



U.S. Department of Justice

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## PRESS RELEASE

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### **Former Deputy Executive Director of USAID Contractor Sentenced for Theft of Grant Funds**

#### **South African Doctor Took Over \$200,000 Meant to Promote Safer Childbirth**

WASHINGTON – Eugene Sickle, the former deputy executive director of a South African research institute, was sentenced today to seven months of incarceration and ordered to pay \$206,250 in restitution for a scheme in which he stole grant funds originating with the U.S. Agency for International Development (USAID).

The sentencing, in the U.S. District Court for the District of Columbia, was announced by Channing D. Phillips, U.S. Attorney for the District of Columbia, and Jonathan Schofield, Special Agent in Charge for the USAID Office of Inspector General, Office of Investigations.

Sickle, 47, a chemist and a citizen of South Africa, pled guilty in May 2017 to a charge of theft concerning programs receiving federal funds. The plea, which was contingent upon the Court's approval, called for an agreed-upon sentence of six months to 12 months and a day of incarceration. The Honorable Ketanji Brown Jackson accepted the plea today and sentenced Sickle accordingly. In addition to the restitution order, the judge issued a forfeiture money judgment of \$206,250. Following his release, Sickle will be subject to deportation proceedings.

Based in Washington, D.C., USAID is a U.S. government agency that provides international development assistance and humanitarian aid worldwide. It implements and administers foreign assistance programs and funds, including those supporting global health, from dedicated offices ("missions") around the world. USAID's South Africa mission is one such office that works with local organizations in that country. USAID's Office of Inspector General bases investigators in 11 countries outside the United States, including South Africa, and provides oversight of USAID programs and operations around the world.

According to a statement of offense, signed by the defendant as well as the government, Sickle was deputy executive director of the Wits Reproductive Health and HIV Institute, a South African research institute focusing on sexual and reproductive health as well as vaccine-preventable diseases. Its primary source of funding is USAID, and Sickle administered grant funds for projects. One such project involved a mobile electronic device software application, in connection with the South African National Department of Health, which would help facilitate safer childbirth deliveries in South Africa.

On Oct. 2, 2015, according to the statement of offense, Sickle and the institute's chief executive officer signed a contract with a company called Alzar Consulting Services Ltd. to develop the childbirth app. Likewise, an individual named "Dr. Carla Das Neves" Alzar's purported director, signed the contract. Pursuant to this contract, the institute made two payments to Alzar totaling \$206,250. However, the childbirth app has never been developed.

Subsequent investigation revealed that Sickle created Alzar in the British Virgin Islands. Unbeknownst to anyone at the research institute, he was the sole owner of the company. Sickle also created e-mail accounts for Alzar and fake Alzar employees, including "Carla Das Neves." He created a fake LinkedIn page for "Carla Das Neves," which had a beach scene for a picture, and falsely claimed that "Carla Das Neves" was a trained expert in aid/relief work.

Sickle shepherded the research institute's contract with Alzar through the approval and compliance process. He signed the contract both as himself and also as "Carla Das Neves."

According to the statement of offense, Sickle did not perform any of the work required under the contract, nor did anyone else. None of the USAID money was used for its intended purpose to facilitate safer childbirth in South Africa. Instead, Sickle diverted the money to himself personally, and an associate.

Sickle resigned from his position last year. Agents with the USAID Inspector General's Office arrested him in Washington, D.C., in February 2017. He has been in custody ever since.

This case was investigated by the U.S. Agency for International Development Office of Inspector General. It was prosecuted by Assistant U.S. Attorneys John P. Marston and Denise Simmonds and Special Assistant U.S. Attorney Vesna Harasic-Yaksic of the U.S. Attorney's Office for the District of Columbia.