

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 13-_____
: _____
: 18 U.S.C. § 371
v. :
: _____
NEIL METZGER : INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. "Subcontractor-1" and "Subcontractor-2" were technical services and training companies centered on unified communications, wireless, and security solutions. Subcontractor-1 was based in Virginia and Florida, and Subcontractor-2 was based in Virginia. Both companies acted as subcontractors in connection with prime contracts with the United States.

b. Defendant NEIL METZGER was the President of Subcontractor-1 and the Executive Vice President of Subcontractor-2.

c. The "Prime Contractor" was a worldwide information technology company, headquartered in Pennsylvania, offering a portfolio of services, software, and technology solutions. The Prime Contractor had been awarded a contract

from the U.S. Department of Homeland Security ("DHS") that included the installation and servicing of high-technology phone services for the Transportation Security Administration (the high-technology phone portion of the contract hereinafter known as the "TSA Contract").

d. To staff the TSA Contract, the Prime Contractor subcontracted with "Body Shop-1" and "Body Shop-2," two intermediary companies that arranged staffing for high-technology government contracts. Body Shop-1, based in Bergen County, New Jersey, and Body Shop-2, based in Maryland, in turn subcontracted the work to Subcontractor-1 and Subcontractor-2, respectively, to perform services under the TSA Contract.

e. The TSA Contract was a "time and materials" contract, under which Subcontractor-1 and Subcontractor-2 were paid for each hour that their employees and contractors billed to the TSA Contract. Body Shop-1 and Body Shop-2, and, in turn, the Prime Contractor, passed on Subcontractor-1's and Subcontractor-2's hourly labor costs, with mark-ups for their services, to DHS, so that the United States ultimately paid for the hours that Subcontractor-1 and Subcontractor-2 billed for work on the TSA Contract.

f. A contract employee of Subcontractor-2 performed services under the TSA Contract in Monmouth County,

New Jersey.

g. Co-Conspirator-1 ("CC-1") was a project manager at the Prime Contractor and, for a period of time, CC-1 managed the TSA Contract.

h. Co-Conspirator-2 ("CC-2") was an individual in a romantic relationship with CC-1. CC-2 resided in Georgia and was not employed in any capacity with any of the above-referenced companies. CC-2 did no legitimate work under the TSA Contract.

2. From in or about November 2008 until in or about June 2011, in Monmouth County and Bergen County, in the District of New Jersey, and elsewhere, the defendant

NEIL METZGER,

did knowingly and willfully conspire and agree with CC-1 and CC-2 to commit an offense against the United States, that is, to provide, attempt to provide, and offer kickbacks in connection with the TSA Contract, contrary to Title 41, United States Code, Section 8702.

Object of the Conspiracy

3. It was the object of the conspiracy for NEIL METZGER to pay kickbacks to CC-1, through CC-2, in exchange for CC-1 using employees and contractors of Subcontractor-1 and Subcontractor-2 on Prime Contractor projects under the TSA

Contract.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that defendant NEIL METZGER would pay CC-1 a kickback in the form of a "variable fee" equal to \$5 or \$10 per hour that each Subcontractor-1 and Subcontractor-2 employee and contractor billed to the TSA Contract.

5. It was part of the conspiracy that each month CC-2, using information that CC-1 received from defendant NEIL METZGER, created an invoice based on hours that Subcontractor-1 and Subcontractor-2 employees and contractors billed to the TSA Contract and that calculated that month's "variable fee" that CC-2 was owed. The amount due under the invoice was equal to \$5 or \$10 per hour billed, depending on the employee or contractor. CC-2 forwarded this invoice to NEIL METZGER or to an employee of a company under his control, for payment.

6. It was part of the conspiracy that defendant NEIL METZGER paid and caused to be paid kickbacks to CC-2, for the benefit of CC-1, in the form of periodic checks, based on the hours that the employees and contractors of Subcontractor-1 and Subcontractor-2 billed to the TSA Contract, pursuant to the invoices and "variable fee" arrangement described in paragraph 4.

7. It was part of the conspiracy that these kickback payments totaled approximately \$97,850.

Overt Acts

8. During and in furtherance of the conspiracy, in the District of New Jersey and elsewhere, one or more of the conspirators committed the following overt acts:

a. In or around December 2008, defendant NEIL METZGER and CC-2 entered into a written "Contract agreement with [CC-2]" which stated in pertinent part:

[Subcontractor-1] agrees to pay [CC-2] a variable fee for enterprise consulting services. This fee is based on our success with delivering engineering services at [Prime Contractor].

For each hour billed by a [Subcontractor-1] resource at [Prime Contractor] [CC-2] will be given a credit. These credits can be used for discounts on additional work, a discount on equipment or redeemed for cash. The cash value is \$10.00 per credit.

b. On or about January 31, 2009, CC-2 transmitted an invoice to defendant NEIL METZGER at Subcontractor-1, in the amount of \$6,550, representing an amount due under the kickback scheme, including for hours that Subcontractor-1 billed through Body Shop-1 in Bergen County, New Jersey.

c. On or about February 18, 2009, defendant NEIL METZGER signed a personal check payable to CC-2 for \$6,550, representing a payment under the kickback scheme.

d. On or about January 19, 2010, CC-1 e-mailed defendant NEIL METZGER, stating in part: "Any idea on when I can expect a payment? I really need it bud."

e. On or about January 19, 2010, defendant NEIL METZGER replied to CC-1's e-mail noted in paragraph 8.d, stating in part: "We are dying on these as well. We have not been paid for October for any of our hours. I am calling the body shops daily."

f. On or about June 2, 2011, defendant NEIL METZGER signed a Subcontractor-2 check payable to CC-2 and CC-2's attorney for \$45,000, to settle a lawsuit that CC-2 filed against Subcontractor-1 for the unpaid amount due under the kickback scheme, including for hours that a Subcontractor-2 contractor billed for work performed in Monmouth County, New Jersey.

All in violation of Title 18, United States Code, Section 371.


PAUL J. FISHMAN
United States Attorney

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NEIL METZGER

INFORMATION FOR

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