

THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* VIRGINIA

Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

FOR IMMEDIATE RELEASE

Thursday, July 21, 2016

Former U.S. State Department Employee Convicted in \$2 Million Government Contract Conspiracy

ALEXANDRIA, Va. – Kenneth Apple, 65, of Beaverton, Oregon, was convicted today by a federal jury on charges related to his role in awarding \$2 million in micro-dairy contracts from the U.S. government for use in Iraq.

Apple was indicted on Dec. 17, 2015. According to court records and evidence presented at trial, Apple, a former employee with the U.S. Department of State, helped to steer the sole-sourcing of \$2 million in micro-dairy contracts to a company in which his son, Jonathan Apple, owned a 50 percent interest. However, Jonathan Apple and his partner had no technical experience in the industry. Kenneth Apple conspired to use his official position to pass on non-public information to his son in order to fraudulently award and administer government contracts. The conspirators further provided false information to, and concealed material details from the U.S. government.

Apple provided templates and technical specifications used in the proposal submitted by Jonathan Apple and his partner to the U.S. government. In addition, Kenneth Apple caused false and misleading statements to be made to the U.S. government regarding his experience, ownership interest, and the status of the projects. For example, Kenneth Apple directed a conspirator to keep Jonathan Apple's name off the company's website and any ownership documents. When federal law enforcement agents confronted Kenneth Apple about the scheme, he made false statements, including that he could not recall the owner of the company that won the micro-dairy contracts and that he did not receive any money from the contracts.

Apple faces a maximum penalty of 20 years in prison when sentenced on October 14. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes, as the sentencing of the defendant will be determined by the court based on the advisory Sentencing Guidelines and other statutory factors.

Dana J. Boente, U.S. Attorney for the Eastern District of Virginia; Paul M. Abbate, Assistant Director in Charge of the FBI's Washington Field Office; Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit (MPFU); and Robert E. Craig, Special Agent in Charge for the Defense Criminal Investigative Service's (DCIS) Mid-Atlantic Field Office, made the announcement after the verdict was accepted by U.S. District Judge T. S. Ellis, III. Assistant U.S. Attorneys Uzo Asonye and Katherine Wong are prosecuting the case.

A copy of this press release may be found on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information may be found on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for **Case No. 1:15-cr-363**.