

JUSTICE NEWS

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FOR IMMEDIATE RELEASE

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Former Supervisor at Portland, Oregon-Area Manufacturing Company Pleads Guilty for Role in Product Certification Fraud Scheme

Yesterday, a former supervisor at an aluminum extrusion manufacturing company in the Portland, Oregon, area pleaded guilty for his role in a decade-long scheme involving the fraudulent certification of mechanical properties for parts manufactured by his former employer.

Acting Assistant Attorney General Kenneth A. Blanco of the Department of Justice's Criminal Division, Executive Officer Renee Juhans of the NASA Office of Inspector General, Special Agent in Charge Loren 'Renn' Cannon of the FBI's Portland Division, Special Agent in Charge Chris Hendrickson of the Defense Criminal Investigative Service's (DCIS) Western Field Office and Special Agent in Charge John Khin of DCIS's Southeast Field Office made the announcement.

Dennis Balius, 60, of Portland, pleaded guilty to one count of mail fraud before U.S. District Judge Marco A. Hernández of the District of Oregon. Sentencing has been scheduled for November 30 before Judge Hernández.

As part of his guilty plea, Balius admitted that, as a lab supervisor at a Portland-area aluminum extrusion manufacturing facility, he trained and directed lab technicians – who conducted testing on aluminum extrusions – to falsify mechanical properties test results for extrusions that failed to meet industry specifications. Balius admitted that from the time he became a lab supervisor in or about 2003 through the end of his employment in 2015, he routinely falsified and instructed lab technicians to falsify test results to ensure the company's unreliable and inconsistent production practices would not prevent aluminum extrusions from being shipped to customers. Balius admitted that he made, or directed lab technicians to make, alterations to failing test results if the shipping department asked him to rush an order because ensuring on-time delivery of aluminum helped him and other employees receive bonuses.

Balius further admitted that his former employer determined that he and the lab technicians altered the mechanical properties of aluminum extrusions over 4,000 times, allowing the manufacturing company to gross over \$6.8 million in total sales based on altered test results.

This case was investigated by the NASA Office of Inspector General, the FBI's Portland office and DCIS. The case is being prosecuted by Assistant Chief Thomas B.W. Hall and Trial Attorneys Jennifer G. Ballanytyne and Emily C. Scruggs of the Criminal Division's Fraud Section.

Individuals who believe that they may be a victim in this case should visit the Fraud Section's [Victim Witness website](#) for more information.

Component(s):
Criminal Division

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