



THE UNITED STATES ATTORNEYS OFFICE

WESTERN DISTRICT OF MICHIGAN

**FORMER DEFENSE CONTRACTOR ON HIS WAY TO PRISON FOR TRYING TO
SELL DEFECTIVE MACHINEGUN PARTS TO DEPARTMENT OF DEFENSE**

FOR IMMEDIATE RELEASE

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*Colorado Resident Howard Cahn, Who Tried to Save His Michigan Manufacturing Business
by Selling Defective Machinegun Components to DoD in 2009, Sentenced to 30 Months in
Federal Prison*

GRAND RAPIDS, MICHIGAN – U.S. Attorney Patrick A. Miles, Jr. announced today that Colorado resident Howard “Jack” Cahn, was sentenced in federal court in Kalamazoo, Michigan, to 30 months in prison for attempting to sell the Department of Defense (DoD) machinegun replacement parts that were not only technically noncompliant with contract requirements, but that also included materially defective components.

The parts, which had been produced by Cahn’s manufacturing company “Aerospace Manufacturing Services (AMS),” located in Buchanan, Michigan until it closed in early 2010, were critical internal components for the “M-249” 5.56 mm Squad Automatic Weapon (SAW) and the “Mark 19” 40 mm grenade-machinegun. Both weapons systems are in wide use by all branches of the U.S. Armed Forces, and the components in question were essential to the reliable and safe functioning of those weapons systems. Cahn was convicted after a four-day jury trial during October 2014 in U.S. District Court in Kalamazoo, Michigan. The evidence at trial established that, with AMS in deep financial trouble and unable to fulfill its contracts with DoD, Cahn not only attempted to pass off Mark 19 parts that had actually been manufactured in Colorado without DoD oversight as AMS product, but also forced employees to add defective SAW parts that had been designated as scrap to a shipment of parts that was ready to be delivered to DoD. The evidence also established that, if they had made it into the supply chain and into the field, the defective SAW parts could have caused machineguns to become inoperable in combat.

Chief U.S. District Judge Paul L. Maloney sentenced Cahn to serve 30 months in Federal prison, after noting that Cahn’s offenses were “particularly egregious.” Cahn not only forced several young employees to participate in the offense at the fear of losing their jobs, but the offense itself could have endangered U.S. troops in combat if those same AMS employees had not decided to turn Cahn in to DoD quality-assurance inspectors when they realized the potential danger to U.S. troops. Commenting on the seriousness of Cahn’s crimes, Judge Maloney stated, “I don’t know how you could ever explain to the parents of a Marine or a Soldier that their loved one had been killed because their machinegun stopped firing when they needed it most.” The Chief Judge added that sending a strong deterrent message to any other defense contractor who might try to make a profit by evading DoD’s quality-control measures was also “at the top of the court’s list” among the various sentencing factors.

Commenting on the sentence, U.S. Attorney Miles stated, “Defense-procurement fraud is a serious offense that my office will vigorously pursue. When it involves misconduct that also can endanger U.S. troops in the field, it goes beyond serious to outrageous. Mr. Cahn tried to save his company and make a dollar even if it meant sending U.S. troops into battle with defective weapons during the height of combat operations in Iraq and Afghanistan. As a result, instead of being a businessman and defense contractor, he is now a federal felon and inmate.”

The case was investigated by special agents of the U.S. Army Criminal Investigation Division (Army CID) and the Defense Criminal Investigative Service (DCIS). It was prosecuted by Assistant U.S. Attorneys Hagen W. Frank and Russell A. Kavalhuna.