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September 18, 2015
FOR IMMEDIATE RELEASE
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**DEPARTMENT OF DEFENSE EMPLOYEE SENTENCED TO OVER THREE YEARS
IN PRISON FOR FRAUDULENTLY OBTAINING OVER \$750,000 FROM CONTRACTS
WITH ABERDEEN PROVING GROUND**

*Caused the Army Research Laboratories to Fund a Research Project, and Then Persuaded the
Defense Contractor to Subcontract with a Company He Secretly Controlled*

Baltimore, Maryland – U.S. District Judge Marvin J. Garbis sentenced Mark Nixon, age 54, of Silver Spring, Maryland, today to 42 months in prison, followed by three years of supervised release, for conspiring to defraud the United States by steering federal contracts to a company in which he secretly held a financial interest. Judge Garbis also entered an order requiring Nixon to pay restitution of \$750,000.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office; and Special Agent in Charge Kevin Perkins of the Federal Bureau of Investigation.

Mark Nixon was a civilian employee of the Department of Defense, and worked at the U.S. Army Research Laboratories (ARL). From 2008 to December 2010, Nixon was the Director of Vehicle Technology Directorate with ARL at Aberdeen Proving Ground. He was married to Sandra Nixon.

The Nixons had a financial interest and management role in the operation of the following companies: Motile Robotics, Inc. (MRI), located in Joppa, Maryland; Atlantic Capital Enterprises (ACE); and Arrow Technical Incorporated (ATI).

Mark and Sandra Nixon, along with Kenneth Dawson, created and operated MRI. Dawson had full time employment with two defense contractors at Eglin Air Force Base in Florida, where he lived. In 2007, Dawson used his personal credit cards to pay for startup costs associated with MRI, and the Nixons reimbursed Dawson for these expenses. Although Dawson was the supposed president of MRI, in reality, Mark and Sandra Nixon created MRI, provided significant input regarding its operation, and were in effect silent and undisclosed partners, owners and co-presidents. They helped operate MRI using the aliases "Paul Martin" and "Lisa Hart" in order to conceal their financial interest.

According to the plea agreements, in 2008, Mark Nixon created and approved government documents that caused ARL to fund micro propulsion and wind tunnel research, including the fabrication of a small open-jet wind tunnel. Mark Nixon was designated as the team leader for ARL on the research project.

Beginning in February 2008, the United States awarded a large defense contractor a task order, worth approximately \$3.6 million, to construct the open flow wind tunnel. Mark Nixon persuaded the defense contractor to use MRI as a subcontractor. Mark Nixon also played an important role in the government awarding the defense contractor another task order to construct a closed circuit wind tunnel, for approximately \$3.5 million, under which MRI was again a subcontractor. Mark Nixon provided the contracting officer with a technical evaluation of the contract and its cost, and acted as the government official overseeing and managing this work on a routine basis.

Although Nixon knew that he had a prohibited financial interest in MRI, he conducted a technical evaluation of MRI's capabilities as a subcontractor, and approved invoices listing false labor and materials charges. These included more than \$35,000 in false labor charges submitted for a relative of Sandra Nixon, who was characterized as an aerospace engineer. In fact, the relative was a retired school employee.

MRI received more than \$5 million in federal funds under these subcontracts. Mark Nixon caused MRI to pay money to Arrow Technical, and Arrow Technical to pay Atlantic Capital, both companies in which the Nixons had a financial interest. The Nixons and Dawson personally benefited from over \$750,000 sent to these companies.

Sandra Nixon, a/k/a "Lisa Hart," age 52, of Silver Spring, and Kenneth Dawson, age 52, of Niceville, Florida, previously pleaded guilty to conspiring to defraud the United States. Judge Garbis has scheduled sentencing for Sandra Nixon on October 2, 2015 at 9:30 a.m. and for Kenneth Dawson on October 30, 2015 at 10:00 a.m.

The National Procurement Fraud Task Force was formed in October 2006 to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force includes the United States Attorneys' Offices, the FBI, the U.S. Inspectors General community and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrate the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

United States Attorney Rod J. Rosenstein commended the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit, DCIS and FBI for their work in the investigation. Mr. Rosenstein thanked Assistant U.S. Attorneys Harry M. Gruber and P. Michael Cunningham, who are prosecuting the case.