed to working closely with the U.S. Attorney's Office and our investigative partners to combat fraud, deception, and other criminal acts associated with federal government contracting and purchasing."

"Mr. Sanders deserves to be held fully accountable for his actions to defraud the U.S. Government by routinely providing telecommunications equipment that did not meet contract specifications and submitting false documentation in an attempt to cover up his scheme," said Special Agent in Charge Greg Gross of the U.S. Naval Criminal Investigative Service (NCIS) Economic Crimes Field Office (ECFO). "NCIS and our partners are dedicated to rooting out product substitution and other frauds that diminish the Department of the Navy's (DON) warfighting capabilities and threaten the integrity of the DON acquisition process."

United States Attorney Erek L. Barron commended the DOL-OIG and the NCIS for their work in the investigation and thanked the Army Criminal Investigation Division, and the Offices of Inspector General for the U.S. Department of State, the U. S. Department of Commerce, the U.S. Environmental Protection Agency, the U.S. Department of the Interior, the Defense Criminal Investigative Service, the U.S. Department of Homeland Security, the U.S. Department of Health and Human Services and the U.S. Department of Justice for their assistance. Mr. Barron thanked Assistant U.S. Attorneys Evelyn

Lombardo Cusson and Stephanie Williamson, who prosecuted the case and thanked Paralegal Specialists Juliette Jarman and Jenna Lee for their assistance.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to fight fraud, please visit <https://www.justice.gov/usao-md> and <https://www.justice.gov/usao-md/report-fraud>.

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FINANCIAL FRAUD

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