

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Karen P. Hewitt***

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***For Further Information, Contact: Assistant U.S. Attorney Steven E. Stone at (619) 557-7039***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - July 3, 2007

United States Attorney Karen P. Hewitt announced that Vincent A. Donlan, the former stock options administrator at Wireless Facilities, Inc. (WFI), a San Diego-based company with shares of common stock sold on the NASDAQ, pled guilty today in San Diego to federal fraud and tax charges relating to stock he fraudulently obtained from WFI during his employment. Donlan entered his guilty plea pursuant to a plea agreement in U.S. District Court, before U.S. Magistrate Judge Anthony J. Battaglia, subject to final acceptance of the plea by the Honorable John A. Houston, United States District Court Judge, at the time of sentencing.

In the plea agreement, Donlan admitted that between November 2002 and November 2003, he used his position as WFI's stock option administrator to issue without authorization 728,229 shares of WFI stock to a brokerage account he controlled, and that he sold the stock for a net gain of \$6,252,794. He also admitted that he evaded paying \$2,202,917 in federal income taxes for the calendar years 2002 and 2003 by failing to declare the income he derived from the fraudulent WFI stock sales.

For the calendar year 2002, Donlan falsely declared a capital gains loss of \$42,743 on the fraudulent WFI stock transactions, instead of the \$594,917 in income he received from the sale of the stock. For the calendar year 2003, he falsely declared \$9,955 in capital gains from the fraudulent WFI stock transaction, instead of the \$5,580,235 in income he received from the sale of the stock.

United States Attorney Hewitt said, “Not only did the defendant steal more than \$6,000,000 in stock, but he also brazenly evaded paying more than \$2,000,000 in federal income taxes by falsely declaring a loss from the fraudulent stock transactions.”

“Mr. Donlan exploited his position as a stock option administrator and embezzled millions of dollars. He used sophisticated and complex financial transactions to hide his financial gain and to circumvent our tax system,” said Ronald Krajewski, Acting Special Agent in Charge, IRS Criminal Investigation, San Diego Field Office. “IRS Special Agents will continue to use their expertise in unraveling intricate schemes used to avoid paying taxes.”

United States Attorney Hewitt praised the efforts of the Federal Bureau of Investigation, San Diego Division and the Internal Revenue Service, Criminal Investigation. These agencies and the Department of Justice worked cooperatively with a parallel civil investigation being conducted by the United States Securities and Exchange Commission, Division of Enforcement.

A hearing is scheduled before Judge Houston on September 17, 2007, at 10:30 a.m. for final acceptance of the plea and sentencing.

**DEFENDANT**

**Case Number: 07cr1725-JAH**

Vencent A. Donlan

**SUMMARY OF CHARGES**

Title 18, United States Code, Section 1343 - Wire Fraud (Maximum 20 years in prison)

Title 26, United States Code, Section 7201 - Income Tax Evasion (Maximum 5 years in prison)

**AGENCIES**

Federal Bureau of Investigation

Internal Revenue Service-Criminal Investigation Div.