

SEC OIG INVESTIGATIVE SUMMARY



Data Center Company CEO to pay \$1M in restitution to the SEC

The U.S. Securities and Exchange Commission (SEC), Office of Inspector General (OIG), investigated the Chief Executive Officer (CEO) of an information technology services company for allegedly deceiving the SEC into thinking his company's data center was certified at the highest rating level for reliability, availability, and security, when it was not.

Based on the OIG's investigative findings, a Grand Jury in the District of Columbia [indicted the CEO in 2024](#) on six counts of major fraud and one count of false statements based on the SEC OIG's findings that, in order to obtain an SEC data center contract worth \$10.7 million, the CEO created an entity, which purported to inspect and audit data centers, and drafted certification letters that falsely claimed the entity had certified the CEO's data center as a Tier IV data center, the highest possible rating for reliability, availability, and security. Five years later, the CEO directed an employee to send to the SEC an updated certification letter from the same entity making additional misrepresentations.

On January 21, 2026, a Deferred Prosecution Agreement (the Agreement) was filed in the United States District Court for the District of Columbia. Pursuant to the Agreement, the Defendant must pay the SEC \$1M in restitution, in addition to a \$500,000 monetary penalty and serve 150 hours of community service.

