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**BECHDON COMPANY AGREES TO PAY \$1 MILLION PENALTY TO THE U.S. AS PART OF
A NON-PROSECUTION AGREEMENT**

Baltimore, Maryland - The United States Attorney's Office for the District of Maryland has entered into a non-prosecution agreement with Bechdon Company, Inc. for any crimes arising from the conspiracy to inflate the labor hours of Bechdon employees working on jobs for the National Security Agency, U.S. Attorney Rod J. Rosenstein announced today.

The government entered into the agreement in part, because Bechdon cooperated in the investigation of the NSA overbilling scheme. Also, as part of the agreement, Bechdon has agreed: to pay a \$1 million penalty to the government; to sell all or substantially all of its business operations; and that the current company president shall resign from Bechdon and the Bechdon Board by no later than December 31, 2012.

According to the statement of facts in the non-prosecution agreement, and evidence presented at trial, William Turley age 71, of Annapolis, Maryland, 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). William's son, Donald Turley, age 54, of Owings, Maryland, worked at his father's company until 2008, and served as the program manager on the NSA contract. William and Donald Turley were convicted on December 8, 2011, after a seven day trial, of conspiring to commit and committing wire fraud arising from a fraudulent billing scheme in connection with Bechdon's NSA contracts. From 1990 until October 2005, when she was terminated by the company for embezzling funds, Christina Turley Knott, William's daughter, worked as a bookkeeper at her father's company, preparing and submitting invoices to the NSA for the time and materials used to produce products ordered by NSA.

According to the testimony at William and Donald Turley's trial, Bechdon was overbilling the NSA for work it performed from at least the late 1980's or early 1990's. At least five Bechdon employees testified that William and Donald Turley or Christina Turley Knott had instructed them 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.

The employees were instructed verbally or with notes on slips of paper as to the number of false hours they should report to particular NSA jobs and those slips of paper were then immediately thrown away, so there were no records kept at Bechdon that reflected the exact amount of the company's fraud against the NSA. It was possible to establish the amount of the misbillings by two office employees whose time was

fraudulently billed to the NSA, and that subcategory of the fraud totaled \$247,631.83.

William and Donald Turley were sentenced on March 2, 2012, to 18 months in prison and Knott, age 51, of Edgewater, Maryland, was sentenced on March 7, 2012, to 15 months in prison, after pleading guilty to fraudulently billing NSA and to subscribing to a false tax return. Knott and the Turleys were also ordered to serve a year of home detention, as part of three years of supervised release.

The National Procurement Fraud Task Force was formed in October 2006 to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force - chaired by Assistant Attorney General for the Criminal Division Lanny A. Breuer - includes the United States Attorneys' Offices, the FBI, the U.S. Inspectors General community and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrate the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

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 negotiated the agreement.