

PRESS RELEASE

Fort Smith Arms Dealer Neil Ravi Mehta and his company Federal Armament LLC Sentenced for Various Criminal Violations

Thursday, June 20, 2024

For Immediate Release

U.S. Attorney's Office, Western District of Arkansas

FORT SMITH – A Fort Smith man, **Neil Ravi Mehta**, age 32, was sentenced today to 57 months in federal prison followed by three years of supervised release and ordered to pay \$659,825.52 in restitution, on one count of Possession of an Unregistered Firearm that was a Destructive Device, one count of Fraud and False Statements related to Tax Returns, and one count of False Declaration Before a Court.

In a separate case, **Federal Armament LLC**, which was owned by Neil Ravi Mehta, was sentenced to five years of probation and ordered to pay a fine of \$500,000.00 on one count of Unlawfully Importation and Receipt of Firearms and one count of Filing False or Misleading Electronic Export Information. Federal Armament LLC was also ordered to forfeit the illegally imported firearms.

The Honorable Judge P.K. Holmes, III presided over the sentencing hearings, which were held in the U.S. District Court in Fort Smith.

According to court documents in the Neil Ravi Mehta case, on January 31, 2023, federal law enforcement officers executed a search warrant on Mehta's residence in Fort Smith, Arkansas. Mehta was present at the residence when officers announced their intent to enter the residence but fled from the residence prior to officers making entry into the residence. Mehta was later arrested after a six-day manhunt, in which the public's assistance was solicited in locating the defendant, who was assumed to be armed and dangerous.

During the execution of the search warrant, officers discovered and seized a destructive device located in the top left corner of the kitchen island of the residence. The destructive device was not registered as required by law and therefore unlawfully possessed by Mehta.

As to the tax charge, Mehta substantially underreported his income by failing to report millions of dollars of business activities for Federal Armament LLC, a business headquartered in Fort Smith, Arkansas which engaged in the manufacturing and selling ammunition, firearms, and other related items. None of the gross receipts of Federal Armament LLC were reported on any of Mehta's IRS Forms 1040 for 2018, 2019, 2020, and 2021.

As to the charge of False Declaration Before a Court, on December 14, 2021, a deposition under oath was taken from Mehta in connection with a civil suit brought against Mehta and Federal Armament LLC by the United States Department of Labor alleging violations of the Fair Labor Standards Act. During the deposition Mehta made false statements under oath regarding matters that were material to the civil suit.

According to court documents in the Federal Armament LLC case, on January 31, 2023, federal law enforcement officers executed a search warrant on Federal Armament LLC in Fort Smith, Arkansas. During the search warrant officer located and seized 3,185 firearms that Federal Armament LLC unlawfully imported due to excess magazine capacity or because the firearms lacked required engraving marks.

As to the export charge, on June 27, 2022, Federal Armament LLC submitted to the U.S. Department of Commerce a license application for approval to export certain firearms to Poland. The export license application contained false and misleading information by naming an individual as contact person who was neither employed by nor acting as the contact person for Federal Armament LLC.

U.S. Attorney David Clay Fowlkes of the Western District of Arkansas made the announcement.

This was a joint investigation involving the following federal law enforcement agencies: the Federal Bureau of Investigation (FBI); the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); the U.S. Department of Commerce (DOC), Bureau of Industry and Security (BIS), Office of Export Enforcement (OEE); the Internal Revenue Service-Criminal Investigation (IRS-CI); and the U.S. Department of Labor, Office of the Inspector General (DOL-OIG).

First Assistant U.S. Attorney Kenneth Elser and Assistant U.S. Attorney Steven Mohlhenrich prosecuted the case.

Related court documents may be found on the Public Access to Electronic Records website @ www.pacer.gov

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