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**WIFE OF DEPARTMENT OF DEFENSE EMPLOYEE AND SUBCONTRACTOR CONSPIRE TO
FRAUDULENTLY OBTAIN OVER \$750,000 FROM CONTRACTS
WITH ABERDEEN PROVING GROUND**

Baltimore, Maryland – Sandra Nixon, a/k/a “Lisa Hart,” age 52, of Silver Spring, and Kenneth Dawson, age 52, of Niceville, Florida, pleaded guilty today to conspiring to defraud the United States.

The guilty pleas were 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 Stephen E. Vogt of the Federal Bureau of Investigation.

"Ms. Nixon and Mr. Dawson unlawfully manipulated the federal contracting process, a system the public expects to be fair and transparent, and that the Defense Department relies upon to support our men and women in uniform," said Robert Craig, Special Agent in Charge for the DCIS, Mid-Atlantic Field Office. "The Defense Criminal Investigative Service, its law enforcement partners, and the U.S. Attorney's Office are committed to maintaining the integrity of the contracting process through the identification and investigation of those alleged to have abused it."

Sandra Nixon was married to co-defendant Mark Nixon. Mark Nixon was a civilian employee of the Department of Defense, and worked at the U.S. Army Research Laboratories (ARL) in Hampton, Virginia, and Aberdeen, Maryland. From 2008 to December 2010, Nixon was the director of the Vehicle Technology Directorate with ARL at Aberdeen Proving Ground. Kenneth Dawson was a longtime friend of the Nixons.

Sandra and Mark Nixon also 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).

Sandra and Mark Nixon reached an agreement with Kenneth Dawson to create and operate MRI. Dawson had full time employment with two different defense contractors that required him to report to work 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, Sandra and Mark Nixon created MRI, provided significant input regarding its operation, and were in effect a silent and undisclosed partner, owner and co-president. They helped operate MRI using the aliases “Lisa Hart” and "Paul Martin" in

order to conceal their financial interest.

According to their plea agreements, in 2008, Mark Nixon determined that microsystem controls research was needed, including the fabrication of a small open-jet wind tunnel. Mark Nixon created and approved government documents that caused ARL to fund this research, and became the designated team leader for ARL on the research project.

In January 2009, the United States awarded a large defense contractor a task order to construct the open flow wind tunnel from February 2008 to 2011, worth approximately \$3.6 million. 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 from January 2009 to 2011, for approximately \$3.5 million, under which MRI was 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.

Pursuant to the conspiracy, the United States was billed for more than \$35,000 in false labor charges by a relative of Sandra Nixon, who was characterized as an aerospace engineer. In reality, the relative was a retired school employee. Although Mark 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 the false invoices.

MRI received more than \$5 million in federal funds under these task orders. Mark Nixon caused MRI to pay money to ATI, and ATI to pay ACE. The three defendants personally benefited from over \$750,000 sent to these companies. The Nixons personally received more than \$400,000 as a result of the task orders awarded to MRI.

Sandra Nixon and the government have agreed that if the Court accepts her plea agreement, Nixon will be sentenced to six months in prison followed by three years of supervised release. Kenneth Dawson faces a maximum sentence of five years in prison. Sandra Nixon and Dawson also agree to pay restitution of at least \$750,000. U.S. District Judge Marvin J. 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.

Mark Nixon, age 54, of Silver Spring, Maryland, pleaded guilty on June 15, 2015 to the conspiracy and to acts affecting a personal financial interest. Mark Nixon and the government have agreed that if the Court accepts his plea agreement, Nixon will be sentenced to 42 months in prison followed by three years of supervised release. Mark Nixon also agrees to forfeit and pay restitution of at least \$750,000. Mark Nixon is scheduled to be sentenced on September 18, 2015 at 9:30 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.