



## NEWS RELEASE

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### **San Fernando Valley Man Convicted of Giving Illegal Gifts to Government Employees in Exchange For Business**

*LOS ANGELES* – A man who operated two businesses that sold office supplies to the federal government has been convicted by a federal jury of giving illegal gifts to federal employees who did business with his companies.

Ivan Greenhut, 57, of Tarzana, was convicted late yesterday afternoon in United States District Court of one count of conspiring to give gifts to federal officials who purchased products from Greenhut's companies and one count of giving a gift to a public official, specifically a United States Army employee who purchased products from Greenhut's companies.

"The public is entitled to impartial purchasing decisions by federal employees," said United States Attorney Eileen M. Decker. "Mr. Greenhut's illegal gift scheme cast doubt upon every purchase from his companies, thereby violating the public's trust and confidence in its government. That scheme now has him facing a significant federal prison sentence."

Greenhut operated two companies – Modern Data Products, which operated out of Canoga Park, and Modern Imaging Solutions, based out of the Philippines. These companies sold office supplies – for example, printer and photocopier supplies, toner cartridges, stationary and office furniture – to government and U.S. Army officials whose job it was to buy supplies on behalf of the federal government.

Greenhut was part of scheme to pay gratuities to government contracting officers who purchased supplies from his companies. "These gifts included electronics, such as laptop computers, digital cameras, iPads, iPods and gift certificates, worth hundreds of dollars, to retailers such as Amazon, Safeway, Target, and Best Buy," according to court documents. "Many of these gifts were sent to the government official's personal residence or personal email addresses."

Testimony at trial showed that Greenhut also operated a "rewards" program in which government contracting officers earned "points" based on the amount they approved their agency to purchase.

The evidence at trial showed that Greenhut provided government officials who purchased supplies from his companies gifts with a total value of more than \$36,000.

A witness testified that Greenhut knew that federal buyers could not accept gifts and that he was asked to stop. Greenhut also knew that the gifts could get him “in criminal trouble,” according to instant message communications shown to the jury. Greenhut refused to stop giving the gifts, however, because the gifts brought him “far too much business.”

United States District Judge Christina A. Snyder, who presided over the four-day trial, scheduled a sentencing hearing for March 21, 2016, at which time Greenhut will face a statutory maximum penalty of seven years in federal prison.

The jury that convicted Greenhut of the two felony charges also acquitted him of a witness tampering charge that alleged he attempted to persuade the businesses’ co-owner to lie about the gratuities to investigators.

The case against Greenhut is the product of an investigation by the Defense Criminal Investigative Service, which received substantial assistance from NASA’s Office of Inspector General and General Services Administration, Office of Inspector General.

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