



Department of Justice

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TWO NEVADA MEN INDICTED ON FRAUD CHARGES

_____ Fort Myers, Florida - United States Attorney A. Brian Albritton announced today the return of a ten-count indictment charging Kenneth McKilligan (age 44, of Reno, Nevada) and Charles L. Hathaway, Jr. (age 60, of Reno, Nevada) with conspiracy to commit mail and wire fraud. McKilligan was also charged with eight counts of fraud and Hathaway with six. Arrest warrants were issued for both defendants. McKilligan and Hathaway each face a maximum penalty of 20 years in federal prison on each fraud count and 5 years in federal prison on the conspiracy count.

The indictment alleges that, from 1992 to 2007, McKilligan served as the chief of operational maintenance for Deeside Aviation, located in Reno, Nevada. During that period, McKilligan, Hathaway, and a least one other unidentified person submitted false invoices for payment to Deeside Aviation, charging installation for aircraft parts that were not installed. The invoices totaled \$10 million over 15 years.

The indictment further alleges that Hathaway, who worked as a pilot for Deeside Aviation from 2005 to 2007, solicited an individual in the Middle District of Florida to join the false-invoice scheme and to sell jet fuel to aircraft owners at a fraudulently inflated price approved by McKilligan.

This case was investigated by the United States Postal Inspection Service and the

Federal Aviation Administration. It is being prosecuted by Assistant United States Attorney Robert Barclift.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.