



## NEWS RELEASE

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### **FORMER RAYTHEON EMPLOYEE PLEADS GUILTY TO EMBEZZLING NEARLY \$265,000 THROUGH CLASSIFIED CELL PHONE PROGRAM**

*LOS ANGELES* – A Fullerton man has pleaded guilty to federal fraud charges, admitting that he stole several hundred thousands of dollars from a defense contractor in connection with a cell phone program he operated for employees working on classified programs.

David L. Culbertson, 55, pleaded guilty yesterday to one count of mail fraud and agreed to pay approximately \$265,000 in restitution to the Raytheon Company.

A long-time security manager at Raytheon, Culbertson worked on a number of classified programs. In 1989, Culbertson began providing cell phones to certain Raytheon personnel who also worked on classified programs. In order to disassociate the cell phones from Raytheon, Culbertson had the bills associated with the cell phones sent to his residence, and he then paid the bills using personal funds. He then sought reimbursement from Raytheon, which passed on the costs of the cell phone program to the federal government.

In a plea agreement filed in United States District Court, Culbertson admitted that, beginning in 2003, he frequently sought multiple reimbursements from Raytheon for the same cell phone bills, essentially double- or triple-billing Raytheon and the federal government. Culbertson was able to carry out the scheme by showing the same original cell phone bills to different people in order to gain approval for his reimbursement requests. For example, Culbertson would take a set of phone bills to one individual in order to obtain a petty cash reimbursement, and then take these same

phone bills to another individual in order to obtain a check reimbursement. Culbertson was able to avoid detection of his scheme by claiming to the various reimbursement approvers that they could not keep copies of the phone bills due to confidentiality concerns. Between 2003 and 2006, Culbertson embezzled approximately \$265,000 through his fraudulent scheme.

Culbertson's scheme was ultimately detected through an internal audit in 2006, which prompted Raytheon to terminate Culbertson in early 2007. Raytheon has been fully cooperative with the federal government's investigation and prosecution of this matter.

Culbertson pleaded guilty before United States District Stephen V. Wilson, who is scheduled to sentence the defendant on February 7. Culbertson faces a statutory maximum sentence of 20 years in federal prison, but Judge Wilson will make the final determination as to the appropriate sentence in the case.

The investigation into Culbertson was conducted by the National Reconnaissance Office - Office of Inspector General and the Defense Criminal Investigative Service.

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