Delaware manufacturing executive sentenced to prison for bribing former Amtrak official

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PHILADELPHIA — An executive for a manufacturing firm was sentenced Monday in U.S. District Court to prison time for his involvement in a bribery scheme involving an Amtrak contracting official.

John P. Gonzales, 61, of Milford, Delaware, an Executive Vice President and Financial Officer for First State Manufacturing, was sentenced to 20 months in prison and one year of supervised release for bribing a former Amtrak procurement official, Timothy Miller, with cash, kickbacks, and vacations. In exchange, Miller ensured that FSM was awarded about $7.6 million in Amtrak contracts from 2015 through 2017. Once the contracts were secured, FSM allegedly provided substandard textile products and conspired with Miller to inflate prices which cost taxpayers even more money.

"We hope the results of this case send a clear message about the consequences of bribery and bid rigging—our office will vigorously investigate and help bring to justice those who threaten Amtrak's and the taxpayers' funds," said Kevin Winters, Amtrak's Inspector General. "Throughout this case, we have been proud of the professionalism and mutual support displayed by our agents, the U.S. Attorney's office, the FBI, IRS, and the U.S. Department of Transportation Office of Inspector General."

Gonzales, Miller, and another FSM executive have been criminally prosecuted as a result of the scheme. Miller was sentenced to one year and one day in prison. Donald Scott Crothers, FSM's Vice President for Marketing and Contract Administration, received a sentence of eighteen months in prison for his role in the scheme.

The case was investigated by Amtrak OIG, the Department of Transportation OIG, the FBI, and IRS. More information is available in the press release from the U.S. Attorney's Office: https://direc.to/f4YB.

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