

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ALABAMA
NORTHEASTERN DIVISION

FILED

2015 JUN -2 P 2:06

UNITED STATES OF AMERICA)
)
 v.)
)
 TERESA MAYBERRY)

U.S. DISTRICT COURT
N.D. OF ALABAMA

INFORMATION

The United States charges:

COUNT ONE

INTRODUCTION

At all times material to this Information:

1. Teresa Mayberry, the Defendant, was a contract officer, assigned to Army Contracting Command-Redstone (ACC-Redstone), headquartered at Redstone Arsenal, Alabama. She was authorized to sign binding contracts on behalf of the United States Government (USG). Defendant Mayberry also supervised various contract specialists.

2. Company #1 was a company located in Madison, Alabama, that contracted with the USG on the contracts referenced in this Information.

3. Company #2 was a Lithuanian company that subcontracted with Company #1 on the contracts referenced in this Information.

4. On or about September 28, 2010, ACC-Redstone awarded contract W58RGZ-09-D0130, Task Order 0102, in the amount of approximately \$9 million, to Company #1 to perform cockpit modifications on certain Russian-made Mi-17 helicopters.

5. On or about April 1, 2011, ACC-Redstone modified Task Order 0102 to add a new contract consisting of overhauling five Pakistan Mi-17 helicopters, totaling approximately \$12.8 million ("overhaul contract").

6. On or about May 9, 2011, Defendant Mayberry signed another modification to Task Order 0102 ("parts contract") providing for the USG to purchase from Company #1 up to \$9 million of replacement parts for the overhauls in the event that a part on the aircrafts could not be overhauled. The "parts contract" was variously described as being for "replacement parts," "over and above parts," or a "rotable pool" of spare parts.

7. On or about September 2011, Company #2 submitted to Company #1 a list of parts it proposed to provide Company #1 under the "parts contract," and the prices it proposed to charge for those parts, totaling approximately \$7 million. On December 23, 2011, Company #1 submitted to Defendant Mayberry a proposal to purchase the parts set forth on that list at the quoted prices, and on that same date Defendant Mayberry directed Company #1 to implement the "parts contract" and purchase the parts per Company #1's proposal. That proposal was in excess of

\$8 million, consisting of approximately \$7 million to be paid to Company #2 for the parts plus other fees. At no time before December 23, 2011, was there an agreement between the USG and Company #1 as to the parts to be purchased by Company #1 under the "parts contract" and the prices to be paid by Company #1 to Company #2 for the parts.

8. No written analysis was ever performed by USG personnel as to whether the parts on Company #1's December 23, 2011 proposal were needed and/or would be needed and/or whether the prices Company #1 proposed paying Company #2 for those parts were fair and reasonable. The USG paid Company #1 approximately \$8 million from January of 2012 through December of 2012 under the "parts contract."

9. Beginning in December 2011, the Department of Defense Office of Inspector General (DODIG) began an audit of the Mi-17 "overhaul contract" and the "parts contract."

10. It was material to the DODIG to determine whether the USG paid a reasonable price for the parts, whether the parts that were purchased were needed, and whether the contracting officer and contracting personnel followed correct contracting procedures in connection with executing and implementing the "parts contract."

OBSTRUCTION OF FEDERAL AUDIT

11. On or from approximately January 2012 through August 2012, on occasions set forth below, as part of a course of conduct, in the Northern District of Alabama, and elsewhere, the defendant,

TERESA MAYBERRY,

with the intent to deceive and defraud the United States, endeavored to influence, obstruct, and impede a Federal auditor, that is, auditors of the Department of Defense Inspector General (DODIG), in the performance of official duties relating to a person, entity or program receiving in excess of \$100,000, directly or indirectly, from the United States in any one year period under a contract or subcontract, namely, the "parts contract" that was part of W58RGZ-09-D0130, Task Order 0102, as follows:

