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Department of Justice

U.S. Attorney's Office

Northern District of New York

FOR IMMEDIATE RELEASE

Thursday, September 23, 2021

Rensselaer County Businessman Sentenced for Wire Fraud

ALBANY, NEW YORK – Daren Arakelian, age 53, of Rensselaer, New York, was sentenced today to three months in jail for a wire fraud scheme to import Chinese goods into the United States and then causing his company, Great 4 Image, Inc., to deceptively market and sell those goods to federal agencies as U.S.-made.

The announcement was made by Acting United States Attorney Antoinette T. Bacon; Patrick J. Hegarty, Special Agent in Charge, Department of Defense Office of Inspector General, Defense Criminal Investigative Service (DCIS), Northeast Field Office; Joseph Dattoria, Special Agent in Charge of the General Services Administration, Office of the Inspector General (GSA-OIG); Brian C. McCarthy, Special Agent in Charge of the New York Field Office of the Department of Homeland Security, Office of the Inspector General (DHS-OIG); and **Larry S. Moreland, Special Agent in Charge, Mid-Atlantic Fraud Field Office, U.S. Army Criminal Investigation Division.**

Arakelian owned and operated Great 4 Image, a company that contracted with various federal agencies to produce backpacks, duffle bags, cinch bags, hydration packs, t-shirts and individual suspension trainers. Each of his company's contracts required Great 4 Image to comply with the Buy American Act and/or the Trade Agreements Act, laws that Congress enacted for the purposes of promoting the United States' trade interests.

The Buy American Act restricts the federal government's purchase of goods that are not domestic end products. The Trade Agreements Act establishes additional restrictions on purchases of products made outside the United States, and generally prohibits government contracting officials from purchasing products that are not entirely from, or substantially transformed in, the United States or a designated country. The Trade Agreements Act effectively waives the requirements of the Buy American Act for designated countries. China is not a designated country.

As part of his [March 2020 civil settlement with the United States and his guilty plea](#), Arakelian admitted that he devised and implemented a scheme to defraud the federal government by causing Great 4 Image to import goods, including thousands of backpacks and suspension trainers that were made in China, into the United States and then passing them off as compliant with the Buy American Act and the Trade Agreements Act. In carrying out this scheme, Arakelian made various verbal and written statements to federal officials falsely claiming to have domestically manufactured the goods that he knowingly imported from China.

Chief United States District Judge Glenn T. Suddaby also ordered Arakelian to serve a 2-year term of supervised release, to begin after Arakelian is released from prison, as well as perform 100 hours of community service. Arakelian went into custody immediately after his sentencing.

The investigation was the result of a coordinated effort among the U.S. Attorney's Office for the Northern District of New York, GSA-OIG, DCIS, DHS-OIG, and the U.S. Army Criminal Investigative Command. The U.S. Department of the Treasury's Office of Inspector General also provided investigative support. The criminal case was prosecuted by Assistant United States Attorney Joshua R. Rosenthal. The civil case was handled by Assistant United States Attorney Adam J. Katz.

Topic(s):False Claims Act
Financial Fraud**Component(s):**[USAO - New York, Northern](#)

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