



Department of Justice

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District of Maryland

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HYATTSVILLE PROJECT MANAGER PLEADS GUILTY TO FRAUDULENTLY OBTAINING MONEY UNDER NIH CONTRACT

Greenbelt, Maryland - Suresh Pendem, age 44, of Chantilly, Virginia, pleaded guilty late yesterday to wire fraud in connection with causing a fraudulent invoice to be paid under a contract with the National Institutes of Health (NIH), announced United States Attorney for the District of Maryland Rod J. Rosenstein.

According to his plea agreement, Pendem worked as a consultant and project manager for a contractor with offices in Hyattsville, Maryland, that performs work for federal agencies. On August 17, 2007 Pendem asked a cooperating witness, who worked for a subcontractor previously used by Pendem's employer, to prepare a false invoice for \$54,000 to obtain money remaining on a contract with NIH. Pendem told the individual to keep 30% of the money and Pendem would keep the rest.

On August 21, the individual sent Pendem a false invoice for \$54,300 which Pendem submitted to his employer for payment. Pendem's employer would not pay the invoice without supporting labor sheets, so at Pendem's direction, the individual also prepared four false labor sheets which Pendem submitted to his employer. As a result, the individual picked up a check from Pendem's employer on September 11 for \$54,300. After Pendem emailed a false invoice to the individual from a company Pendem controlled for his share of the fraudulently obtained money, the individual met Pendem in College Park, Maryland on September 14 and handed him a check for \$39,000. Pendem was arrested, and later admitted that the \$39,000 check was his share of the \$54,300 obtained by fraud for work that was never performed.

Pendem faces a maximum sentence of 20 years in prison followed by three years of supervised release and a fine of \$250,000. U.S. District Judge Alexander Williams Jr. scheduled his sentencing for April 7, 2008 at 9:30 a.m.

The National Procurement Fraud Task Force was formed in October 2006 to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force - chaired by Assistant Attorney General Alice S. Fisher for the Criminal Division - includes the United States Attorneys' Offices, the FBI, the U.S. Inspectors General community, and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrate the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

United States Attorney Rod J. Rosenstein praised the Federal Bureau of Investigation and

the Department of Health and Human Services - Office of Inspector General, for their investigative work. Mr. Rosenstein thanked Assistant U.S. Attorney Steven M. Dunne, who is prosecuting the case.

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