

# Government Contractor Criminally Violates FECA

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March 2004

According to a February 11, 2004 press release, the head of a government contractor entered into a plea agreement with the U.S. Attorney for the Southern District of California for criminal violations of the Federal Election Campaign Act (FECA), as amended. The February agreement and a previous December agreement acknowledged violations of FECA as well as other federal statutes.

First, Parthasarathi Majumder violated the prohibition on contributions in the name of another by providing political donors with cash and check reimbursements for political contributions, instructing the payroll department of his company, Science & Applied Technology, Inc. (SAT), to award donors bonuses and instructing subcontractors to inflate labor time sheets to cover the amount of the contributions.

Second, because some of the reimbursements for contributions came from SAT, the activities violated the prohibition on corporate contributions.

Third, SAT also violated the ban on contributions by government contractors with its reimbursements. This federal ban applies to all government contractors, whether or not they are incorporated.

Finally, other illegal activities also violated the Byrd Amendment, which prohibits persons from using federal funds to lobby members of Congress and the Executive Branch. Moreover, the defendants created false expenses to conceal the improper nature of the lobbying payments.

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Pursuant to an earlier civil settlement, the defendants agreed to pay the United States more than \$3 million. The criminal sentences have yet to be determined.