



Department of Defense
Office of the Inspector General

Information Release

FOR IMMEDIATE RELEASE

September 8, 2005

Government Transportation Officer and President of Virginia Beach Freight Forwarding Company Charged with Conspiracy

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that on September 2, 2005, Assistant U. S. Attorney, Robert J. Seidel, Jr., filed separate charges against Gene B. Boyce, Transportation Officer at the Fleet & Industrial Supply Center Detachment at the Norfolk Naval Shipyard, Portsmouth, VA, and Thomas A. Perry, Jr., Owner and President of Air Cargo Expeditors Incorporated (Air Cargo), Virginia Beach, VA. Air Cargo is an independently owned and operated business, which has an independent contractor agreement with AIT Worldwide Logistics Incorporated (AIT), Itasca, IL, to ship freight in support of the military, through AIT's transportation system while using AIT's name and logo.

Boyce was charged in a criminal information with one count of conspiracy to accept illegal gratuities, in violation of Title 18 of the United States Code, Section 371, and one count of accepting illegal gratuities, in violation of Title 18 of the United States Code, Section 201C(1)(B). Perry was charged in a criminal information with one count of conspiracy to pay illegal gratuities, in violation of Title 18 of the United States Code, Section 371, and one count of providing illegal gratuities, in violation of Title 18 United States Code, Section 201C(1)(A). Boyce and Perry each face a term of five years imprisonment, a maximum fine of \$250,000 and three years supervised release for these offenses.

Boyce is accused of accepting numerous items of value from Perry from approximately August 2000 and continuing until approximately August 2004, in return for the award of freight transportation contracts, known as bills of lading, to AIT. Judge Raymond A. Jackson will preside over court proceedings, which have not been scheduled to date.

This ongoing investigation is being conducted jointly by the Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD), the Naval Criminal Investigative Service, and the Federal Bureau of Investigation. Assistant U. S. Attorney, Robert J. Seidel, Jr., of the U. S. Attorney's Office, Eastern District of Virginia, Norfolk, VA, handled the prosecution of this case. Audit support was provided by the Defense Contract Audit Agency.

For further information, contact Joseph A. McMillan, Special Agent in Charge, Mid-Atlantic Field Office at (703) 604-8411.

To report suspected fraud, waste, and abuse within DoD programs, contact the Defense Hotline toll-free at (800) 424-9098, e-mail: hotline@dodig.osd.mil, or visit them on the World Wide Web at <http://www.dodig.osd.mil/hotline/>.