



U.S. Department of Justice

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NEWS RELEASE
UTAH MAN PLEADS GUILTY
FOR HIS ROLE IN
PROCUREMENT FRAUD SCHEME

SALT LAKE CITY - A Utah man pleaded guilty today in federal court in Salt Lake City for his role in a bribery and fraud scheme involving federal procurement contracts, announced U.S. Attorney David B. Barlow of the District of Utah and Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division.

Jose Mendez, 50, of Farr West, Utah, pleaded guilty to conspiracy to commit bribery and procurement fraud, bribery and procurement fraud. Mendez was originally charged in an indictment returned on Oct. 12, 2011, along with Sylvester Zugrav, 68, and Maria Zugrav, 66, owners of Atlas International Trading Company in Sarasota, Fla. The Zugravs are each charged with conspiracy to commit bribery and procurement fraud, and bribery.

According to court documents, while Mendez worked as a procurement program manager for the U.S. Air Force at Hill Air Force Base, in Ogden, Utah, he conspired to enrich himself and others by exchanging money and other things of value for non-public information and favorable treatment in the procurement process. According to the statement of facts, Mendez was offered approximately \$1,240,500 in payments and other things of value throughout the course of the conspiracy. Mendez admitted that from approximately 2008 to August 2011, he received more than \$185,000 in payments and other things of value, with promises of additional bribe payments if Atlas were to receive future contracts from the U.S. government.

In return for the bribes offered and paid, Mendez admitted he gave Atlas and the Zugravs favorable treatment during the procurement process, including disclosing government budget and competitor bid information, which helped Atlas and the Zugravs in winning contracts.

The maximum penalty for conspiracy is five years in prison and a \$250,000 fine. The maximum penalty for procurement fraud is five years in prison and a \$250,000 fine, while the maximum penalty for bribery is 15 years in prison and a \$250,000 fine, or three times the monetary equivalent of the thing of value, whichever is greater. Mendez also faces forfeiture of his ill-gotten gains. Sentencing for Mendez is scheduled for Feb. 21, 2012, at 2:30 p.m.

The case is being investigated by the FBI and the Air Force Office of Special Investigations. The case is being prosecuted by DOJ Trial Attorneys Marquest J. Meeks and Edward P. Sullivan of the Criminal Division's Public Integrity Section, and Assistant U.S. Attorney Carlos A. Esqueda for the District of Utah.

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