



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* CALIFORNIA

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Department of Justice
U.S. Attorney's Office
Southern District of California

FOR IMMEDIATE RELEASE

Tuesday, April 13, 2021

San Diego Woman Pleads Guilty to Conspiracy to Launder Almost \$600,000 from Department of Defense Bribery Scheme

Assistant U. S. Attorneys Michelle L. Wasserman (619) 546-8431 and Carling Donovan (619) 546-4343

NEWS RELEASE SUMMARY – April 13, 2021

SAN DIEGO – Liberty Gutierrez pleaded guilty today to conspiring to launder the proceeds of a bribery scheme involving a former employee of the Naval Information Warfare Center in San Diego, California, and various defense contractors.

According to Gutierrez's plea agreement, the Naval Information Warfare Center employee, identified in court documents as "Individual-1," solicited and accepted things of value from various defense contractors, including three defense contractors identified in her plea agreement as Contractor-1, Contractor-2, and Contractor-3.

Among these gifts were jobs for friends and family, tickets to premier sporting events, and expensive dinners. Gutierrez further admitted that Individual-1 solicited jobs for Gutierrez from these contractors. Although Gutierrez was employed full-time at a real estate and mortgage company in San Diego from April 2015 to February 2021, Individual-1 nonetheless obtained "full-time" jobs for Gutierrez at Contractor-1 from approximately October 2015 to September 2018; Contractor-2 from approximately April 2017 to July 2019; and Contractor-3 from approximately October 2018 to December 2019.

As part of her plea agreement, Gutierrez admitted to doing only minimal work at each of these jobs, and then falsely billing her time as if she were working full time on a government contract. Each of the contractors then passed along Gutierrez's fraudulent labor charges to the United States Government for payment. Gutierrez further admitted that she agreed to give Individual-1 half of her salary from Contractor-2, or approximately \$2,000 every month, in cash, some of which Individual-1 stashed in his golf bag. In total, Gutierrez kicked back over \$60,000 in cash to Individual-1 under this arrangement. As part of the conspiracy, Individual-1 additionally secured a job for his wife at Contractor-1 in approximately January 2017.

As alleged in the Information, in exchange for these and other gifts, Individual-1, who was certified as a Contracting Officer Representative as part of his job at Naval Information Warfare Center, used his position

to steer millions of dollars of contracts to his favored contractors. For example, Individual-1 ensured that Contractor-1 was awarded a \$3 million “Other Transaction Authority,” a federal procurement vehicle, at the same time he was soliciting a job for Gutierrez from Contractor-1.

Similarly, Individual-1 ensured that Contractor-2 was awarded a \$300 million ceiling task order, while working with an executive vice-president at Contractor-2 to create the “job” for Gutierrez at the company. After Gutierrez was employed by Contractor-1, Contractor-2, and Contractor-3, Individual-1 continued to ensure that the companies received lucrative Department of Defense contracts and subcontracts. As further alleged in the Information, Individual-1 knew that Gutierrez’s labor charges for each of the contractors was false, but nonetheless approved invoices containing the fraudulent charges.

Gutierrez admitted that as part of the conspiracy she received \$593,210.09 in salary payments from Contractor-1, Contractor-2, and Contractor-3, which were intended to promote the bribery scheme and conceal and disguise the nature, source, and ownership of the proceeds of the bribery.

“Bribery and public corruption have no place in government contracting, and will be aggressively investigated and prosecuted,” said Acting United States Attorney Randy S. Grossman. Grossman praised federal prosecutors Michelle Wasserman and Carling Donovan, as well as agents and investigators from Defense Criminal Investigative Service, Naval Criminal Investigative Service, Small Business Administration – Office of Inspector General, Internal Revenue Service Criminal Investigation, Department of Health and Human Services – Office of Inspector General, Naval Audit Service and Defense Contract Audit Agency for their outstanding work on this case.

Defense Criminal Investigative Service (DCIS) Special Agent in Charge Bryan Denny, Western Field Office, stated “This case offers an especially egregious example of corruption and the abuse of a position of public trust. The DCIS is committed to working with our law enforcement partners and the Department of Justice to ensure that all such crimes are discovered and fully prosecuted.”

“This should serve as a warning that those who seek to defraud the Department of the Navy will always be uncovered and brought to justice,” said NCIS Economic Crimes Field Office Special Agent in Charge Eric Maddox. “Ms. Gutierrez’s deliberate actions to perpetuate this scheme by accepting hundreds of thousands of dollars meant to support Department of Defense contracts wasted American taxpayer money, damaged the integrity of the procurement process, and squandered valuable investigative resources that could have been directed elsewhere. NCIS and our investigative partners remain committed to rooting out fraud that threatens the readiness of the warfighter.”

“Conspiring to fraudulently use government programs for personal gain will not be tolerated,” said SBA OIG’s Western Region Special Agent in Charge Weston King. “OIG will aggressively root out fraud to protect the integrity of these programs. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and commitment to seeing justice served.”

Derrick Franklin, Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General, Office of Investigations, Special Investigations Branch, stated, “We will continue to support our law enforcement partners in this investigation to preserve the integrity of government contracts.”

“Ms. Gutierrez and her co-conspirators exploited illegal avenues to benefit themselves with taxpayer dollars meant for military programs,” said IRS Criminal Investigation, Special Agent in Charge Ryan L. Korner. “They cheated honest, hardworking contractors out of jobs with their corruption. Our special agents will use their financial expertise to trace the proceeds of bribery back to these criminals, and we are proud to work alongside our law enforcement partners in that effort.”

If you have information regarding fraud, waste, or abuse relating to Department of Defense personnel or operations, please contact the DoD Hotline at 800-424-9098.

DEFENDANT**Case Number**

Liberty Gutierrez

Age: 61

San Diego, CA

SUMMARY OF CHARGES

Conspiracy to Commit Money Laundering – Title 18, U.S.C., Section 1956(h)

Maximum penalty: Twenty years in prison and \$500,000 fine or twice the value of the property involved in the transaction, whichever is greater

AGENCY

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Small Business Administration – Office of Inspector General

Internal Revenue Service Criminal Investigation

Department of Health and Human Services – Office of Inspector General

Naval Audit Service

Defense Contract Audit Agency

Topic(s):

Financial Fraud

Component(s):USAO - California, Southern**Press Release Number:**

CAS21-0413-Gutierrez

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