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CALIFORNIA MAN WHO FRAUDULENTLY OBTAINED AND SOLD COMPUTERS DESTINED FOR SCHOOLS AND NON-PROFITS SENTENCED TO 10 YEARS IN PRISON

Abused Government Program Designed to get Excess Computers into Classrooms

A Palmdale, California resident who defrauded a federal government program designed to provide computers to needy schools and non-profits was sentenced today in U.S. District Court in Seattle to 10 years in prison for wire fraud, aggravated identity theft, and filing a false income tax return, announced Acting United States Attorney Annette L. Hayes. STEVEN ALEXANDER BOLDEN, 51, pleaded guilty in January 2014. His sentencing was delayed while criminal charges in California were resolved. At today's sentencing hearing U.S. District Judge Ricardo S. Martinez ordered BOLDEN to pay \$7.2 million in restitution. Judge Martinez said, "You've been a con man for a long, long time. . . You committed a very serious crime . . . Stealing from children . . . Children all across America."

"Thousands of kids would have benefitted from the equipment this defendant stole," said Acting United States Attorney Annette L. Hayes. "The Computers for Learning program's goal has always been to put computer technology in more classrooms, so that more kids have the opportunity to be educated to their full potential. Stealing education opportunities from needy kids makes this fraud particularly egregious."

According to court records, between 2007 and 2013, BOLDEN defrauded a Government Services Administration (GSA) program called "Computers for Learning," that transfers excess government computers and related peripheral equipment directly to qualified schools and educational non-profit organizations. BOLDEN posed as 14 different non-profits to obtain the computers for free, and then sold them for his personal profit. Over the course of the scheme, BOLDEN obtained 19,442 items through the program with an original purchase price of \$30.3 million. Based on its "fair market value," the computer equipment that BOLDEN fraudulently acquired was worth about \$7.2 million.

According to records in the case, BOLDEN became acquainted with a person operating a legitimate non-profit in Southern California. BOLDEN convinced the head of the non-profit to let him review the paperwork for the organization. Using the non-profit organization's information, BOLDEN created an account in the Computers for Learning program, and in July of 2010, obtained 41 Dell and HP computers that were made available by the Border Patrol at Blaine, Washington. BOLDEN claimed the computers and later sold them for his own benefit.

BOLDEN was convicted of aggravated identity theft because he used the identities of the non-profit organization and his acquaintance to further his scheme.

BOLDEN failed to report any income from the sale of the computers. In fact, records from a computer recycler in Santa Ana, California show it paid BOLDEN more than \$64,892 in 2012. BOLDEN failed to report any of that income on his tax return.

BOLDEN was sentenced in California in September 2014, to a seven year prison sentence for a domestic violence crime which occurred in October 2013.

The case was investigated by multiple law enforcement partners led by the General Services Administration Office of Inspector General (GSA-OIG), the Internal Revenue Service Criminal Investigation (IRS-CI), the Department of Transportation Office of Inspector General (DOT-OIG), the Department of Justice Office of Inspector General (DOJ-OIG), the Department of Energy Office of Inspector General (DOE-OIG), the Department of Veterans Affairs Office of Inspector General (VA-OIG) and the FBI.

The case was prosecuted by Assistant United States Attorney David Reese Jennings.

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