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THE UNITED STATES ATTORNEYS OFFICE  
NORTHERN DISTRICT *of* GEORGIA

**FOR IMMEDIATE RELEASE**

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**Former Georgia Department of Defense Employee Indicted for Corruption**

ATLANTA – Raytoshia Elliott, a former contracting official with the Georgia Department of Defense, has been indicted for allegedly awarding contracts in exchange for illegal kickbacks.

“Ms. Elliott took advantage of the trust her job afforded her to award no-bid contracts by giving them to her friends,” said United States Attorney Sally Quillian Yates. “The defendants pocketed nearly \$75,000 from their scheme for work that was never completed, and denied services meant to maintain facilities supporting those who serve this country.”

Ricky Maxwell, Acting Special Agent in Charge, FBI Atlanta Field Office, stated: “This case is a direct result of government personnel detecting criminal financial irregularities and reporting them to the proper authorities. The FBI will continue to dedicate significant investigative resources to ensure that federal money is spent appropriately and as intended.”

Special Agent in Charge John F. Khin, Southeast Field Office, Defense Criminal Investigative Service, said, “In partnership with other law enforcement agencies, the Defense Criminal Investigative Service aggressively pursues all allegations of fraud and corruption impacting the Department of Defense and our warfighting mission, to ensure that American taxpayer dollars are not wasted or stolen.”

“The prosecution of individuals who manipulate normal business transactions in an effort to enrich themselves has always been a priority of IRS and our law enforcement partners”, stated Veronica F. Hyman-Pillot, Special Agent in Charge, IRS Criminal Investigation. “We are proud to have contributed our financial expertise in order to ensure that those who engage in these illegal activities are vigorously investigated and brought to justice.”

“This case is an excellent example of federal and state law enforcement working together to fight corruption,” said Vernon M. Keenan, Director of the Georgia Bureau of Investigation.

Interim Inspector General Deb Wallace of the State of Georgia Office of Inspector General said, “Our office is dedicated to strengthening the trust between the citizens of Georgia and their public officials by continuously pursuing fraud, waste, abuse and corruption within the executive branch of state government. We would like to thank and recognize the Georgia Department of Defense for its vigilance and willingness to report irregularities within its contracting process. We appreciate the many investigative agencies who assisted on this case through countless hours of hard work to bring it to resolution.”

According to United States Attorney Yates, the charges and other information presented in court: From May 2007 through April 2012, Elliott worked for the Georgia Department of Defense, the state agency charged with coordinating and supervising all agencies and functions of the Ga. National Guard. Elliott worked as an Engineering Operations Manager out of the Clay National Guard Center, located at Dobbins Air Reserve Base, in Marietta, Ga. In that position, Elliott worked with engineering firms to develop bid-ready construction projects, prepared bid documents, and oversaw no-bid purchase orders. Under the rules governing the contracting process that Elliott oversaw, projects that cost less than \$5,000 did not need to go through a competitive bidding process, allowing Elliott to award the contracts. She then certified that the work had been completed for those projects, and facilitated payment to the vendors who allegedly completed such projects.

In that position, Elliott awarded numerous contracts under \$5,000 to vendor companies created by her friends and associates, including co-defendant Lakeysha Ellis. In return, the friends and associates paid Elliott kickbacks, equal to 50% of the value of the contracts, for steering the contracts to them. Elliott falsely certified that work had been completed when, in fact, it had not been in order to facilitate payment. One of the vendor companies was Total Source Solution, LLC, owned by co-defendant Ellis. Elliott awarded Total Source Solution 17 contracts with a total value of approximately \$75,000. Those contracts were for a variety of services supposedly to be performed by Total Source Solution, including electrical work, landscaping, and HVAC work. But the work was never done. Instead, the defendants split the money awarded under these contracts and spent it on personal items, including travel, meals, merchandise, and even liposuction treatment for Ellis. As part of the scheme, Elliott owned a company named Tech Group Investments, LLC. Ellis took money she had obtained from the Georgia Department of Defense contracts, and paid kickbacks to Elliott through this company.

The indictment also alleges that Ellis and Elliott conducted a similar fraud scheme from January 2009, through May 2011, when Ellis was an accountant at Baumueller-Nuermont Corporation, an industrial equipment company with offices in Atlanta. Her job responsibilities included payroll and paying vendors.

While employed as Baumueller-Nuermont's accountant, Ellis fraudulently funneled money to the defendants' two sham companies, Total Source Solution and Tech Group Investments. Ellis wrote corporate checks to Total Source Solution, signed her name on the checks, and forged the signature of the Vice President on the checks, to ensure that the checks could be negotiated. Ellis recorded these payments in the check registry to reflect falsely that the checks had been issued to true vendors (such as American Express) when in fact they went to Ellis' company.

As part of the scheme, Ellis also falsified employee records in the corporation's payroll system to disguise payments to the defendants' two companies. Ellis created at least two phantom employees by altering the names of real employees (by switching their first and last names) and slightly changing their Social Security numbers. She then caused the payroll system to make fraudulent salary payments to Total Source Solution and Tech Group Investments for these new, non-existent employees.

Baumueller-Nuermont lost about \$85,000 from this scheme.

The ten count indictment charges Elliott, 33, and Ellis, 36, both of Atlanta, Ga., with two counts of conspiracy and seven counts of wire fraud. Elliott is also charged with accepting a bribe or kickback as a public official.

Members of the public are reminded that the indictment contains only allegations. The defendant is presumed innocent of the charges and it will be the government's burden to prove the defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the Federal Bureau of Investigation; the Georgia Bureau of Investigation; the U.S. Department of Defense, Office of Inspector General, Defense Criminal Investigative Service; Internal Revenue Service Criminal Investigation; the U.S. Army Criminal Investigation Command; and Deputy Inspectors General of the State of Georgia Office of the Inspector General.

Assistant United States Attorney Stephen H. McClain is prosecuting the case.

For further information please contact the U.S. Attorney's Public Affairs Office at [USAGAN.PressEmails@usdoj.gov](mailto:USAGAN.PressEmails@usdoj.gov) or (404) 581-6016. The Internet address for the home page for the U.S. Attorney's Office for the Northern District of Georgia Atlanta Division is <http://www.justice.gov/usao/gan/>.