



United States Attorney's Office District of Connecticut
Press Release

March 15, 2007

THOMASTON MAN INVOLVED IN DEPARTMENT OF DEFENSE CONTRACTING FRAUD SCHEME IS SENTENCED

Kevin J. O'Connor, United States Attorney for the District of Connecticut, announced that PATRICK HALE, age 40, of 136 Smith Road, Thomaston, Connecticut, was sentenced today by Senior United States District Judge Ellen Bree Burns in New Haven to a two-year term of probation for engaging in a scheme to defraud the United States Department of Defense, and for willfully failing to file an income tax return. On October 31, 2006, HALE pleaded guilty to those offenses.

According to documents filed with the Court and statements made in court, HALE was the operations manager for Ace & Company, Inc., which sells and distributes electronic components through its division, Stran Technologies. Stran Technologies, which maintains a manufacturing facility at 39 Great Hill Road in Naugatuck, Connecticut, develops and manufactures fiber optic and electric connectors, cable assemblies, and termination tools for commercial and military applications. In 1999, Stran Technologies qualified with the United States Army to produce the first generation Tactical Fiber Optic Cable Assembly ("TFOCA I"). The military applications of the TFOCA I connectors include use on Patriot missile launchers and communication systems for military vehicles and aircraft carriers.

In pleading guilty, HALE admitted that he participated in a scheme to falsely represent to the United States Army that Stran Technologies had conducted certain required tests on the TFOCA I. In fact, Stran Technologies had not performed those tests, but had fabricated test results for the purpose of obtaining Department of Defense contracts and subcontracts.

On August 2, 2006, Ace & Company, Inc. entered a corporate guilty plea based on the same scheme. On that date, the owner and president of Ace & Company, James E. Stranberg, Jr., also pleaded guilty to tax evasion based on his filing a false corporate income tax return for Ace in 2003. In November 2006, Judge Burns sentenced Ace & Company to a three-year term of probation and Stranberg to a term of imprisonment of six months. Ace & Company was also ordered to pay restitution in the amount of \$230,000.

“The Department of Defense requires contractors to provide parts and equipment that are rigorously tested so that they will not fail under the rigors of battle or in adverse weather conditions,” U.S. Attorney O’Connor stated. “Without this rigorous testing, we cannot be assured that our military is being provided with safe and superior technology. Contractors who cut corners and defraud federal government agencies will be prosecuted.”

This case was investigated by the Defense Criminal Investigative Service, the Internal Revenue Service – Criminal Investigation Division, the Federal Bureau of Investigation, the United States Army Criminal Investigation Division, and the Naval Criminal Investigative Service. The case was prosecuted by Assistant United States Attorney John A. Marrella.

CONTACT: **U.S. ATTORNEY'S OFFICE**
Tom Carson
(203) 821-3722
thomas.carson@usdoj.gov