

The United States Attorney's Office
Eastern District of Virginia

**Former America's Most Wanted Fugitive Sentenced to 105 Years for
Leading International Conspiracy to Defraud the Military**

FOR IMMEDIATE RELEASE

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RICHMOND, Va. – Roger Charles Day Jr., a former America's Most Wanted fugitive, was sentenced today to 105 years in prison for his role in leading an international conspiracy to defraud the Department of Defense (DOD) of more than \$11.2 million by supplying the DOD with nonconforming and defective parts for military aircraft, vehicles and weapons systems.

The sentence was announced today by U.S. Attorney Neil H. MacBride of the Eastern District of Virginia; Assistant Attorney General Lanny A. Breuer of the Criminal Division; Special Agent in Charge Robert E. Craig of the Defense Criminal Investigative Service (DCIS) Mid-Atlantic Field Office; and Special Agent in Charge Edward T. Bradley of the DCIS Northeast Field Office.

Day, 47, formerly of Long Valley, N.J., was also ordered by U.S. District Judge John Gibney to forfeit 3,496 ounces of gold bars and coins, two sport utility vehicles and \$2.1 million, which together represents his proceeds from the scheme. In addition, Judge Gibney ordered Day to pay a \$3 million punitive fine and \$6.2 million in restitution to the Defense Logistics Agency (DLA), the DOD entity that Day defrauded.

On Aug. 25, 2011, Day was found guilty on all counts, following a nine-day jury trial. Day was charged in August 2008 with conspiracy to commit wire fraud, wire fraud, conspiracy to engage in international money laundering and conspiracy to smuggle gold out of the United States. Day was extradited from Mexico in December 2010 following his arrest in Cancun, Mexico, resulting from Day's appearance on America's Most Wanted.

"Mr. Day's greed put the men and women in the U.S. military in harm's way," said U.S. Attorney MacBride. "He is a serial fraudster who made millions by exploiting the military supply chain during a time of armed conflict. Today's sentence ensures that he will never again put our military in danger again."

"Mr. Day orchestrated a complex, multi-year fraud scheme that jeopardized the safety of our nation's military personnel," said Assistant Attorney General Breuer. "He operated

this scheme from outside the United States, in an attempt to escape justice, and he deliberately provided defective equipment to the Department of Defense. Today's lengthy prison sentence reflects the seriousness of Mr. Day's reckless crimes."

"The sentencing of Roger Day to 105 years in prison culminates a highly successful investigation and represents an unprecedented sentence for a product substitution investigation by the Defense Criminal Investigative Service with audit support by the Defense Contract Audit Agency. Through his many schemes to defraud the Department of Defense, Day exploited the Department's complex acquisition process," said DCIS Special Agents in Charge Bradley and Craig in a joint statement. "It is unpardonable that individuals endeavor to enrich themselves by stealing from the U.S. taxpayer through fraud, especially by denying critical goods to our warfighters combating terrorism in a hostile overseas environment. The Defense Criminal Investigative Service remains resolute in our commitment to aggressively investigate these crimes and to support their prosecution to the fullest."

According to the evidence at trial and court documents, over a four-year period, Day led a conspiracy to bid on and win contracts to provide parts to the U.S. military for military aircraft, vehicles and weapons systems through the DLA, including through the DLA's Defense Supply Center in Richmond, Va. The parts included "critical application items," which are essential to weapons system performance or to the preservation of the lives and safety of operating personnel.

In the course of the scheme, Day and other conspirators, operating in the United States, Canada, Mexico and Belize, formed at least 18 separate companies that posed as legitimate contractors and collectively used a computer program to win nearly 1,000 lucrative contract awards for the various companies. Day and his conspirators then shipped defective parts to the DOD on more than 300 of those contracts, receiving more than \$4.4 million in payment on parts that Day purchased for less than \$200,000.

In all known cases, the parts sent by Day and his conspirators could not be used for their intended purpose. In one instance, a U.S. Air Force master sergeant at Patrick Air Force Base in Florida was unable to perform necessary testing of missile detection systems on HC-130 aircraft for a period of seven weeks because of a defective Day-supplied part. In another instance, technicians at Robins Air Force Base in Georgia who had requested a new part for the radar control panel of a C-130 aircraft received a bogus part supplied by Day and were required to instead take a used part from another aircraft to complete the necessary repair.

Day and his co-conspirators compounded the fraud by concealing their identities through the use of multiple nominee companies and by assuming others' identities to operate the companies. When DOD requested proof that the companies had purchased and intended to supply the correct parts from approved manufacturers, Day and others submitted fabricated documents that falsely represented that the correct parts had been purchased. When DOD debarred several of the companies from doing further business with the military, Day directed his conspirators to discontinue bidding through those companies and instead form and use new companies.

According to evidence presented at trial, to conceal the proceeds of the scheme and to prevent recovery, Day directed his conspirators to transfer the scheme's proceeds to offshore bank accounts and ultimately to purchase more than 3,500 ounces (more than \$2.2 million) in gold bars and coins.

Before starting his most recent scheme, Day was sentenced in August 1999 in the District of New Jersey to 97 months in prison for a similar scheme to defraud the DOD and other government agencies, and Day was sentenced in October 1999 in New Jersey state court to 84 months in prison for schemes to defraud the city of Newark, N.J. and the Newark Board of Education. While serving his federal sentence, Day filed hundreds of billions of dollars of fraudulent default judgments against more than 100 people who Day claimed had prosecuted him unfairly, including the prior case's investigating agents, the prosecuting attorneys, Day's former defense counsel, and the U.S. district judge who sentenced him in New Jersey.

Prior to Day's trial, five defendants in this conspiracy pleaded guilty. Nathan Francis Victor Carroll was sentenced on Nov. 8, 2007, to 94 months in prison and was ordered to pay nearly \$3.7 million in restitution. Gregory Allen Stewart was sentenced on April 29, 2008, to 75 months in prison and was ordered to pay nearly \$3.7 million in restitution. Susan Crotty Neufeld was sentenced on May 14, 2008, to five years of probation and ordered to pay \$47,600 in restitution for the gold coins she received. Juerg Mehr was sentenced to five years of probation on March 27, 2009. Glenn Teal was sentenced on Sept. 22, 2009, to 90 days in prison.

This case was investigated by the Defense Criminal Investigative Service, with assistance from the Defense Contract Audit Agency. The case was prosecuted by former Assistant U.S. Attorney John S. Davis and Assistant U.S. Attorney Elizabeth C. Wu of the Eastern District of Virginia and Special Assistant U.S. Attorney and Fraud Section Trial Attorney Ryan S. Faulconer of the Justice Department's Criminal Division. The Criminal Division's Office of International Affairs provided assistance.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.