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**DEPARTMENT OF DEFENSE EMPLOYEE ADMITS TO FRAUDULENTLY
OBTAINING OVER \$750,000 FROM CONTRACTS WITH ABERDEEN PROVING
GROUND**

*Caused the Army Research Laboratories to Fund a Research Project, and Then Persuaded the
Defense Contractor to Subcontract with a Company He Secretly Controlled*

Baltimore, Maryland – Mark Nixon, age 54, of Silver Spring, Maryland, pleaded guilty today to conspiring to defraud the United States and to acts affecting a personal financial interest.

The guilty plea was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office; and Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation.

"Today's guilty plea demonstrates our special agents' expertise and dedication to investigate and expose companies and government employees who engage in fraud," said Frank Robey, the director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. "While the defendant may have thought he would get away with the criminal scheme, he was no match for the dogged determination and professionalism of our agents and their commitment to enforcing the law and rooting out those who attempt to steal from the U.S. Government."

"The guilty plea today by Mr. Nixon illustrates the lengths that some will go through to circumvent the government contracting process for personal gain," said Robert E. Craig, Jr., Special Agent in Charge for the Defense Criminal Investigative Service, Mid-Atlantic Field Office. "DCIS and its law enforcement partners, along with the U.S. Attorney's Office, are committed to rooting out this behavior in order to ensure acquisition integrity and safeguard Department of Defense funds."

Mark Nixon was a civilian employee of the Department of Defense, and worked at the U.S. Army Research Laboratories (ARL) in Hampden, Virginia, and Aberdeen, Maryland. From 2008 to December 2010, Nixon was the Director of Vehicle Technology Directorate with ARL at Aberdeen Proving Ground.

Nixon also had a financial interest and management role in the operation of the following companies: Motile Robotics, Inc. (MRI), located in Joppa, Maryland; Atlantic Capital Enterprises (ACE); and Arrow Technical Incorporated (ATI).

According to his plea agreement, in 2008, Nixon determined that microsystem controls research was needed, including the fabrication of a small open-jet wind tunnel. Nixon created and approved government documents that caused ARL to fund this research, and became the designated team leader for ARL on the research project.

In January 2009, the United States awarded a large defense contractor a task order to construct the open flow wind tunnel from February 2008 to 2011, worth approximately \$3.6 million. Nixon persuaded the defense contractor to use MRI as a subcontractor. Nixon also played an important role in the government awarding the defense contractor another task order to construct a closed circuit wind tunnel from January 2009 to 2011, for approximately \$3.5 million, under which MRI was a subcontractor. Nixon provided the contracting officer with a technical evaluation of the contract and its cost, and acted as the government official overseeing and managing this work on a routine basis.

Nixon and a coconspirator had caused MRI to be created and provided significant input regarding the operation of MRI. Nixon was in effect a silent and undisclosed partner, owner and co-president. Nixon also actively assisted with the operation of MRI using the alias "Paul Martin" on order to conceal their financial interest. Although Nixon knew that he had a prohibited financial interest in MRI, he conducted a technical evaluation of MRI's capabilities as a subcontractor, and approved invoices listing false labor and materials charges.

MRI received more than \$5 million in federal funds under these task orders. Nixon caused MRI to pay money to Arrow Technical, and Arrow Technical to pay Atlantic Capital. Nixon also had a financial interest in Arrow Technical and Atlantic Capital. Nixon and two co-conspirators personally benefited from over \$750,000 sent to these companies.

Nixon and the government have agreed that if the Court accepts the plea agreement, Nixon will be sentenced to 42 months in prison followed by three years of supervised release. Nixon also agrees to forfeit and pay restitution of at least \$750,000. U.S. District Judge Marvin J. Garbis has scheduled sentencing for September 18, 2015 at 9:30 a.m.

An information filed on May 8, 2015 also charges Mark Nixon's wife Sandra Nixon, a/k/a "Lisa Hart," age 52, of Silver Spring, and Kenneth Dawson, age 52, of Niceville, Florida, with the same offenses arising from the conspiracy. Both Sandra Nixon and Kenneth Dawson are scheduled to have their initial appearance and arraignment on June 30, 2015 at 2:00 p.m. and 11:00 a.m., respectively.

The National Procurement Fraud Task Force was formed in October 2006 to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force includes the United States Attorneys' Offices, the FBI, the U.S. Inspectors General community and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrate the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

United States Attorney Rod J. Rosenstein commended the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit, DCIS and FBI for their work in the investigation. Mr. Rosenstein thanked Assistant U.S. Attorneys Harry M. Gruber and P. Michael Cunningham, who are

prosecuting the case.