



THE UNITED STATES ATTORNEYS OFFICE
EASTERN DISTRICT *of* VIRGINIA

Former Employee of Defense Contractor and Wife Plead Guilty to Conspiring to Defraud Millions in Scheme Involving Supplies to Afghan National Army

FOR IMMEDIATE RELEASE

October 30 , 2013

ALEXANDRIA, Va. – Keith Johnson, 46, and his wife, Angela Johnson, 44, of Maryville, Tennessee, pleaded guilty today to conspiracy to commit wire fraud.

Dana J. Boente, Acting United States Attorney for the Eastern District of Virginia; Mythili Raman, Acting Assistant Attorney General of the Justice Department's Criminal Division; Valerie Parlave, Assistant Director in Charge of the FBI's Washington Field Office; Robert E. Craig, Defense Criminal Investigative Service (DCIS) Special Agent in Charge of Mid-Atlantic Field Office; John Sopko, Special Inspector General for Afghanistan Reconstruction (SIGAR); and Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit (MPFU), made the announcement after the pleas were accepted by United States District Judge Leonie M. Brinkema.

The Johnsons were indicted on July 16, 2013, by a federal grand jury on conspiracy to commit wire fraud and wire fraud charges. Keith Johnson faces a maximum penalty of 20 years imprisonment and Angela Johnson faces a maximum penalty of 5 years imprisonment when they are sentenced on February 14, 2014.

In a statement of facts filed with the plea agreement, Keith Johnson admitted to serving as the Program Manager for a Department of Defense contractor that operated a Central Maintenance Facility (CMF) in Kabul, Afghanistan and other facilities in that country to maintain and repair vehicles used by the Afghan National Army. In his position during 2007-2008, Keith Johnson was involved in purchasing vehicle parts from vendors. The Johnsons formed a company in Tennessee, Military Logistics Support (MLS), and listed only the names of relatives as officials in the documents filed. Angela Johnson operated the company. When Keith Johnson's company solicited quotes for different vehicle parts that were needed, Angela Johnson, using her maiden name of "Angela Gregory" to conceal her relationship to Keith Johnson, responded with quotes based on parts that she was able to purchase from other vendors of vehicle parts. Keith Johnson used his position as Program Manager to write letters justifying awards of purchase orders for parts to MLS without seeking competitive quotes, and in instances in which there had been competitive quotes, approving recommendations that the awards be made to MLS.

The Johnsons also conspired with John Eisner and Jerry Kieffer, two individuals who worked at the CMF as subcontractors to Keith Johnson's company to have Keith Johnson similarly steer purchase orders for other types of vehicle parts to Eisner's and Kieffer's separate company, Taurus Holdings. Eisner submitted the quotes for Taurus using a fake name to conceal his connection to the subcontractor. Eisner and Kieffer paid kickbacks to the Johnsons and on occasion engaged in collusive bidding with the Johnsons, so that MLS could win competitions for certain purchase orders. Eisner and Kieffer previously pleaded guilty to conspiracy and will be sentenced on December 18, 2013.

As a result of the scheme, Keith Johnson's company awarded MLS at least \$9.7 million worth of purchase orders for vehicle parts by Keith Johnson's company.

This case was investigated by DCIS, the FBI, SIGAR, and Army MPFU. Assistant United States Attorneys Jack Hanly and Ryan Faulconer of the U.S. Attorney's Office for the Eastern District of Virginia and Trial Attorney Daniel Butler of the Criminal

Division's Fraud Section, who is also a Special Assistant U.S. Attorney for the Eastern District of Virginia, are prosecuting the case on behalf of the United States.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.