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Department of Justice

U.S. Attorney's Office

Northern District of Georgia

FOR IMMEDIATE RELEASE

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## **Military contractors indicted for \$7 million procurement fraud scheme**

ATLANTA - A federal grand jury has indicted a company and three individuals in an alleged fraud scheme involving military contracts totaling over \$7 million. The three-count indictment charges Envistacom LLC, its President Alan Carson, a vice president Valerie Hayes, and the owner of another company, Philip Flores, each with one count of conspiracy to defraud the United States and two counts of major fraud.

"The United States relies upon its contractors to be honest and forthright in their dealings," said U.S. Attorney Ryan K. Buchanan. "When they allegedly provide false information to obtain contracts, they harm the American taxpayer and the integrity of the system. We will diligently work to bring such companies and their executives to justice."

"Collusion and fraud undermine competition in the procurement process to the detriment of U.S. taxpayers," said Assistant Attorney General Jonathan Kanter of the Justice Department's Antitrust Division. "Investigating and prosecuting criminal activity remains a top priority for the Department of Justice and all members of the Procurement Collusion Strike Force."

"The indictment of these individuals demonstrates the resolve and dedication of the Defense Criminal Investigative Service and our investigative partners in protecting the integrity of the Department of Defense contracting system," said Special Agent in Charge Cynthia A. Bruce, Department of Defense Office of Inspector General, Defense Criminal Investigative Service (DCIS), Southeast Field Office. "Contractors who circumvent the contracting process for their own personal gain will be thoroughly investigated and held accountable for their fraudulent actions."

"Such alleged activity by government contractors who provide services to the Army will not be tolerated," said Special Agent in Charge L. Scott Moreland of the U.S. Army Criminal Investigation Division's (Army CID) Major Procurement Fraud Field Office. "We will continue to investigate allegations of this nature and do everything in our power to see that persons responsible are held accountable and brought to justice."

According to U.S. Attorney Buchanan and the indictment: From at least September 2014 through at least November 2016, the defendants and others conspired by preparing and procuring purported "competitive quotes" from other companies, which were sham quotes that were intentionally higher than the proposal prices and/or price quotes from Envistacom and Flores' company to ensure the sole-source awards.

The conspirators also concealed that the defendants prepared the independent government cost estimates and other procurement documents for the award of these contracts and made false statements, representations and material omissions to federal government contracting officials regarding these estimates being legitimate independent cost estimates and the sham quotes being “competitive.”

Alan Carson, 51, of Atlanta, Georgia, Valerie Hayes, 56, of Callaway, Maryland, and Philip Flores, 51, of Fredericksburg, Virginia, were indicted on May 25, 2022. The defendants are presumed innocent of the charges and it will be the government’s burden to prove the defendant’s guilt beyond a reasonable doubt at trial.

This case is being investigated by the Defense Criminal Investigative Service and the U.S. Army Criminal Investigation Division.

Assistant U.S. Attorney Christopher Huber for the Northern District of Georgia, and the DOJ Antitrust Division’s Washington Criminal II Section are prosecuting the case.

For further information please contact the U.S. Attorney’s Public Affairs Office at [USAGAN.PressEmails@usdoj.gov](mailto:USAGAN.PressEmails@usdoj.gov) or (404) 581-6016. The Internet address for the U.S. Attorney’s Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

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**Topic(s):**

Financial Fraud

**Component(s):**

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