



NEWS RELEASE

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Former Simi Valley Businessman Sentenced to Over 7 Years in Prison for Selling Knock-Off Batteries to Navy for Use on Warships

LOS ANGELES – The former owner of the Simi Valley-based battery distributor Powerline, Inc. was sentenced today to 87 months in prison for defrauding the government by selling more than \$2.7 million in knock-off batteries to the U.S. Department of Defense.

Didier De Nier, 64, who lived in Simi Valley until he fled the U.S. over two years ago, was found guilty in April by a federal jury of five counts of wire fraud and one count of conspiracy to defraud the United States.

In addition to the prison term, United States District Judge Dolly M. Gee ordered De Nier to pay more than \$2.7 million in restitution, mostly to the DoD.

“Military personnel aboard Navy vessels relied on these bogus batteries to supply back-up power in an emergency, but the fraudulent nature of the nearly 80,000 batteries sold by De Nier meant warships risked becoming dead in the water,” said Acting United States Attorney Stephanie Yonekura. “This defendant risked the safety of American military personnel, which warrants the substantial prison sentence he has received.”

The charges stem from a probe by U.S. Immigration and Customs Enforcement’s Homeland Security Investigations (HSI) and the Defense Criminal Investigative Service (DCIS). The Defense Logistics Agency and the Defense Contract Audit Agency also provided significant support to the investigation, which represents the first case prosecuted under the 2011 Defense Authorization Act.

“As this sentence makes clear, military procurement fraud is a serious crime, with repercussions that extend far beyond the financial losses to the Department of Defense and U.S. taxpayers,” said Claude Arnold, special agent in charge for HSI Los Angeles. “This defendant put the safety and readiness of our nation’s warfighters at risk merely to line his own pockets. HSI will continue to aggressively target those who willfully jeopardize our nation’s security and the welfare of those devoted to protecting it.”

Chris Hendrickson, Special Agent in Charge, DCIS, Western Field Office, stated: "America's Warfighters deserve the very best to perform their jobs, and the taxpayers expect nothing less. Fraud committed by defense contractors not only takes away precious resources necessary for the protection of our brave sailors, soldiers, airmen and marines, it also undermines the confidence of the American public who demand that tax dollars are used responsibly. This investigation should serve as a warning for those intent on defrauding the U.S. military and American public that the Defense Criminal Investigative Service and our law enforcement partners will pursue these crimes relentlessly."

From 2004 to 2011, Powerline, which also did business as Birdman Distribution Corp., sold more than 80,000 batteries and battery assemblies which the Navy used for emergency back-up power aboard nuclear aircraft carriers, minesweepers and ballistic submarines. The batteries were installed on numerous Naval vessels at a cost to the DOD of more than \$2.6 million.

De Nier instructed his employees how to disguise the bogus nature of the batteries by affixing counterfeit labels falsely identifying them as originating from approved manufacturers – even drafting instructional guides on how to assemble the knock-offs. Powerline employees also used chemicals to remove "Made in China" markings from the counterfeit batteries and prepared doctored invoices, packing slips and other paperwork.

De Nier profited handsomely from his crimes – using proceeds to buy a yacht, pay his home mortgage, and to cover the cost of travel to the Caribbean and French Riviera.

De Nier's ex-wife, Lisa De Nier, who served for decades as Powerline's vice president of sales, previously pleaded guilty in this case to conspiracy to defraud the government. She faces up to 10 years in prison when she is sentenced later this year.

Shortly after federal agents searched Powerline's offices in July 2012, De Nier fled the Los Angeles area to live aboard his yacht near the Caribbean island of St. Martin, a French territory. In October 2013, federal agents arrested De Nier, a dual French-U.S. citizen, after he had sailed his yacht to the U.S. Virgin Islands.

Those with information relating to fraud, corruption or waste in government contracting should contact the DoD Hotline at www.dodig.mil/hotline or should call (800) 424-9098.

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