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**ARMY OFFICER AND TWO CIVILIANS CHARGED IN TWO YEAR SCHEME  
TO DEFRAUD SEVERAL COMPANIES**

Asset Forfeiture Indictment Seeks to Recover \$4 Million in Criminal Proceeds

**Greenbelt**, Maryland - A federal grand jury indicted a U.S. Army warrant officer and two defendants today on charges that they defrauded several companies in a scheme involving multi-million dollar contracts, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

"This indictment alleges that an Army warrant officer conspired with two other men to defraud finance companies by falsely representing that services had been provided to the government," said U.S. Attorney Rod J. Rosenstein. "We seek to hold the perpetrators accountable and forfeit the stolen money so that it can be returned to the victims."

"Money laundering is a global threat, fuel for criminals to conduct their criminal affairs and is used to manipulate and erode our financial systems," stated Special Agent in Charge C. Andre' Martin, Internal Revenue Service - Criminal Investigation. "The IRS-Criminal Investigation is united with the rest of the law enforcement community in our resolve to financially disrupt criminal organizations that commit crimes against our society and economy."

"Investigations involving complex contract fraud schemes continue to be a prime focus of the Defense Criminal Investigative Service," said Acting Special Agent in Charge Robert Craig of the Mid-Atlantic Field Office. "Individuals who allegedly present themselves as legitimate companies with the intent to falsely obtain 'contracts' for illegal monetary gains will aggressively be investigated by DCIS Special Agents. The results of this investigation to date are proof of the Defense Criminal Investigative Service's commitment to working with the United States Attorney's Office and law enforcement partners to combat allegations of illegal contract fraud."

According to the 19 count indictment, Federal National Payables, Inc. (FNP) and Associated Receivables Funding, Inc. (ARF) were accounts receivables finance companies ("the

factoring companies”) that purchased account receivables from government contractors. FNP maintained offices in Bethesda, Maryland; ARF maintained offices in Greenville, South Carolina. From November 2007 to July 2009, defendants Rafael C. Simmons, age 30, of Laurel, Maryland and of Texas; Rodney A. Mathis, age 33, of Stafford, Virginia; and Dejuan A. Fountain, age 38, of Douglasville, Georgia, falsely represented to the factoring companies and other finance companies that business entities associated with Simmons had obtained legitimate multi-million dollar government contracts. The business entities associated with Simmons allegedly supplied telecommunications services, IT support services and other services to the United States government.

The indictment further alleges that the defendants caused the factoring companies to agree to make partial advance payments to the business entities on the false pretense that the businesses had assigned their purported “interest” in U.S. government contract claims to those factoring companies. Payments made by the factoring companies were directed to bank accounts controlled by the defendants.

According to the indictment, Mathis falsely held himself out as the contracting officer for the U.S. Army to convince the factoring companies that a genuine government contract existed and that government payments would be made to the factoring companies. Fountain, who was an active duty Army warrant officer responsible for communications security, also falsely held himself out as a financial officer for the Army and as a secretary and CEO of a business entity associated with Simmons, in order to entice the factoring companies to make advance payments.

Simmons and Mathis allegedly caused payments to be made to the factoring companies from bank accounts controlled by the defendants, and made such payments appear as if they were from the government, thereby deceiving the factoring companies into believing that legitimate government contracts existed. Fountain and Mathis allegedly used Army email addresses to falsely represent to factoring companies that government payments on the “government contract” were delayed or misdirected.

The indictment seeks forfeiture of \$4,022,263.16 and two vehicles in connection with the fraud scheme.

All three defendants face a maximum sentence of 20 years in prison and a fine of \$250,000 for each of seven counts of wire fraud. Simmons is charged with an additional count of wire fraud and four counts of mail fraud, which carries the same penalties, and also faces 10 years in prison and a fine of \$250,000 or twice the amount of the criminally-derived property for each of seven counts of money laundering. The defendants were originally charged by criminal complaint and released pending trial.

United States Attorney Rod J. Rosenstein praised the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation, the Defense Criminal Investigative Service and the U.S. Department of Transportation - Office of Inspector General for their investigative work. Mr. Rosenstein thanked Assistant U.S. Attorney David I. Salem, who is prosecuting the case.