

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT OF ARIZONA

FOR IMMEDIATE RELEASE

December 22, 2014

Defense Contractor Sentenced To 6 Months In Prison For Manufacturing Defective Aircraft Parts And Falsifying Safety Records

PHOENIX – On Dec. 22, 2014, U.S. District Court Judge Diane J. Humetewa sentenced Malcom Robert Markson, 45, of Peoria, Ariz., to six months in prison. Markson previously pleaded guilty to the crimes of fraud involving aircraft parts and obstruction of federal investigation.

U.S. Attorney John S. Leonardo stated, “The U.S. Attorney’s Office is committed to aggressively prosecuting fraud by defense contractors, particularly when that fraud endangers members of our military.”

“Our men and women in combat deserve equipment that meets critical safety and performance requirements,” said Special Agent in Charge Janice M. Flores of the Defense Criminal Investigative Service (DCIS) Southwest Field Office. “This case demonstrates that the DCIS, along with our law enforcement partners, will aggressively pursue cases where contractors knowingly provide defective equipment that puts the safety of American military service members at risk.”

Hector Sanchez, the Special Agent in Charge of the Air Force Office of Special Investigations, Procurement Fraud Office, Southwest Region, stated: “AFOSI is committed to supporting the warfighter and ensuring that those who unlawfully defraud members of the armed services are held accountable. Successful prosecution of this case exemplifies collaborative efforts between AFOSI, DCIS, and Department of Justice partners in the fight against fraud waste and abuse.”

Markson is the former owner of Action Machine, LLC, a Phoenix-based defense contractor. Between 2009 and 2012, Markson obtained a series of contracts on behalf of Action Machine to manufacture wing pins for the Department of Defense. Wing pins are critical safety parts that are used to secure the wings of F-15 fighter aircraft. The contracts contained detailed design specifications that required Action Machine to use a particular type of hardened steel when manufacturing the wing pins and to subject the wing pins to a particular safety inspection process. Based on these contracts, Markson manufactured and shipped a total of 212 wing pins to the Department of Defense and supplied certification forms verifying that the wing pins met all of the design specifications. In fact, these certifications were false - some of the wing pins were made with the wrong type of steel and some had not been subjected to the required safety testing.

In 2013, the Department of Defense discovered that the wing pins supplied by Action Machine might be defective. (This discovery occurred before any accidents or injuries occurred.) Based on this discovery, auditors were dispatched to Phoenix to interview Markson and inspect Action Machine’s books and records. During this process, Markson supplied auditors with a document that appeared to show that a third-party testing company had conducted all of the necessary safety testing on the wing pins. In fact, this document was a forgery created by Markson.

The investigation in this case was conducted by the Defense Criminal Investigative Service. The prosecution was handled by Dominic Lanza, Assistant U.S. Attorney, District of Arizona.

CASE NUMBERS: CR-14-1152-PHX-DJH

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