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CONTACT: WILLIAM DANIELS

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(813) 274-6388

SOCOM DEFENSE CONTRACTORS SENTENCED TO FEDERAL PRISON

Tampa, FL - U.S. District Judge Virginia M. Hernandez-Covington today sentenced Eduardo Blanchet (60, Orlando) and Daniel Guillan (56, Sanford) each to three years in federal prison for conspiring to defraud the United States and for committing wire fraud in relation to the 2007 acquisition of a five-year, \$100 million U.S. Special Operations Command (SOCOM) contract. The contract proposed to provide foreign language training to the military. The court also ordered Blanchet and Guillan to forfeit \$10,917,092, the proceeds of their criminal conduct.

Blanchet and Guillan were found guilty by a federal jury on February 28, 2012. According to court documents, Blanchet formed B.I.B. Consultants, an Orlando-based business, in 1996. In 2002, SOCOM, located at MacDill Air Force Base, awarded B.I.B. Consultants a five-year, \$50 million small business set-aside contract to teach foreign languages to the military's special forces. Guillan was Blanchet's right-hand man at B.I.B. and ran the day-to-day operations of the contract. As a result of the award, B.I.B. grew into a large business, and neither B.I.B. nor any of its affiliated companies were eligible to bid on any subsequent small business contracts with the military. Knowing this, Blanchet and Guillan formed another entity, MiLanguages Corporation. They recruited a sham owner to appear as the owner of MiLanguages on legal documents. In 2007, at Blanchet and Guillan's direction, MiLanguages fraudulently bid on and was awarded a five-year, \$100 million small-business set aside contract to teach foreign languages to the military. After receiving a size protest about the possible affiliation between B.I.B. Consultants and MiLanguages, SOCOM adopted the protest and requested a formal size determination from the Small Business Administration.

The evidence at trial showed that during the size protest before the Small Business Administration, Blanchet and Guillan repeatedly lied, submitted material misrepresentations, and omitted critical facts about their true ownership and control over B.I.B. and MiLanguages. As a result, MiLanguages was ultimately awarded the \$100 million SOCOM contract. However, a subsequent federal investigation revealed the sham ownership structure of MiLanguages and that Blanchet and Guillan always maintained true ownership and control over the company. In addition, the evidence showed that Blanchet and Guillan personally profited approximately \$11 million from the SOCOM contract, while the alleged owner of MiLanguages was paid a total \$63,000 over a three-year period.

This case was investigated by the Defense Criminal Investigative Service, the Small Business Administration - Office of Inspector General, and the Defense Contract Audit Agency. It was prosecuted by Assistant United States Attorneys Josephine W. Thomas and Robert A. Mosakowski.