IN THE UNITED STATES DISTRICT COURT FOR THE

EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	Criminal No.
	)	
v.	)	Count One: 18 U.S.C. §1516
	)	[Obstruction Of Federal Audit]
AJIT S. DUTTA,	)	
	)	
Defendant.	)	

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

A. BACKGROUND

1. The United States Agency for International Development (USAID) is an independent agency of the United States. Under guidance from the United States Secretary of State, USAID dispenses and monitors United States Government financial assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms. Pursuant to its stated mission, USAID has country offices known as "Missions" in over 80 countries worldwide.

2. From at least 1993 continuing until 2003, Datex, Inc., (Datex) a company headquartered in Falls Church, Virginia, has had approximately 41 separate contracts, grants or agreements with USAID. Under the contracts, Datex was obligated to provide administrative and logistical support services to USAID Missions and to disburse USAID grants to various governmental and non-

governmental regional organizations. The total dollar value of these contracts, grants or agreements is approximately $71 million. In particular, in the fiscal year of 1998, Datex had received from the United States far in excess of $100,000 under a contract with USAID.

3. The defendant, AJIT S. DUTTA, a resident of Fairfax County, Virginia, owned 100 per cent of Datex. Defendant DUTTA also owned 100 per cent of Dannix, Inc. Dannix was a subchapter S corporation with no employees, whose place of business was defendant DUTTA's residence.

4. A large percentage of Datex's contracts with USAID were cost reimbursable. Under these terms, USAID was obligated to reimburse Datex for those direct and indirect costs, connected to the contracts, that were recognized as "allowable" under the Federal Acquisition Regulations (hereinafter referred to as "the FAR").

5. The Defense Contract Audit Agency (DCAA) performs all contract audits for the Department of Defense and certain other United States Government agencies. Under an agreement with USAID, DCAA periodically audited Datex with respect to the costs Datex claimed to have incurred in the performance of USAID contracts and certified as allowable under the FAR.

B. <u>OBSTRUCTION OF A DCAA AUDIT</u>

6. In June 2001 at Datex's office in Falls Church,

Virginia, a DCAA auditor asked a Datex official to review documents relating to a number of Datex expenses. Included in the expenses was a $75,000 payment, listed as a subcontractor/ consultant fee, to a company named Dannix. Unknown to the auditor, Dannix was a company owned 100 per cent by defendant DUTTA. Unable to substantiate any work performed by Dannix, the DCAA auditor notified the Datex official that DCAA may not allow, as a reimbursable cost, the $75,000 payment.

7. On or about July 25, 2001 in the Eastern District of Virginia, with intent to defraud the United States and in an effort (i) to conceal his 100 per cent ownership of Dannix and (ii) to create the false impression that Dannix was a third party that had performed specific work for Datex, the defendant AJIT S. DUTTA knowingly endeavored to obstruct and impede and did obstruct and impede a Federal auditor in the performance of the auditor's official duties relating to Datex, in that the defendant DUTTA prepared and sent a letter to the DCAA which addressed Datex's $75,000 payment to Dannix, which letter included a document which purported to come from Dannix which listed the names of Dannix employees and the number of hours spent consulting on behalf of Datex, including a summary of $35,000 in travel expenses purportedly incurred by Dannix

employees in connection with Datex consulting, all of which information defendant DUTTA knew to be false.

(All in violation of 18 U.S.C. Section 1516)

Respectfully submitted,

Paul J. McNulty
UNITED STATES ATTORNEY

By:
Stephen P. Learned
Assistant United States Attorney