



Department of Justice

Alice H. Martin
United States Attorney
Northern District of Alabama

FOR IMMEDIATE RELEASE

February 1, 2006
www.usdoj.gov/usao/aln

MADISON COUNTY DEFENSE CONTRACTOR AND CORPORATION INDICTED FOR FEDERAL WIRE FRAUD AND FALSE CLAIMS TO THE GOVERNMENT

BIRMINGHAM, ALABAMA: DALE OBERHAUSEN and PRECISION SPECIALTY CORPORATION have been indicted today by a federal grand jury alleging charges of wire fraud and submitting false claims to the Government.

According to United States Attorney Alice H. Martin, OBERHAUSEN, 44 of Meridianville, Alabama, is the day to day operator of PRECISION SPECIALTY CORPORATION (PSC) located in Meridianville. A nine count indictment charges three counts of wire fraud and six counts of making false claims to the government through the submission of invoices.

It is alleged that from July, 2002 until December 2003, Oberhausen and PSC would submit invoices for payment, which represented that the specified parts had been supplied to the Department of Defense Depots when in fact, inferior grade parts were supplied instead.

PSC was contracted to supply a switch assembly, fire cutout for the Phalanx Close-In Weapons System, which was considered to be a critical application item. To be more specific, a critical application item is an item which is essential to the preservation of life in emergencies or system performance, the failure of which would adversely affect the accomplishment of a military operation. The failure of a switch assembly, fire cutout would cause the Close In Weapons System to misfire or point in an unsafe direction while firing. The indictment alleges that OBERHAUSEN and PSC caused approximately \$69,753.41 to be electronically deposited into PSC's bank account based on the false invoices.

“Individuals and corporations who put money over our military personnels’ safety will be meet with zealous prosecution. Supplying inferior grade parts, yet billing for specified

tested parts, endangers the lives of our soldiers and will not be tolerated” stated United States Attorney Alice H. Martin.

Special Agents of the Department of Defense, Office of the Inspector General investigate procurement fraud and/or wire fraud and false claims. Assistant United States Attorney Angela Redmond Debro is prosecuting charges of wire fraud and false claims to the government allegations.

Members of the public are reminded that the indictment contains only charges. A defendant is presumed innocent of the charges, and it will be the government’s burden to prove a defendant’s guilt beyond a reasonable doubt at trial.

- END -