



U.S. Department of Justice

United States Attorney
District of Maryland

Rod J. Rosenstein
United States Attorney

Vickie E. LeDuc
Public Information Officer

36 S. Charles Street
Fourth Floor
Baltimore, Maryland 21201-2692

410-209-4800
TTY/TDD:410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov

December 9, 2011
FOR IMMEDIATE RELEASE
www.justice.gov/usao/md

**CONTACT AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885**

**FATHER AND SON CONVICTED FOR FRAUDULENTLY BILLING
NSA OVER \$1.455 MILLION DURING A 10 YEAR PERIOD**

*Daughter Previously Pleaded Guilty to Failing to Pay Taxes on \$4.5 Million She Embezzled
from Father's Manufacturing Company*

Baltimore, Maryland - A federal jury convicted William Turley, age 71, of Annapolis, Maryland, and his son Donald Turley, age 54, of Owings, Maryland late yesterday, of conspiring to commit and committing wire fraud arising from a fraudulent billing scheme.

The guilty verdicts were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; George Ellard, Inspector General of the National Security Agency; Acting Special Agent in Charge Jeannine A. Hammett of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office; and Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office.

"The jury spoke loud and clear that gouging Government contracts and fraudulently billing the Government will not be tolerated," said Robert Craig, Special Agent in Charge for the Defense Criminal Investigative Service, Mid Atlantic Field Office.

"IRS Criminal Investigation provides financial investigative expertise in our work with our law enforcement partners," said IRS Acting Special Agent in Charge Jeannine A. Hammett. "Pooling the skills of each agency makes a formidable team as we investigate allegations of wrong-doing. Today's actions demonstrate our collective efforts to enforce the law and ensure that no one is entitled to defraud the government."

According to evidence presented at the seven day trial, William Turley owned Bechdon Company, a manufacturing company located in Upper Marlboro, Maryland, and was president of the company from 1966 until his resignation on November 19, 2008. The company manufactured metal, plastic and sheet metal parts and other specialty items for customers, including the National Security Agency (NSA). Donald Turley worked at his father's company until 2008, and served as the program manager on the NSA contract. Christina Turley Knott is William's daughter, and worked as a bookkeeper at her father's company until 2005, preparing and submitting invoices to the NSA for the time and materials used to produce products ordered by NSA.

Trial testimony showed that from 1997 until August 1, 2008, the three defendants instructed employees to inflate the amount of hours they spent working on NSA jobs and in some cases, to misreport the time they spent working on NSA jobs. Additionally, William and Donald Turley became aware that from 2002 through 2005, Christina Knott embezzled approximately \$4.5 million from the company, but chose not to pursue claims against Knott for fear that she would reveal their scheme to defraud NSA. Christina Knott did not report the embezzled funds as income on her 2004 federal income tax return.

According to evidence presented at trial, William and Donald Turley sought security clearances with NSA in 2006 and 2007, respectively, in order to allow their company to bid on classified NSA contracts, and as a result, have access to more opportunities to submit false invoices to NSA. To obtain those clearances, William and Donald Turley consented to voluntary interviews and polygraph examinations.

The evidence showed that during William Turley's interview on March 24, 2006, when asked whether he had ever committed a crime, William Turley admitted to "moving time around" on the NSA contract and admitted that his conduct was "illegal." According to trial testimony, in response to the same question during his interview on April 17, 2007, Donald Turley admitted that in the week prior to his interview he had inflated the amount of time he recorded working on NSA jobs on his own daily time cards and had instructed Bechdon employees to inflate the hours they worked on NSA jobs on their daily time cards.

The government seeks forfeiture of \$1,455,174, the amount of payments fraudulently received from NSA, as well as residences in Annapolis and Owings, Maryland, and in Palm Beach, Florida.

William and Donald Turley face a maximum sentence of 20 years in prison for the conspiracy and for wire fraud. U.S. District Judge Richard D. Bennett scheduled sentencing for both on March 2, 2012, at 10:00 a.m.

Christina Turley Knott, age 50, of Edgewater, Maryland, pleaded guilty to fraudulently billing NSA and to subscribing to a false tax return. She faces a maximum sentence of 20 years in prison for the conspiracy and three years in prison for the tax offense, and is scheduled to be sentenced on February 21, 2012, at 3:00 p.m.

United States Attorney Rod J. Rosenstein praised the NSA-OIG, IRS- Criminal Investigation and the DCIS for their work in the investigation. Mr. Rosenstein thanked Assistant United States Attorney Leo J. Wise and Jefferson M. Gray, who are prosecuting the case.