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**FORMER GSA EMPLOYEE SENTENCED FOR BRIBERY AND TAX EVASION IN  
SCHEME INVOLVING OVER \$130 MILLION IN FEDERAL CONTRACTS**

*Accepted Over \$100,000 in Bribes from CEO of Federal Contractor Including Shopping Bag  
Containing Cash, Caribbean Cruise*

**Greenbelt**, Maryland - Dessie Ruth Nelson, age 65, of Oakland, California, a former longtime employee of General Services Administration (GSA), was sentenced today to 60 months in prison, followed by three years of supervised release for accepting over \$100,000 in bribes and evading income taxes on the bribe payments she accepted in return for her assistance in awarding three federal contracts worth over \$130 million, announced United States Attorney for the District of Maryland, Rod J. Rosenstein. In addition, Judge Chasanow ordered Nelson to forfeit \$138,500 and ordered her to make \$38,780 in restitution to the IRS.

Mr. Rosenstein said, "Government employees are given broad discretion about how to spend taxpayer money. Their decisions must be based on which contractor provides the best service to the public at the lowest price, not on which contractor offers the best bribe to the employee at the highest price. In terms of the value of federal government contracts secured through bribery, this is the largest corruption case ever prosecuted in Maryland. It is one in a series of corruption cases that we have pursued in Maryland in order to send the strongest possible message to corrupt government employees and people who bribe them."

Social Security Administration Inspector General Patrick P. O'Carroll, Jr. said, "This case highlights the significant results that are achievable when teams of investigators, auditors and attorneys from different agencies work in concert to ferret out corruption by government procurement officials and contractors. We are grateful to have had the opportunity to play a lead role in deterring public corruption and bringing to justice those who have breached a public trust."

"Tax evasion is not a victimless crime. Honest, hardworking Americans pay the price when others choose to evade their tax obligations. All Americans have a duty to pay their fair share." said C. Andre' Martin, Special Agent In Charge, Internal Revenue Service, Criminal Investigation.

According to the plea agreements of Nelson and Michael Holiday, Nelson, worked in San Francisco, and was responsible for contracting on behalf of GSA with private companies to provide security to GSA managed buildings. Former Montgomery County police officer Michael Holiday was the chief executive officer and owner of Holiday International Security, Inc. (HIS), based in Silver Spring, Maryland, that provided federal facilities with physical security, primarily through armed guards. In May of 2003, HIS changed its name to USProtect Corporation.

Between 2000 and 2003, Holiday and other contractors provided Nelson with cash, vacations and other benefits worth over \$100,000, in exchange for her assistance, including the award of three multi-million dollar contracts to HIS. One contract involved GSA-managed federal buildings in San Diego and three other counties in southern California. GSA solicited bids for a contract to provide security services to these federal facilities in November 1999. Although HIS's bid was almost \$10 million higher than the lowest bid received by GSA, Nelson awarded the contract to HIS in May 2000. From 2000 through 2004, GSA paid HIS and USProtect more than \$54 million pursuant to this contract.

In February 2001, GSA solicited bids to provide security to federal facilities in San Francisco and seven other counties in northern California. Although HIS again did not submit the lowest bid price, Nelson awarded the contract to HIS in June 2001. From 2001 through the present, GSA paid HIS and USProtect more than \$30 million pursuant to this contract.

In January 2002, HIS submitted a proposal for a contract to provide security to SSA- operated facilities in Baltimore, Maryland. Nelson sent SSA responses she prepared to a questionnaire regarding HIS's performance of its California contracts. Although HIS had experienced problems, Nelson provided all favorable ratings for HIS. Based in part on this recommendation, SSA awarded the contract to HIS. From 2002 through the present, SSA paid HIS and USProtect more than \$50 million pursuant to this contract.

Nelson admitted that in return for her assistance in obtaining the above contracts, Holiday provided her with, among other benefits, a shopping bag containing \$35,000 in cash and an envelope containing \$10,000 in cash. Holiday also arranged for and paid \$7,000 for Nelson's passage on a Caribbean cruise.

Nelson admitted that she failed to report the cash and other illicit payments from Holiday and other contractors as income on her federal individual income tax returns for 2000 through 2003. Nelson concealed the income by arranging to make cash deposits into her bank accounts in amounts that did not exceed \$10,000, in order to evade federal reporting requirements regarding cash transactions.

Michael B. Holiday, age 51, of Silver Spring, Maryland, was sentenced to four years in prison for bribery and tax evasion in connection with this scheme and was ordered to pay restitution of \$400,000 to the Internal Revenue Service.

In a related case, Richard S. Hudec, age 44, of Naples, Florida, who was a former chief operating officer of USProtect, was sentenced to 33 months in prison for tax evasion and for concealing

material information from federal contracting officials - including four prior felony convictions - in connection with federal contracts worth over \$150 million that were awarded to USProtect. U.S. District Judge Deborah K. Chasanow also ordered Hudec to forfeit \$1.25 million, pay a fine of \$10,000 and restitution to the IRS of \$290,360.

In October 2006, the Department of Justice launched the National Procurement Fraud Task Force designed 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 Acting Assistant Attorney General Matthew Friedrich 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; the General Services Administration - Office of Inspector General; the Social Security Administration - Office of Inspector General; the Department of Homeland Security - Office of Inspector General; the Internal Revenue Service - Criminal Investigation; Treasury Inspector General for Tax Administration; and the Defense Criminal Investigative Service for their investigative work. Mr. Rosenstein thanked Assistant U.S. Attorneys Michael Pauzé and Jonathan Biran, who prosecuted the case.