



U.S. Department of Justice

United States Attorney
District of Maryland

Robert K. Hur
United States Attorney

Marcia A. Murphy
Public Affairs Specialist

36 S. Charles Street
Fourth Floor
Baltimore, Maryland 21201-2692

410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Marcia.Murphy@usdoj.gov

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Contact MARCIA MURPHY
at (410) 209-4854

MARYLAND DEFENSE CONTRACTOR FACING FEDERAL INDICTMENT FOR PROCUREMENT FRAUD

*Allegedly 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 grand jury has indicted Cory Collin Fitzgerald Sanders, age 39, of Hagerstown, Maryland, on federal charges of wire fraud, false claims, and aggravated identity theft in connection with his companies' performance on federal contracts. The indictment was returned on July 8, 2020, and was unsealed at his initial appearance yesterday.

The indictment was announced by United States Attorney for the District of Maryland Robert K. Hur; Special Agent in Charge Derek Pickle, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General; and Special Agent in Charge John Salazar of the Naval Criminal Investigative Service, Washington Field Office.

According to the indictment, 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. As detailed in the indictment, 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 indictment alleges that from February 10, 2015 through June 6, 2018, Sanders engaged in a scheme to defraud the government by allegedly entering into contracts with federal agencies which required Sandtech and Cycorp Technologies to provide new telecommunications equipment which was still under warranty. The indictment alleges 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.

Further, the indictment alleges that Sanders provided contracting officials with false information and false documents about the credentials, certifications, and qualifications of Cycorp Technologies. Sanders allegedly provided fabricated and forged documents falsely certifying Cycorp Technologies' status as an

“authorized partner” of two large national telecommunications equipment manufacturers, which would have authorized Cycorp Technologies to buy directly from those companies and/or distribute their new and warrantied products. One of the documents included the forged name and signature of an official at one of the manufacturers. In addition, Sanders allegedly submitted invoices on behalf of Sandtech and Cycorp Technologies so that contracting government agencies would pay for deficient or non-existent performance by electronic deposit into business bank accounts.

If convicted, Sanders faces a maximum sentence of 20 years in federal prison for each of nine counts of wire fraud; a maximum of five years in federal prison for each of two counts of false claims; and a mandatory two years in federal prison, consecutive to any other sentence, for aggravated identity theft. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors. At Sanders’s initial appearance in U.S. District Court in Baltimore, U.S. Magistrate Judge J. Mark Coulson ordered that Sanders be released under the supervision of U.S. Pretrial Services.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

United States Attorney Robert K. Hur commended the Department of Labor – OIG, the NCIS, and the other federal law enforcement agencies involved for their work in the investigation. Mr. Hur thanked Assistant U.S. Attorneys Matthew J. Maddox and Joyce K. McDonald, who are prosecuting the case.

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