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June 8, 2010

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**LAUREL MAN SENTENCED IN SCHEME
TO DEFRAUD FACTORING COMPANIES OF OVER \$1 MILLION**

Greenbelt, Maryland - U.S. District Judge Roger W. Titus sentenced Rafael Simmons, age 31, of Laurel, Maryland and Texas, late yesterday to 41 months in prison followed by three years of supervised release for wire fraud and money laundering in connection with a scheme to defraud accounts receivables finance companies, known as factoring companies, of more than \$1 million. Judge Titus also entered an order that Simmons pay restitution of \$1,109,835.68.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Richard A. McFeely of the Federal Bureau of Investigation; Special Agent in Charge Rebecca Sparkman of the Internal Revenue Service - Criminal Investigation; Special Agent in Charge Kathryn Jones, U.S. Department of Transportation, Office of Inspector General, Washington Regional Office; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office; and Brigadier General Colleen L. McGuire, Provost Marshal General of the Army and Commanding General of the U.S. Army Criminal Investigation Command.

According to Simmons' plea agreement, from November 2007 through July 2009, Simmons, Rodney Mathis and DeJuan Fountain, engaged in a scheme to defraud factoring companies, which purchase account receivables from federal government contractors and others. Simmons contacted Federal National Payables (FNP), a factoring company, and held himself out as the Director of Omega Rho International (ORI), a management consultant company located in Odenton, Maryland. Simmons falsely represented that ORI had a lucrative contract to supply telecommunications services to the U.S. government and that ORI was willing to assign its rights to payments under the contract to FNP, in exchange for advances on those payments. Rodney Mathis falsely held himself out as a contracting officer for the U.S. Army in order to convince FNP that ORI had a genuine government contract and that government payments would be made to FNP. DeJuan Fountain, who was a warrant officer in the U.S. Army, held himself out to be a disbursement officer and sent e-mails to the Vice President of FNP purportedly providing information about disbursement of the government payments on the contract to FNP, when in fact, he had no disbursement or fiscal authority.

As part of the scheme, Simmons submitted a fictitious financial statement to FNP reflecting that Simmons' net worth was \$12 million and that he had more than \$1.9 million in

cash available in banks in the Philippines and in the United Arab Emirates, in order to entice FNP to send the factoring payments. Mathis and Simmons also created a fraudulent classified version of a government contract which they faxed to FNP to further convince FNP that the contract was genuine. As a result, Simmons, Mathis and Fountain caused FNP to make several wire transfers, including a wire transfer of approximately \$315,124 to a bank account controlled by Simmons. Simmons subsequently laundered the payment through other accounts he controlled.

The total loss resulting from the scheme was between \$1 million and \$2.5 million.

Rodney A. Mathis, age 34, of Stafford, Virginia, pleaded guilty on February 22, 2010, to wire fraud in connection with his role in the scheme and is scheduled to be sentenced on June 15, 2010 at 2:00 p.m. DeJuan Fountain, age 38, of Douglasville, Georgia, pleaded guilty to making a false statement and was sentenced on May 17, 2010 to one year probation, with the first three months to be served on home detention with electronic monitoring. Fountain was also ordered to pay a \$1,000 fine.

United States Attorney Rod J. Rosenstein commended Assistant United States Attorney David I. Salem, who prosecuted the case.