



# Department of Justice

United States Attorney Nicholas A. Klinefeldt  
Southern District of Iowa

---

FOR IMMEDIATE RELEASE  
Monday, August 25, 2014  
<http://www.justice.gov/usao/ias>

CONTACT: Kevin VanderSchel  
(515) 473-9300  
[Kevin.VanderSchel@usdoj.gov](mailto:Kevin.VanderSchel@usdoj.gov)

## **Omaha Contractor and Companies Plead Guilty to Fraud Scheme**

DES MOINES, IA – On August 22, 2014, Omaha, Nebraska contractor Ram Hingorani pled guilty to Major Program Fraud in the United States District Court for the Southern District of Iowa, announced United States Attorney Nicholas A. Klinefeldt. In addition, one of Hingorani's companies, Midwest Paving, Inc. (MPI), pled guilty to Money Laundering in furtherance of the scheme. MPI is a U.S. General Services Administration, Department of Defense, and Department of Veteran Affairs contractor. These admissions of guilt by Hingorani follow guilty pleas entered by Midwest Contracting, Inc. (MCI), on August 15, 2014, to Major Program Fraud and Wire Fraud.

On May 22, 2013, a Federal grand jury in the Southern District of Iowa issued a 32-count Indictment charging Hingorani, business partner Ronald Waugh, MCI and MPI, in connection with an approximate \$23.5 million Service-Disabled Veteran-Owned Small Business (SDVOSB) fraud scheme. The charges included multiple counts of major fraud, wire fraud, money laundering and conspiracy. Additionally, agents seized approximately \$3.9 million from 14 separate financial accounts.

Beginning in May of 2007 and continuing through August of 2010, MCI unlawfully received 45 set-aside and/or sole-source SDVOSB contracts from the U.S. Department of Veterans Affairs and U.S. Department of Defense (DoD), to include contracts involving American Recovery and Reinvestment Act (ARRA) funds. The investigation revealed MCI was a pass-through and/or front company for Hingorani's other businesses and that Waugh was

simply a figurehead or “rent-a-vet,” who was being used for his SDV status. Evidence demonstrates that the non-veteran Hingorani controlled MCI and certified MCI’s SDVOSB status through the General Service Administration’s Central Contractor Registration (CCR) and Online Representations and Certifications Application (ORCA) databases. As a result of falsely certifying MCI’s status as a SDVOSB, MCI received 45 federal contracts that would have otherwise been awarded to legitimate Service-Disabled Veteran Owned Small Business Concerns.

The United States has agreed to dismiss all charges against Ronald Waugh, the service disabled veteran utilized by Hingorani to perpetrate the fraud scheme.

As a result of his plea agreement, Hingorani faces a prison term of up to 24 months and forfeiture of the profits obtained as a result of the fraud scheme. The amount of forfeiture will be determined by the District Court following a sentencing hearing which will be scheduled at a later date. In addition, Hingorani, MCI and MPI are currently suspended and face administrative debarment from obtaining future government contracts.

This case was investigated by the General Service Administration-Office of Inspector General, US Department of Veterans Affairs-Office of Inspector General, the Department of Defense-Office of Inspector General, the Small Business Administration-Office of Inspector General, and the Federal Deposit Insurance Corporation-Office of Inspector General. The case was prosecuted by the United States Attorney’s Office for the Southern District of Iowa.

# # #