

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT of UTAH**Defendant In Procurement Fraud Case Involving Services In Afghanistan Sentenced To 42 Months In Federal Prison****FOR IMMEDIATE RELEASE****June 13, 2014**

SALT LAKE CITY - An individual who pled guilty to disclosure of procurement information and money laundering in connection with a procurement fraud case involving a military contract for services in Afghanistan has been sentenced to 42 months in federal prison.

U.S. District Judge Tena Campbell, who imposed the sentence, ordered David Young, age 51, of Hernando Beach, Florida, to self-surrender to begin serving the sentence on Aug. 4. Young will be on supervised release for 36 months when he finishes his prison sentence.

As a part of a plea agreement reached with federal prosecutors, Young admitted that between March and June of 2007, he was deployed as an activated reservist in Afghanistan with the U.S. Army at the Combined Joint Special Operations Task Force and acted as an official liaison for Afghan National Security Force Partnering. In this position, he was involved in supervising the transfer of greater responsibility for Afghanistan's national security to the Afghans. During that time, according to the plea agreement, a need arose to train the Afghan forces in weapons maintenance and property book management. A decision was made to solicit a pilot contract to meet that need.

Young admitted that by virtue of his position as a federal official, he possessed confidential bid, proposal, and source selection information concerning this pilot contract which the Army eventually issued solicitations for to private U.S. contractors. The contract stipulated a need for logistics and weapons maintenance support for Afghan commando units.

According to court records, Michael Taylor, another defendant in the case, was the owner and Chief Executive Officer of American International Security Corporation (AISC). During the source selection process and before the contract was awarded, Young admitted that he disclosed to Taylor and Christopher Harris, also charged in the case, the government's price estimate for the contract, source selection information, information detailing the competitor's bid, and other sensitive and protected material. AISC responded to a solicitation and used that information to prepare and submit a bid on the contract. Young admitted the protected information provided a competitive advantage in the source selection process. The Army subsequently awarded the contract to AISC.

According to the plea agreement, AISC paid Christopher Harris, who worked as the country manager in Afghanistan for AISC, more than \$17 million throughout the life of the contract. Young received more than \$9.4 million from the proceeds of the contract, according to court records.

"As we are all aware, families in Utah and across America continue to send loved ones to serve our nation in Afghanistan. Conduct like we see in this case undermines the confidence of American taxpayers who continue to pay for the cost of our efforts in Afghanistan," U.S. Attorney David B. Barlow said today. "Young held a position of trust with the United States Army and violated his ethical duties as a soldier. He knew full well that he could not ethically use or disclose the protected information as he did."

As a part of the plea agreement, Young agreed to forfeit money from multiple bank accounts; 16 pieces of real property in New Hampshire and Florida; money from the sale of a Hummer and boat; a Jaguar; 225 one-ounce American Eagle coins; and 175 one-ounce South African Gold Krugerrand coins.

Harris, age 49, of Lake Havasu, Arizona, who pled guilty to conspiracy to commit government procurement fraud and money laundering, is scheduled to be sentenced June 23. Sentencing has not been set for Taylor, age 53, of Boston, who pled guilty to a violation of the prohibition of obtaining procurement information. Taylor's plea agreement includes a recommendation for a sentence of not more than 24 months.

"The defendant betrayed his oath to the Constitution and abused his position as a military officer to pilfer taxpayer dollars to feed his appetite for wealth and an opulent lifestyle," said Jonathan Lines, assistant special agent in charge of ICE's Homeland Security Investigations (HSI) in Utah. "This conviction should make clear, HSI and its investigative partners are committed to ensuring that those who misuse taxpayers' dollars and violate the public's trust are held accountable for their actions."

"IRS Criminal Investigation and our investigative partners are pleased with today's sentencing. The defendant abused his position as a high ranking special ops military officer and betrayed his country, and its taxpayers, by selling vital information for personal gain. IRS CI is committed to investigating egregious crimes such as these," said IRS Criminal Investigation Assistant Special Agent in Charge, Shea Jones of the Las Vegas Field Office.

"Fraud and corruption in military contracting not only take away precious dollars necessary for the dedicated American warfighter, but they undermine the confidence of the American public who demand a military procurement system that spends their tax dollars wisely and responsibly. In this case, both a military officer and a government contractor betrayed the public's trust. This investigation should serve as a warning for those intent on defrauding the U.S. military and the American public that law enforcement will pursue these crimes relentlessly," Janice M. Flores, Special Agent in Charge of the DCIS Southwest Field Office said.

The case was investigated by the Defense Criminal Investigative Service (DCIS), U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI), Internal Revenue Service-Criminal Investigation, and the U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit. It was prosecuted by Assistant U.S. Attorneys in the U.S. Attorney's Office in Utah.