

NEW YORK MAN SENTENCED TO FOUR YEARS IN PRISON AND BARRED FROM RECEIVING DEFENSE DEPARTMENT CONTRACTS FOR CONTRACT FRAUD

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 07, 2012
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COLUMBUS –Jerome Rabinowitz, 69, of Great Neck, New York was sentenced in U.S. District Court to four years in prison for selling nonconforming parts to the Department of Defense under a contract to supply electronic components for the U.S. Navy’s Nuclear Reactors Program, military aircraft, and weapons systems for submarines.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, and Jeffrey Arsenault, Acting Special Agent in Charge, Defense Criminal Investigative Service (DCIS), Central Field Office, announced the sentence imposed today by U.S. District Judge Gregory L. Frost.

Judge Frost also fined Rabinowitz \$25,000, barred him from directly or indirectly receiving contracts from the Defense Department, and ordered him to forfeit \$354,877.80, which represents some of the loss to the Department of Defense from the wire fraud and the mail fraud, and a 5.29 carat diamond ring Rabinowitz bought with some of the proceeds of the money laundering. Judge Frost also ordered Rabinowitz to pay restitution of \$492,024.53 to the Defense Department.

“When the safety of military personnel is at stake, we must assure that the items and equipment they receive meet rigid specifications,” Stewart said. “I want to commend the efforts by the DCIS special agent who investigated the case, the Defense Logistics Agency Land and Maritime in Columbus, Ohio, and Assistant U.S. Attorney J. Michael Marous, who prosecuted the case.”

A jury convicted Rabinowitz on August 17, 2012 of 25 counts of mail fraud, nine counts of wire fraud, three counts of money laundering and two counts of making false claims to the government. Rabinowitz has been in custody since the jury’s verdict was announced.

Rabinowitz owned J&W Technologies, LLC, and did business under the name of Jerry Roth. The company had direct and indirect contracts awarded from 2006 through 2009 to provide semiconductors, microcircuits, and transistors to the Department of Defense. The parts are considered critical application items, meaning they are essential to weapon system performance or operation, or the preservation of life or safety of operating personnel.

The contracts called for specific parts made by specific manufacturers during a given timeframe. Rabinowitz sent the Defense Department parts including surplus parts and some items manufactured as long ago as 1967 and the 1970s. Rabinowitz provided forged documents to the Department of Defense to make it appear as though he bought the parts from the correct manufacturers. The Defense Finance and Accounting Service, located in Columbus, paid Rabinowitz based on the false representations he made to the government.