

Jury Finds Local Businessman Guilty of Fraud In Bidding for DC Government Contracts

Defendant Also Made Illegal Conduit Campaign Contributions to DC Council Candidates

(Washington, DC) Keith Forney, 60, of Clinton, Md., has been found guilty by a jury of fraud and other charges related to his fraudulently obtaining preferences for his company, Forney Enterprises, Inc. (FEI), in bidding for District of Columbia government contracts.

The announcement was made by U.S. Attorney Jessie K. Liu, Nancy McNamara, Assistant Director in Charge of the FBI's Washington Field Office, and District of Columbia Inspector General Daniel W. Lucas.

Forney was found guilty of three counts of fraud, two counts of perjury, and one count of corrupt election practices. The verdict was returned on April 11, 2019, following a trial in the Superior Court of the District of Columbia. The Honorable Michael O'Keefe scheduled sentencing for June 24, 2019. Forney faces a maximum sentence of three years in prison for the fraud counts, ten years for the perjury counts, and five years for corrupt election practices.

Forney was previously found guilty on April 1, 2019, in a bench trial before Judge O'Keefe, of 11 counts of making illegal campaign contributions. The maximum sentence for each of these counts is six months in prison.

According to the government's evidence, FEI was a business located in the District of Columbia. The District government had a preference program for local businesses when bidding for DC government contracts. The Department of Small and Local Business Development (DSLBD) certified that local businesses were eligible for preferences in certain categories. One of the categories was as a resident-owned business (ROB). The ROB category was worth five preference points, meaning that a bid was evaluated as if it was 5% less than the actual bid amount. On average, FEI bid for 15-30 government contracts per year using the ROB preference points. All of the contracts were worth over \$1 million.

In 2012, 2014, and 2016, Forney submitted applications to DSLBD listing an address in the District of Columbia as his residence in order to obtain the ROB preference points. Forney never lived at the address. He had purchased the property in 2005 when it was being leased to a tenant. Forney continued to rent the property out while using the address for the ROB designation. Forney also obtained a DC driver's license and a DC voter registration with the address of the rental property. He then submitted these documents to DSLBD to make it appear that he lived there. Forney applied for his DC voter registration in July 2007. He certified on the application that he was not registered to vote in any other jurisdiction when in fact he was registered to vote in Maryland. Forney continued to vote in Maryland after registering to vote in DC and did not cancel his Maryland registration until 2015. Forney also obtained Maryland and DC driver's licenses on the same day.

The evidence at trial on the campaign finance charges established that Forney made the maximum allowable donations as an individual and on behalf of FEI to three candidates running for the DC council. Forney then directed associates to make personal contributions to these same candidates. Forney used FEI funds to reimburse the associates for the contributions.

This case was investigated by the FBI's Washington Field Office and the District of Columbia Office of the Inspector General. It is being prosecuted by Assistant U.S. Attorneys Anthony Saler and Andrea Duvall.

Assistance was provided by Assistant U.S. Attorney Daniel Lenerz, Financial Analyst: Bryan J. Snitselaar. Paralegal Specialists: C. Rosalind Pressley, Joshua Fein, and Amanda Rohde; former Paralegal Specialists Toni Anne Donato and Kristy Penny, and former Criminal Investigator Juan Juarez.