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Department of Justice

U.S. Attorney's Office

District of Idaho

FOR IMMEDIATE RELEASE

Thursday, June 30, 2022

Star Woman Sentenced to 14 Months for Making False Statements to Obtain \$11 Million in Government Contracts Designated for Service-Disabled Veteran Businesses

BOISE – A Star woman was sentenced to 14 months in federal prison for falsely claiming that a business she controlled qualified as a service-disabled veteran-owned small business. By making the false statements, she made it appear that her business was eligible for more than \$11 million in government procurement contracts at two military bases.

According to court records, between October 2012 and May 2018, Vicki Rice, 61, of Star, Idaho, willfully made materially false certifications that her business, CAM Services, Inc. (“CAM”), was qualified to compete for and obtain government contracts set aside for service-disabled veteran-owned small businesses. While CAM’s organizing documents supported Rice’s assertion that it was owned by a service-disabled veteran and that it qualified for the contracts, investigation revealed that the business was not, in fact, qualified. Rice, who is not a service-disabled veteran, actually controlled the business. And she willfully made the false certifications to make the business seem eligible for the government contracts.

The Defendant made her false statements in the System for Award Management, which is a database for federal contractors operated by the General Services Administration. Contractors must certify that they are qualified to compete for and receive federal procurement contracts in the System. In addition, contractors must annually certify their continued eligibility for government contracts set aside for service-disabled veteran-owned businesses.

On behalf of CAM, Rice submitted bids on commissary contracts at two military bases. Both contracts were set aside for service-disabled veteran-owned small businesses. CAM was awarded the contracts, which had a combined value of over \$11 million over five years, and tax returns showed that Rice earned \$480,039 from CAM between 2012 and 2019.

In addition to the 14-month sentence, Senior U.S. District Judge Bill R. Wilson, from the Eastern District of Arkansas, sitting by designation, ordered Rice to pay the \$480,039 she reported earning from CAM in restitution to the Department of Defense and to serve three years of supervised release following her prison sentence. Rice pleaded guilty to the charge on April 12, 2022.

“Service-disabled veterans deserve better than to lose out on government contracts because someone else cheats the system,” said U.S. Attorney Josh Hurwit. “Our office will vigorously investigate and prosecute those who unlawfully subvert the government contracting process for their own personal gain.”

“Fraudulent schemes such as this fleece the government and deserving veterans who served our country,” said Special Agent in Charge Terry Pfeifer of the GSA Office of Inspector General. “GSA OIG will continue working with law enforcement partners to combat federal contract fraud.”

“This case demonstrates the commitment of the Department of Defense Office of Inspector General’s Defense Criminal Investigative Service (DCIS), along with our law enforcement partners, to aggressively pursuing those who undermine the integrity of government-sponsored small business initiatives,” said Michael Mentavlos, Special Agent in Charge of DCIS’s Southwest Field Office. “Individuals who engage in activity that deprives legitimate program participants of valuable economic opportunities will be thoroughly investigated and held accountable.”

“Falsifying documents to gain access to SBA program funds intended for the nation’s small businesses is reprehensible,” said SBA OIG’s Western Region Special Agent in Charge Weston King. “Our Office will remain relentless in the pursuit of fraudsters who seek to exploit SBA’s vital economic 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.”

U.S. Attorney Hurwit, of the District of Idaho, made the announcement and commended the following agencies for cooperative efforts that led to the prosecution of this case: the General Services Administration Office of Inspector General, the Department of Defense Office of Inspector General, the Small Business Administration Office of Inspector General, and the Internal Revenue Service Criminal Investigations.

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Updated June 30, 2022