



Former Security Contractor and Owner Agree to Pay \$300,000 to Settle Civil Fraud Claims

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Maryland Woman was Figurehead Owner of Front Company Created to Obtain Disadvantaged Small Business Contracts

ALEXANDRIA, VA – Dawn Hamilton, 48, of Brownsville, Maryland, the chief executive officer and “figurehead” of a now-defunct Virginia-based security contracting firm, Security Assistance Corporation (“SAC”), has agreed to pay \$300,000 to settle civil claims arising from a fraudulent scheme to establish SAC as a front company, which obtained more than \$31 million in contract payments intended for disadvantaged small businesses through the Small Business Administration’s (SBA) Section 8(a) program.

As a result of her participation in the scheme, Hamilton pleaded guilty to major government fraud in *U.S. v. Hamilton*, which can be found on [PACER](#) by searching for case number 1:13cr75. Hamilton was sentenced to 48 months in prison and three years of supervised release. She was also ordered to forfeit approximately \$1.2 million and pay a fine of \$1 million.

According to court documents, in or about 2004, SAC received certification as 8(a) contractor. Prior to obtaining that status, a co-conspirator of the scheme, Keith Hedman, 53, of Arlington, Virginia, the owner of a then 8(a)-ineligible company Protection Strategies, Inc. (“PSI”), agreed with Hamilton to use her as a figurehead owner of SAC based on her Portuguese heritage and history of social disadvantage to obtain 8(a) contracting preferences. The Section 8(a) program allows qualified small businesses to receive sole-source and competitive-bid contracts set aside for minority-owned and disadvantaged small businesses.

According to court documents, to deceive the SBA, Hedman, Hamilton, and other co-conspirators from PSI falsely claimed that Hamilton formed and founded SAC and that she was the only member of SAC’s management, even though SAC was managed by Hedman and PSI senior leadership in violation of 8(a) rules and regulations. After SAC fraudulently obtained 8(a) status in 2004, it netted more than \$31 million in fraudulently obtained contract payments in the ensuing years.

As part of the civil settlement, Hamilton, on behalf of herself and the now-defunct SAC, has agreed to pay \$300,000 to resolve allegations under the False Claims Act, and other related statutory and common law remedies arising from the fraudulent scheme. The civil claims settled by Hamilton and SAC are allegations only; there has been no determination of civil liability.

The resolutions obtained in this matter were the result of parallel investigations by the Civil and Criminal Divisions of the U.S. Attorney's Office for the Eastern District of Virginia, and the Civil Division of the Department of Justice. The civil matter was investigated by Assistant U.S. Attorney Peter Hyun and DOJ Trial Attorney Allison Cendali. The criminal case was prosecuted by Assistant U.S. Attorneys Chad Golder and Ryan Faulconer, a former Trial Attorney for the Criminal Division's Fraud Section.

This case was investigated by NASA Office of the Inspector General (OIG), the SBA -OIG, DCIS-OIG, GSA-OIG, and DHS-OIG, with assistance from the Defense Contract Audit Agency.

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