



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice
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Southern District of Ohio

FOR IMMEDIATE RELEASE

Friday, November 18, 2022

Defense contractor pleads guilty to providing fraudulent parts to military

COLUMBUS, Ohio – A California man pleaded guilty in U.S. District Court in Columbus to crimes related to supplying the military with faulty parts.

Timothy W. Foley, 72, pleaded guilty to conspiring to commit wire fraud and to money laundering. Each is a federal crime punishable by up to 20 years in prison.

As part of his plea, Foley has agreed to pay more than \$1.3 million in restitution.

According to court documents, Foley was the operator and co-owner of Parts Source International Inc. in Goleta, California. Parts Source was a Department of Defense contractor who sold and supplied a variety of military parts to the DOD for use on military weapons systems, and some of which were critical application items, and invoiced the Defense Finance and Accounting Service (DFAS) in Columbus, Ohio, for payment.

Foley admitted that from 2012 through 2019, he conspired to supply non-conforming parts to the DOD. Foley submitted 131 quotes for purchase orders that stated he would provide the exact product as required by the government. Rather, as testing and documents revealed, Foley provided unapproved substitutions

in fraudulent packaging rendering them unacceptable for use by the military.

Parts Source received a total of approximately \$1.36 million in payments for the parts.

Kenneth L. Parker, United States Attorney for the Southern District of Ohio; the Defense Criminal Investigative Service (DCIS); and Bryant Jackson, Special Agent in Charge, Internal Revenue Service Criminal Investigation (IRS-CI), announced the guilty plea entered on Nov. 16 before U.S. District Judge Sarah D. Morrison. Assistant United States Attorney Jessica W. Knight and Special Assistant United States Attorney J. Michael Marous are representing the United States in this case.

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Topic(s):

Financial Fraud

Component(s):

USAO - Ohio, Southern

Updated November 21, 2022