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PRESS RELEASE

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California Man Sentenced to 15 Months in Prison For Conspiracy to Defraud USAID of \$386,279 - Admitted Scheme to Embezzle Agency Funds Meant for Global Health -

WASHINGTON – Everett Lipscomb Jr., 42, of Aliso Viejo, Calif., has been sentenced to 15 months in prison on a charge stemming from his role in a conspiracy to embezzle more than \$386,000 from a federal program meant to address global health problems.

The sentence was announced by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia, and Michael G. Carroll, Deputy Inspector General for the U.S. Agency for International Development (USAID).

Lipscomb pled guilty in March 2012 to one count of conspiracy to commit wire and mail fraud, a federal felony. He was sentenced on Nov. 5, 2012 by the Honorable Beryl A. Howell in the U.S. District Court for the District of Columbia. As part of his sentence, Lipscomb was ordered to pay full restitution of \$386,279 to USAID. Lipscomb also consented to an order forfeiting any property he owned up to that amount. As indicated in court filings, the government has already seized about \$49,000 in proceeds from the scheme from other co-conspirators. Upon completion of his prison term, Lipscomb will be placed on two years of supervised release.

As part of his plea, Lipscomb admitted that he conspired together with Mark Adams, a former deputy director at a private contractor that did business with USAID, and Adams's wife, Latasha Bell. Lipscomb admitted that Adams used his position at the contracting company to submit and approve false and fraudulent invoices and thereby obtain money.

In Lipscomb's case, the bogus invoices claimed amounts due for services from Octopus Limited Audio and Visual, a company controlled by Lipscomb. However, neither Lipscomb nor Octopus – or anyone else – performed the work and services claimed on the invoices. Lipscomb

admitted that between April 2008 and August 2010, he received payments from the USAID contracting company totaling \$386,279. Of that amount, Lipscomb kept \$157,372 for himself and passed the remainder, \$228,907, back to Adams and Bell.

Lipscomb further admitted that the fraudulent bills were paid with money that should have been used for USAID's global health program. The program addresses major global issues, including HIV/AIDS. At sentencing, Judge Howell noted that the company that employed Adams was seriously impacted by the crime. The company lost its contract with USAID and several employees lost their jobs as a result.

Adams, 44, and Bell, 36, of Fort Washington, Md., pled guilty last month to their roles in the conspiracy. Adams admitted that the scheme involved more than \$1.084 million in fraudulent payments through such fake invoices between 2006 and 2010. Adams and Bell used the payments to complete an extensive renovation of their home and to buy luxury automobiles.

Adams and Bell are scheduled to be sentenced on Dec. 14, 2012, also before Judge Howell. Under federal sentencing guidelines, Adams faces a sentence of up to 51 to 63 months of incarceration. Under the plea agreement, Bell agreed to a sentence of home confinement.

In announcing the sentence, U.S. Attorney Machen and Deputy Inspector General Carroll commended the work of the special agents from the USAID Office of Inspector General, which investigated the case. They also thanked those who worked on the case from the U.S. Attorney's Office, including Paralegal Specialists Krishawn Graham and Nicole Wattelet, Forensic Accountant Crystal Boodoo, Assistant U.S. Attorney Anthony Saler, who handled forfeiture issues, and Assistant U.S. Attorney Jonathan Hooks, who is prosecuting the case.

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