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DISTRICT *of* MARYLAND

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**Department of Justice**

U.S. Attorney's Office

District of Maryland

FOR IMMEDIATE RELEASE

Tuesday, March 7, 2023

## **Maryland Defense Contractor Convicted for Procurement Fraud after Nine-Day Trial**

### **Misrepresented to the U.S. Departments of Defense and Labor the Condition of the Equipment and Provided Fraudulent Documentation Concerning His Company's Certifications**

**Baltimore**, Maryland – A federal jury convicted Cory Collin Fitzgerald Sanders, age 39, of Hagerstown, Maryland, late yesterday on federal charges of wire fraud, false claims, and making and using a false document in connection with his companies' performance on federal contracts.

The guilty verdict was announced by United States Attorney for the District of Maryland Erek L. Barron; Acting Special Agent in Charge Troy W. Springer, of the National Capital Region of the U.S. Department of Labor's Office of Inspector General; and Acting Special Agent in Charge Michael D. Butler II of the Naval Criminal Investigative Service (NCIS) Economic Crimes Field Office.

According to the evidence presented at the nine-day trial, in June 2014 Sanders formed Sandtech LLC, a Maryland limited liability company whose business was the sale of video teleconference equipment to the Department of Defense and other agencies of the federal government. Sanders was the sole owner, agent, and president of Sandtech. Witnesses testified that Sanders obtained contracts with federal agencies for Sandtech to provide telecommunications equipment and services. Sanders caused Sandtech to fail to perform on contracts with the U.S. Department of Labor and the Department of the Army, which terminated the Sandtech contracts for cause. Sanders then formed Cycorp Technologies in 2016 to provide the same type of telecommunication services as Sandtech.

The trial evidence proved that from February 10, 2015 through June 30, 2020, Sanders engaged in a scheme to defraud the government by entering into contracts with federal agencies which required Sandtech or Cycorp Technologies to provide new telecommunications equipment which was still under manufacturers' warranty. The evidence showed that in his communications with federal agency contracting officers Sanders provided false information about the delivery, source, warranty, and/or condition of the electronic equipment provided by his companies, including misrepresentations that the equipment was new and protected by the manufacturer's warranty, when Sanders knew that the equipment was not new, or was new but not under warranty, or was procured through unauthorized channels. The evidence also showed that Sanders was not

authorized to provide certain IT services to the federal government, although he represented to government officials that he was.

Further, Sanders provided contracting officials with false information and false documents about the credentials, certifications, and qualifications of Cycorp Technologies. As proven during trial, Sanders provided fabricated and forged documents falsely certifying Cycorp Technologies' status as an "authorized partner" of two large national telecommunications equipment manufacturers. If true, the certificates would have authorized Cycorp Technologies to buy directly from those companies' distributors, provide maintenance to their equipment, or re-sell their new and warranted products. In addition, Sanders submitted invoices on behalf of Sandtech and Cycorp Technologies so that the government agencies he contracted with would pay for deficient or non-existent performance by electronic deposit into business bank accounts.

Sanders faces a maximum sentence of 20 years in federal prison for each of 12 counts of wire fraud; a maximum of five years in federal prison for each of two counts of false claims; and a maximum of five years in federal prison for making and using a false document. Chief U.S. District Judge James K. Bredar has scheduled sentencing for Sanders on July 14, 2023, at 10:00 a.m.

United States Attorney Erik L. Barron commended the Department of Labor – OIG and the NCIS for their work in the investigation and thanked the Army Criminal Investigation Division, and the Offices of Inspector General for the U.S. Department of State, the U. S. Department of Commerce, the U.S. Environmental Protection Agency, the U.S. Department of the Interior, the Defense Criminal Investigation Service, the U.S. Department of Homeland Security, the U.S. Department of Health and Human Services and the U.S. Department of Justice for their assistance. Mr. Barron thanked Assistant U.S. Attorneys Joyce K. McDonald and Evelyn Lombardo Cusson, who are prosecuting the case.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to fight fraud, please visit <https://www.justice.gov/usao-md> and <https://www.justice.gov/usao-md/report-fraud>.

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**Topic(s):**

Financial Fraud

**Component(s):**

USAO - Maryland

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