



NEWS

**Former Red River President Is Sentenced To Federal Prison**

FOR IMMEDIATE RELEASE

December 19, 2011

CONCORD – Breck A. Taylor, 55, of Lyme, New Hampshire was sentenced in the United States District Court for the District of New Hampshire to three years in federal prison and one year of supervised release as a consequence of his guilty pleas to wire fraud and conversion of government funds, announced United States Attorney John P. Kacavas.

According to documents that were filed in United States District Court, Taylor was the President of the Red River Computer Co., Inc. ("Red River"). Red River is a business in New Hampshire that contracts to sell computer equipment and services to government entities. Between 2003 and 2008, Taylor participated in several schemes that defrauded the United States of over \$1 million.

Taylor pleaded guilty on September 8, 2011, admitting that he defrauded the United States of \$1,084,446.58 by contracting with government agencies to provide Sun Microsystems service support but failing to arrange to provide the full amount of support required by the government contract. Taylor further admitted to attempting to commit wire fraud during one incident when Sun detected that Taylor had failed to arrange for all of the service support called for by a government contract at the Patuxent River Naval Air Station. As a result, Red River purchased additional coverage from Sun to comply with the requirements of the government contract. This attempted fraud would have caused a loss of \$184,400.77 to the government if it had not been detected.

Taylor also admitted that he arranged for Red River to enter into a contract in which the Army paid over \$48,000.00 to obtain services for certain Cisco products at Fort Bragg. However, Red River did not register for all of the services and Taylor later arranged for a Return Merchandise Authorization that allowed Red River to receive a refund. Taylor never told the Army about the refund and did not refund the money to the government. As a result, the government lost \$30,574.10. Taylor also admitted to engaging in a scheme in which he arranged for Red River to sell Panasonic laptops containing Panasonic memory to government customers. Although the government contracts specifically called for Panasonic Memory, Taylor arranged to provide laptops containing lower cost non-Panasonic memory, causing a loss to the government of \$149,516.80.

In addition to imposing the three year prison sentence, Taylor was directed to forfeit \$431,949.14 to the United States. Red River previously entered into a civil settlement with the United States in which it paid \$2.3 million to resolve allegations that its conduct violated the civil False Claims Act.

This case was investigated by agents of the Office of Investigations of the Office of Inspector General of the General Services Administration, the Defense Criminal Investigative Service, and the Federal Bureau of Investigation. The case was handled by Assistant United States Attorneys Donald Feith and John J. Farley.

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