

Press Release

South Florida Aircraft Parts Brokers Sentenced for Procurement Fraud against the U.S. Military

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FOR IMMEDIATE RELEASE

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, John F. Khin, Special Agent in Charge, Defense Criminal Investigative Service (DCIS), Marlies T. Gonzalez, Special Agent in Charge, U.S. Department of Transportation, Office of Inspector General (DOT-OIG), Miami Field Office, John V. Gillies, Special Agent in Charge, Federal Bureau of Investigation (FBI), Miami Field Office, Commander Michelle Keast-Nachtrab, Air Force Office of Special Investigations, Detachment 802 (AFOSI), Kevin Dodd, Special Agent in Charge, Southeast Field Office, Naval Criminal Investigative Service (NCIS), and Alysa D. Erichs, Special Agent in Charge, U.S. Immigration and Customs Enforcement's Homeland Security Investigations (ICE-HSI), announced the sentencing of defendants **Henry McFlicker**, 67, of Parkland, Florida, and **Ayodha Persaud**, 63, of Coral Springs, Florida, for their participation in a procurement scheme to defraud the U.S. Air Force and the U.S. Navy, and the commercial aviation sector. The defendants were convicted on charges of conspiracy to commit aircraft parts fraud, in violation of Title 18, United States Code, Section 371.

At today's hearing, U.S. District Judge Kathleen M. Williams sentenced defendant Henry McFlicker to 45 months in prison, to be followed by 3 years of supervised release. Defendant Ayodha Persaud was sentenced to 37 months in prison, to be followed by 3 years of supervised release. Judge Williams also ordered both defendants to pay \$1,454,232.00 in restitution to the United States Government.

According to documents filed with the court and statements made at the sentencing hearing, defendants McFlicker and Persaud were the corporate officers of Daytona Aerospace, Inc., a South Florida aviation parts broker whose business included the purchase, sale, and trade of aircraft parts between commercial airlines, private aircraft, other brokers, and the U.S. Department of Defense (DOD). Since 2001, the defendants had received more than \$8.5 million in contracts to provide various aircraft parts to the DOD for use on KC-135 or E-3 military aircraft.

Defendants McFlicker and Persaud misrepresented the condition and origin of aircraft parts in their responses to numerous bids advertised by the U.S. Air Force and Navy. Although the orders and contracts specifically required the defendants to supply new surplus parts manufactured by The Boeing Company, the defendants instead used various unauthorized local dealers to manufacture the requested parts. To conceal the fraud, the defendants and their employees would complete a Certificate of Conformance, also known as a "Parts or Material Certification Form" or an "ATA 106," and other paperwork, such as packing slips and invoices, that misrepresented either the condition of the parts or the manufacturer.

Additionally, to further conceal the fraud, the defendants created fraudulent inventory lists, certification forms, and letters bearing various airlines' corporate logos and attached these false forms to shipments containing the parts. The defendants then forwarded the completed fraudulent paperwork, including the ATA 106 and other traceability documentation, and the counterfeit parts to the purchasers, including the Air Force and others in the commercial and military aviation industry. The defendants' conduct resulted in more \$1 million in losses.

Mr. Ferrer commended the investigative efforts of DCIS, the U.S. Department of Transportation, Office of the Inspector General, FBI, the Air Force Office of Special Investigations, NCIS, and ICE-HSI. Mr. Ferrer also thanked the Federal Aviation Administration for their assistance during the course of the investigation. This case was handled by Assistant U.S. Attorney Marc Anton.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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