

06-18-04 -- Lavid, Moshe -- Guilty Plea -- News Release

## **New Jersey-based Scientist Pleads Guilty to Government Contract Fraud**

NEWARK - A scientist pleaded guilty today to defrauding the United States in connection with research grants he applied for and received for his company as well as to tax evasion, U.S. Attorney Christopher J. Christie announced.

Moshe Lavid, 61, a Ph.D. scientist who lives in Princeton, is the owner of ML Energia, a Plainsboro-based company involved in scientific research. The company does contract research focusing on the interaction between photons generated by lasers or advanced light sources and matters, mostly gas and liquid.

During his guilty plea to mail fraud before U.S. District Judge Harold A. Ackerman, Lavid admitted applying for and receiving a grant from the National Science Foundation, which Energia was not entitled to receive. According to the Information to which Lavid pleaded guilty, he had earlier received a grant from the Air Force for the same research.

The Information describes a broader scheme in which Lavid received grants from various U.S. Government agencies and the military, pursuant to the Small Business Innovation Development Act. For instance, as described in the Information, in order to be eligible for the grants under the SBID program, the research in question had to be performed primarily by the grant recipient. Lavid occasionally subcontracted out major portions of a contract, violating the terms of the grant, according to the Information.

Furthermore, according to the Information, Lavid, on behalf of Energia, occasionally applied for funding from one federal agency for a proposal for which he had already received funding from another federal agency.

Lavid also pleaded guilty to one count of tax evasion, which charged him with evading over \$93,000 in income tax on his personal tax return for 1999. Lavid is free on \$100,000 bail pending sentencing, which Judge Ackerman scheduled for Oct. 7.

When he is sentenced by U.S. District Court Judge Ackerman, Lavid faces a maximum prison sentence of five years and a maximum fine of \$250,000 or twice the gain to himself

or loss to the victim on the mail fraud count, and a maximum prison sentence of five years on the tax count and \$100,000 fine. Judge Ackerman scheduled sentencing for Oct. 7.

Under U.S. Sentencing Guidelines, Judge Ackerman will determine the actual sentence based on a formula that takes into account the severity and characteristics of the offense and the defendant's criminal history, if any. Parole has been abolished in the federal system. Under Sentencing Guidelines, defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents from NASA, the Defense Criminal Investigative Service; the Internal Revenue Service; the Department of Agriculture; and the National Science Foundation, with developing the case against Lavid.

The Government is represented by Assistant U.S. Attorney Mark Winston, of the U.S. Attorney's Government Fraud Unit.

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Defense Counsel:

Justin Walder, Esq. - Roseland