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**Eastern District of Virginia**

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**Former NASA Contractor Sentenced to 60 Months for Illegally Obtaining  
More Than \$4.4 Million Intended for Disadvantaged Small Businesses**

ALEXANDRIA, Va. – Michael Brian Dunkel, 60, of Merritt Island, Fl., was sentenced today to 60 months in prison, followed by 2 years of supervised release, for fraudulently obtaining more than \$4.4 million in government contract payments that should have gone to disadvantaged small businesses. Dunkel also was ordered to pay a \$12,500 fine and \$2,960,697.37 in forfeiture.

Dana J. Boente, Acting United States Attorney for the Eastern District of Virginia; Acting Assistant Attorney General Mythili Raman of the Justice Department’s Criminal Division; and Inspector General Paul K. Martin of the National Aeronautics and Space Administration (NASA) made the announcement after sentencing by United States District Judge Gerald Bruce Lee.

Dunkel pleaded guilty on May 23, 2013, to one count of major government fraud. According to court documents, Dunkel learned in 2005 that Keith Hedman, an executive at an Arlington-based security service consulting company referred to as Company A in court records, illegally controlled Company B, another Arlington-based security service consulting company. Company B was a participant in the Small Business Administration (SBA) “Section 8(a)” program, which enables certain small businesses to receive contracts set aside for minority-owned and disadvantaged small businesses. Although Hedman controlled Company B, Company B had obtained its 8(a) status based on the disadvantaged status of Dawn Hamilton, its titular owner.

Dunkel admitted that he agreed to pay Hedman and Company B a 10-15 percent pass-through fee in exchange for Company B allowing Dunkel to fraudulently use its 8(a) status to obtain NASA and other U.S. government contracts. Although Company B was required to perform at least 50 percent of the work on the contracts and had represented it would do so, no Company B employees actually performed any work. Instead, Dunkel and others did 100 percent of the work as independent contractors, but they concealed that fact from the government agencies. In addition, Dunkel submitted fraudulent proposals and invoices to hide their scheme, used a third-party company’s Federal Employer Identification Number to prevent reporting of his contractor income to the IRS, and did not pay any income taxes on the income he received from Company B.

Seven defendants, including Hedman and Hamilton, have previously been sentenced in connection with the government contracting fraud scheme and a related bribery scheme.

This case was investigated by the NASA Office of the Inspector General (OIG), the SBA

OIG, the Defense Criminal Investigative Service, the General Services Administration OIG and the Department of Homeland Security OIG. Assistant U.S. Attorneys Chad Golder and Ryan Faulconer, a former Trial Attorney for the Criminal Division's Fraud Section, prosecuted the case on behalf of the United States.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.

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