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Scientists Sentenced to Prison for Defrauding the Small Business Innovation Research Program

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Department of Justice, U.S. Attorney's Office, Middle District of Florida Press Release

Tampa, Florida – U.S. District Judge Virginia Hernandez Covington has sentenced Mahmoud Aldissi (a/k/a Matt) and Anastassia Bogomolova (a/k/a Anastasia) for conspiracy to commit wire fraud, wire fraud, aggravated identity theft, and falsification of records. Aldissi was sentenced to 15 years in federal prison and Bogomolova was sentenced to a term of 13 years. As part of their sentences, the court entered a money judgment in the amount of \$10.6 million, representing the proceeds of the crime, and ordered them to pay \$10.6 million in restitution. Aldissi and Bogomolova were found guilty on March 20, 2015.

According to testimony and evidence presented during the month-long trial, through their two companies, Fractal Systems, Inc., and Smart Polymers Research Corp., Aldissi and Bogomolova fraudulently obtained approximately \$10.5 million of small business research awards from the federal government. In order to be awarded contracts, they submitted proposals using the stolen identities of real people to create false endorsements of and for their proposed contracts. In the proposals, they also lied about their facilities, costs, the principal investigator on some of the contracts, and certifications in the proposals.

“The Defense Criminal Investigative Service and its law enforcement partners are committed to protecting the integrity of all Department of Defense programs,” said Special Agent in Charge John F. Khin, Southeast Field Office. “DCIS aggressively investigates those who defraud the DoD procurement process, and places the utmost importance on preserving precious American taxpayer dollars intended to support our Warfighters.”

“The NASA Office of Inspector General will continue to aggressively investigate those who undermine and defraud NASA programs and operations,” said Special Agent in Charge John Corbett, Central Field Office. “Today’s sentencing serves as a staunch reminder that such conduct will not be tolerated. The NASA OIG applauds the efforts of the entire investigative and prosecution team during this multi-year investigation, and we look forward to our continued cooperation with our law enforcement partners in the pursuit of justice.”

Allison Lerner, Inspector General at the National Science Foundation said, “Through their repeated lies, falsification of records, and other illegal practices, these individuals fraudulently obtained millions of taxpayer dollars intended to advance new technologies. I commend our law enforcement and prosecution partners whose diligent efforts led to today’s sentencing.”

“We are extremely pleased with the outcome of this investigation and today's sentencing,” said the Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit, Frank Robey. “This case is a prime example of various investigative agencies working closely together to solve a suspected crime and how their varying investigative skills, knowledge and expertise complement one another to bring those responsible to justice.”

“Today's sentencing of Mr. Aldissi and Ms. Bogomolova serves as a fitting end to their scheme to cheat legitimate business owners out of the opportunity to compete for government contracts,” said Jerry Polk, acting Special Agent in Charge, EPA OIG Atlanta Field Office. “Their fate is certainly a cautionary tale for other contractors to avoid these types of illegal activities. The EPA OIG is committed to guarding federal funds and aggressively investigating those who abuse the American taxpayer's money.”

“The Department of Homeland Security Office of Inspector General applauds the efforts of the investigative and prosecution team during this complex investigation, and we look forward to our continued cooperation with our law enforcement partners and the United States Attorney's Office in the pursuit of justice. The Small Business Innovation Research Program is one of the largest public-private partnerships in the United States, and the DHS Office of Inspector General will aggressively investigate those who seek to unjustly capitalize and benefit from it,” stated James J. DePalma, Senior Special Agent, DHS Office of Inspector General, Orlando.

“This sentencing serves as a reminder that fraud in the Small Business Innovation Research Program will not be tolerated,” said Inspector General Gregory H. Friedman of the DOE. “The Small Business Innovation Research program is an essential Department of Energy program to support scientific excellence and technological innovation. I salute the work of the U.S. Attorney's Office and our investigative partners in pursuing this matter.”

This case was investigated by Defense Criminal Investigative Service (DCIS), National Aeronautics and Space Administration's Office of the Inspector General (NASA-OIG), the Major Procurement Fraud Unit (MPFU) of the United States Army Criminal Investigation Division (Army CID), National Science Foundation's Office of the Inspector General (NSF-OIG), the Environmental Protection Agency's Office of the Inspector General (EPA-OIG), the Department of Energy's Office of the Inspector General (DOE-OIG), and the Department of Homeland Security's Office of the Inspector General (DHS-OIG). It was prosecuted by Assistant United States Attorney Thomas N. Palermo.