



*United States Attorney
District of New Jersey*

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**FORMER OWNER OF DEFENSE CONTRACTING COMPANY ADMITS DEFRAUDING
U.S. DEPARTMENT OF DEFENSE WITH FOREIGN AIRCRAFT PARTS**

TRENTON, N.J. – The former owner of a New Jersey defense contracting business today admitted supplying the U.S. Department of Defense (DoD) with foreign-made replacement parts on contracts that only allow products manufactured in the United States, U.S. Attorney Paul J. Fishman announced.

Mehmet Karatokus, 39, of Ankara, Turkey, pleaded guilty before U.S. District Judge Mary L. Cooper to an information charging him with one count of mail fraud.

According to documents filed in the case and statements made in court:

Karatokus, a Turkish citizen who became a United States resident in 2013, was the founder and owner of Diamond Parts, a company that supplied the DoD with replacement parts for aircraft and other defense items. When he registered the company with the DoD, Karatokus provided a location in Red Bank, New Jersey, even though Diamond Parts did not have manufacturing capabilities in the United States. The investigation revealed that Diamond Parts was actually a shell company created for the purpose of obtaining DoD contracts that Turkish-based manufacturers were not permitted to receive.

From January 2012 to September 2013, Karatokus submitted fraudulent bids stating that Diamond would provide parts manufactured in the United States, when in fact, the items were manufactured in Turkey. Karatokus admitted that in March 2012, he submitted a false bid to provide the DoD with replacement parts for the Hercules C-130 aircraft. Based on Karatokus' false bid, Diamond Parts was awarded the contract, which was valued at \$10,350. Shipping records showed that the parts were sent from Turkey on Sept. 25, 2012, to a packaging and shipping company in Clifton, New Jersey. The parts were subsequently provided to the DoD on Oct. 10, 2012. DoD testing later revealed that the parts had dimensional nonconformities, exhibited poor workmanship and lacked critical markings which could result in a safety issue. As a result, the parts were suspended from use.

The mail fraud count to which Karatokus pleaded guilty is punishable by a maximum penalty of 20 years in prison and a \$250,000 fine. As part of the plea, Karatokus must pay

restitution of \$641,454, representing the funds paid to him pursuant to the fraudulent contracts. Sentencing is scheduled for July 15, 2015.

U.S. Attorney Fishman credited special agents of the U.S. Department of Defense, Defense Criminal Investigative Service Northeast Field Office, under the leadership of Special Agent in Charge Craig W. Rupert, and special agents of the Department of Homeland Security, Homeland Security Investigations, Counter Proliferation Investigations, under the supervision of Special Agent in Charge Kevin Kelly, with the investigation leading to today's plea.

The government is represented by Assistant U.S. Attorney Fabiana Pierre-Louis of the U.S. Attorney's Office Criminal Division in Trenton.

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Defense counsel: Timothy R. Anderson Esq., Red Bank, New Jersey