

The Office of the Inspector General (OIG), Department of Defense (DoD), announced that on September 19, 2000, Samiha Mitwally, President, Medi-Peth Medical Laboratory (Medi-Peth) and Medi-Peth, Lake Hopatcong, New Jersey, plead guilty, before U.S. District Judge Nicholas H. Politan, to a 24 count indictment for various fraudulent activities involving U.S. Government contracts. These charges include 9 counts of mail fraud, 9 counts of impersonation of Government officials, 3 counts of wire fraud, one count of criminal false claims against the U.S. and 2 counts of bankruptcy fraud.

Mitwally pled guilty to devising a scheme, starting in 1997, where her companies would receive small dollar purchase order contracts from various DoD medical centers and hospitals. She would then impersonate a DoD contracting officer to order the goods directly from a legitimate medical supply vendor, normally the manufacturer. This vendor, believing it had been awarded a Government contract, would supply the items directly to the DoD but payment would go to Mitwally.

Mitwally, also, pled guilty to falsifying a shipping invoice to make it appear that she had paid for the shipping costs on a Government contract, when they had, in fact, been paid for by her vendor.

After numerous defrauded vendors attempted to recover money from Medi-Peth, Mitwally took steps to protect assets held in her name by assuming the alias of Mrs. Elaine Adams. Under this alias, she, in 1998 and 1999, filed petitions for bankruptcy for Medi-Peth, with the U.S. Bankruptcy Court, Newark. Mitwally has pled guilty to bankruptcy fraud in connection with these two petitions.

Mitwally, faces a maximum sentence of 5 years in prison and a \$250,000 fine on each of the 15 counts charging fraud and misrepresentation and a maximum of 3 years in prison and a \$250,000 on each of the additional nine counts. Medi-Peth faces a similar fine for each count.

A sentencing date of January 16, 2001 has been set.