



## NEWS RELEASE

**Stephanie Yonekura**

Acting United States Attorney  
Central District of California

For Immediate Distribution

**April 2, 2015**

Thom Mrozek, Public Affairs Officer

[thom.mrozek@usdoj.gov](mailto:thom.mrozek@usdoj.gov)

(213) 894-6947

[www.justice.gov/usao/cac](http://www.justice.gov/usao/cac)

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### **Seven Charged in Scheme to Pay Kickbacks to Boeing Official to Secure Contracts Related to Satellites Being Built for Government**

*LOS ANGELES* – Seven defendants have been charged in a scheme to pay kickbacks to a procurement official at a subsidiary of the Boeing Company that supplies satellites and satellite parts to federal government entities, including NASA.

A series of cases related to the kickback scheme were announced today after prosecutors learned that a federal judge unsealed documents related to four of the defendants who previously pleaded guilty in under seal proceedings.

At the center of the scheme is an executive at a San Gabriel Valley metal company that was a subcontractor to Boeing Space and Intelligence Systems (BSIS), which supplies satellites and satellite parts to NASA, the Department of Defense, the National Reconnaissance Office and the United States Air Force. That executive – Alfred Henderson, 60, of Pico Rivera, who is the vice president of A&A Fabrication and Polishing, Inc., which operates in Whittier and Montebello – was arrested on Monday and arraigned on a 15-count grand jury indictment that was unsealed after his arrest. A&A is also charged in the indictment.

Henderson pleaded not guilty on Monday, was released on a \$25,000 bond, and was ordered to stand trial on May 26. Representatives of A&A will appear on behalf of the company in federal court on April 13.

A&A is a company that specializes in machining, welding and producing sheet metal for industries that include aerospace. A&A manufactured tooling parts that Boeing used to manufacture satellites.

The indictment alleges that Henderson and A&A paid kickbacks to Mark Allen, 60, of Fresno, who was a procurement officer at BSIS in El Segundo. The kickbacks were paid to Allen through an outside sales representative, Raymond Joseph, 66, of Los Angeles, related to purchase orders to A&A for tooling parts used to manufacture of satellites that were sold to the U.S. Government. The indictment alleges that Allen provided Henderson with confidential information that gave A&A an improper advantage in bidding and ensured that A&A would receive purchase orders from BSIS.

The indictment also alleges that, after Boeing decided to stop doing business with A&A due to work quality and performance issues, Henderson devised a scheme to do business through a “front” company, Nace Sheet Metal Company, which was owned and operated by Cesar Soto, 47, of Chino. The indictment against Henderson alleges that Soto and an A&A employee, Randy Mitchell, 62, of Whittier, misrepresented that A&A’s facility was actually operated by Nace and that Henderson unlawfully used Soto’s name on price quotes to Boeing. The indictment further alleges that Henderson and A&A issued false tax forms to Joseph, which he used to understate his taxable income to the Internal Revenue Service.

“Pay-to-play schemes undermine the integrity of the competitive bidding process and, in this case, compromised the quality of products used to manufacture satellites for scientific exploration and national defense,” said Acting United States Attorney Stephanie Yonekura.

Chris D. Hendrickson, Special Agent in Charge of the Defense Criminal Investigative Service, stated: “Corruption in government contracting is always reprehensible. The indictment handed down by the grand jury and the arrest of Alfred Henderson is yet another example of the continued dedication by the Defense Criminal Investigative Service and its law enforcement partners to identify and prosecute those individuals who engage in corrupt business practices.”

In a court order filed late Tuesday, United States District Judge Otis D. Wright II, unsealed criminal cases against Mark Allen, Raymond Joseph, Cesar Soto, and Randy Mitchell. All four previously pleaded guilty and are pending sentencing.

The United States Attorney’s Office on Monday filed a criminal information against the seventh defendant in this scheme – Noberto Martinez, 53, of Alhambra, who owns and controls Zenitram Engineering and Manufacturing, Inc. The information charges Martinez with conspiring to pay kickbacks to Allen and issuing false tax forms to Joseph. Martinez has signed a plea agreement and is scheduled to make his first court appearance on April 13.

*An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until and unless proven guilty in court.*

The cases are the result of investigations by the Defense Criminal Investigative Service, NASA’s Office of Inspector General, and IRS - Criminal Investigation. The National Reconnaissance Office and the U.S. Air Force’s Office of Special Investigations also participated in the investigation. Boeing cooperated fully in the investigation.

CONTACT: Assistant United States Attorney Stephen I. Goorvitch  
Major Frauds Section  
(213) 894-2476