**A. False "Fair and Reasonable Cost Determination"
Memorandum**

On or about January 2012, defendant Mayberry directed a contracting specialist to create a document in the nature of a memorandum, bearing the typed date "May 6, 2011," with the subject line: "Fair and Reasonable Cost Determination." That document was purportedly signed by a contract specialist who worked for defendant Mayberry, when, in truth and in fact, as defendant Mayberry then well knew, the document was created on or about January 2012, was not prepared or signed by the contract specialist, and was not used or in

existence before the decision was made in May 2011 to modify Task Order 0102 and add the "parts contract." Defendant Mayberry:

(1) caused that false document (the Fair and Reasonable Cost Determination Memorandum) to be inserted into the contract file that was being audited by DODIG;

(2) sent that false document to DODIG by email in response to a question about contract actions taken in connection with carrying out the parts contract; and,

(3) failed to disclose to DODIG that the above-described document was false when put on notice that DODIG had seen this document and believed it to be authentic.

B. False "Pre-Negotiation Objective Memorandum" (POM) and "Price Negotiation Memorandum" (PNM)

On or about June 25-26, 2012, defendant Mayberry caused to be created and sent by email to the DODIG the following documents related to the "parts contract": (1) a "Pre-Negotiation Objective Memorandum" (POM)—setting forth such information as the Government's objective in the price negotiations—bearing the signature of defendant Mayberry and a contract specialist and purportedly signed May 6, 2011, and (2) a "Price Negotiation Memorandum" (PNM) bearing the signature of defendant Mayberry and purportedly signed May 7, 2011, representing that on May 6, 2011, defendant Mayberry, the contract specialist, and

representatives of Company #1 had engaged in price negotiations and setting forth the dollar amounts sought and achieved by the USG in those negotiations, when, in truth and in fact, as defendant Mayberry then well knew:

(a) the POM and PNM were in fact created on or about June 25-26, 2012, not in May 2011;

(b) no price negotiations had occurred on or about May 6, 2011, related to the "parts contract" as falsely referenced in the POM and PNM; and,

(c) defendant Mayberry had directed a subordinate employee to sign the POM on or about June 26, 2012, knowing it was false and fraudulent and was and/or would be back-dated to May 2011.

C. False "Company #1 Price Proposal" and False "USG Technical Evaluation"

On or about August 14, 2012, defendant Mayberry caused to be created and sent by email to the DODIG the following false documents in response to DODIG's request to view the price proposal and technical evaluation referenced in the June 26, 2012 POM described above: (1) a document purporting to be Company #1's price proposal referenced in the June 26, 2012 POM that was falsely dated May 6, 2011, but which, in truth and in fact, as the defendant then well knew, was an altered version of Company #1's actual December 23, 2011, proposal, with the document having been altered to remove the date of "December

23, 2011” and to change the costs and prices actually quoted by Company #1 so as to correspond with the POM; and (2) a document purporting to be the technical evaluation referenced in the June 26, 2012 POM of Company #1’s proposal, when, in truth and in fact, as defendant Mayberry then well knew:

(a) the document was a copy of a technical evaluation that was actually prepared and originally dated by stamp March 30, 2011, which did not relate to the “parts contract” with that document being altered to remove the date, and,

(b) no written technical evaluation had in fact been done on the “parts contract” before the signing of the “parts contract” in May 2011.

All in violation of 18 U.S.C. § 1516(a) and 18 U.S.C. § 2.

JOYCE WHITE VANCE
United States Attorney

6/2/2015
Date

6/2/2015
Date

6/2/2015
Date

ANDREW WEISSMAN
Chief, Fraud Section
Department of Justice

MARK DUBESTER / 64 HBC
MARK H. DUBESTER
Trial Attorney
Fraud Section
Department of Justice

Henry Cornelius
HENRY CORNELIUS
Assistant United States Attorney

Ramona C. Albin
RAMONA C. ALBIN
Assistant United States Attorney