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

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**Department of Justice**

U.S. Attorney's Office

Western District of Virginia

FOR IMMEDIATE RELEASE

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## **Former Military Contractor Found Guilty of Fraud Charges**

### **William R. Whyte Shipped Vehicles to Iraq with Inferior Armor**

Danville, VIRGINIA – The former owner and chief executive officer of an armored vehicle company with offices in Danville and Canada, was found guilty yesterday evening in the United States District Court for the Western District of Virginia in Danville of all federal charges levied against him, Acting United States Attorney Rick A. Mountcastle announced.

William R. Whyte, 72, of Ontario, Canada, was found guilty yesterday following a two-week jury trial on three counts of major fraud against the United States, three counts of wire fraud and three counts of false claims.

"Today's jury verdict was the result of the outstanding teamwork among the United States Attorney's Office, the Department of Justice's Fraud Section, the Defense Criminal Investigative Service, and the Federal Bureau of Investigation. It represents another step in the battle against fraud on the Department of Defense. The defendant put his personal financial interests ahead of the safety of our brave men and women in uniform who risked their lives serving in Iraq," Acting United States Attorney Mountcastle said. "I commend the outstanding work of AUSA Carlton, Trial Attorney Cottingham, the Defense Criminal Investigative Service, and the Federal Bureau of Investigation."

"The Defense Criminal Investigative Service remains vigilant to detect and disrupt the contamination of the military supply chain with defective parts and equipment. The fraud perpetrated in this matter could have resulted in the death or injury of American service members, impacting military operations in Iraq. Along with our investigative partners, DCIS continues to aggressively pursue those who place our warfighters at risk," said Special Agent in Charge Robert E. Craig, Jr, DCIS Mid-Atlantic Field Office

“Stealing from taxpayers by defrauding the government is bad enough. Doing it in a way that imperils our warfighters and delivers to them equipment which is faulty or insufficient - that's a special kind of despicable,” Adam S. Lee, Special Agent in Charge of the FBI's Richmond Division said today. “Whyte exposed our heroes and knew his Armet Armored Vehicles weren't up to the task of protecting them. I hope this case sends a message to those who contract with the government to provide essential equipment to our troops in support of their critical mission; the FBI will be on your trail if you betray them this way and steal from the taxpayers who fund them. I want to thank our partners at DCIS, the Department of Justice, and the United States Attorney's Office for the Western District of Virginia for today's outcome in this case.”

According to evidence presented at trial by AUSA Heather L. Carlton and Trial Attorney Caitlin Cottingham, Whyte was the owner and chief executive officer of Armet Armed Vehicles, Inc. Armet entered into a \$4.8 million contract in April 2006 to provide the Department of Defense with 24 armored vehicles for use in Iraq. In June 2006, Armet entered into a second contract, valued at \$1.6 million, to deliver an additional eight armored vehicles. These vehicles were to be used as security vehicles to Iraqi “Tier 1” dignitaries, who were part of the then-newly elected government to replace Saddam Hussein and who regularly traveled by motorcade through a “hostile and dangerous environment.”

Both contracts included specific requirements for the armoring of the vehicles, including that each vehicle be reinforced to a standard at which an armor-piercing bullet could not penetrate the passenger compartment and ceiling. In addition, the contracts required the undercarriage of each armored truck have mine plating protection that could withstand explosions underneath the vehicles. Finally, the contracts required the armored vehicles to have run-flat tires, so they could continue to operate should their tires be shot out or otherwise damaged.

Despite the requirement in the contract that the first 24 armored gun trucks be delivered by July 31, 2006, Whyte and Armet failed to ship a single vehicle by that deadline. Armet ultimately supplied six armored vehicles after the contract deadline and was paid \$ 2,019,454, including an approximately \$824,000 progress payment requested by Whyte. The prosecutors also presented evidence that Whyte intentionally misrepresented other issues to United States military officers about the contracts and vehicles.

None of the armored trucks delivered by Armet and Whyte met the ballistic and blast protection requirements of the contracts, despite the defendant's claims that the vehicles met the standards. Whyte knew that each of the six armored trucks failed to meet the required standards and that they were intentionally under armored.

The investigation of the case was conducted by the Defense Criminal Investigative Service, the Special Inspector General for Iraq Reconstruction, the Department of Justice's Fraud Section, and the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorney Heather L. Carlton and Department of Justice Fraud Section Trial Attorney Caitlin Cottingham.

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**Component(s):**

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