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**NAVY EMPLOYEE PLEADS GUILTY TO EMBEZZLING OVER \$600,000 FROM THE NAVY RECYCLING PROGRAM**

Greenbelt, Maryland - Christopher M. Hill, age 46, of Lusby, Maryland, pleaded guilty to embezzling government property and filing false tax returns.

The guilty plea was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge John Wagner of the Naval Criminal Investigative Service, Washington Field Office; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office; and Acting Special Agent in Charge Jeannine A. Hammett of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office.

"Mr. Hill attempted to maneuver around the Government contracting process to line his own pockets rather than play within the rules. The guilty plea submitted by Mr. Hill today shows that the Defense Criminal Investigative Service, its law enforcement partners, and prosecutors, will work effectively to protect this process," said Robert Craig, Special Agent in Charge for the DCIS, Mid-Atlantic Field Office.

"The role of IRS-Criminal Investigation becomes even more important in embezzlement and fraud cases due to the complex financial transactions that can take time to unravel," said Jeannine A. Hammett, Special Agent in Charge, Washington DC Field Office. "Federal tax laws are normally violated in these cases, which can result in additional jail time."

According to Hill's plea agreement, from 1997 until July 2008, Hill worked as a civilian employee of the United States Navy at the Patuxent River Naval Air Station ("NAS"), where his responsibilities included managing the recycling program, handling matters related to scrap metals, and dealing with issues and problems related to the recycling of materials. In June 2008, Hill became the Naval District Washington FX Program Manager at the Washington Naval Yard, where he continued to handle recycling contracts and other recycling matters for the Naval District of Washington, which included NAS and other military facilities located in the District of Columbia, Maryland, and Virginia.

From 1998 through 2003, the U.S. Navy contracted with companies to recycle materials from NAS and other naval facilities. As part of these contracts the companies retrieved recyclable materials, such as scrap metal, paper and cardboard, from naval facilities, sold the materials and remitted a percentage of the proceeds of the sale to the Navy, based upon formulas contained in the contract. The businesses typically paid the Navy with checks made payable to the U.S. Treasury which were deposited into a government account.

In 2003, the contracts between the Navy and the recycling businesses expired. The Navy and the businesses continued to operate under the terms of the expired contracts. Company A was one of the businesses which had a recycling contract with the Navy. Company A continued to retrieve scrap metal from Navy installations but made no payments to the Navy. Instead, Company A wrote checks made payable to Hill and mailed them directly to Hill, who deposited the checks into his personal bank account.

On October 1, 2008, the Navy entered into a contract to handle recyclable materials with another company, which provided that the company would handle all recycling in the region. However, the contract allowed Hill to maintain Company A's existing practice of retrieving scrap metals from certain installations. Following the implementation of the new contract, Company A continued to retrieve scrap metal from Navy installations, write checks made payable to Hill and mail the checks to his personal post office box in Calvert County, Maryland. Hill then deposited the checks into his personal bank accounts.

Between January 2004 and April 2010, Hill deposited at least 124 checks from Company A totaling \$631,057.41 into bank accounts he controlled.

For calendar years 2005, 2006, and 2007, Hill did not file a tax return, although he knew that he was required to file an income tax return for each of those years. For calendar years 2008 and 2009, Hill prepared, signed and filed a fraudulent federal tax return, which did not report his income from Company A. Specifically, during 2008, Hill received \$150,795.82 from Company A, which he did not report as income on his 2009 federal tax return and during 2009, Hill received \$68,412.93 from Company A, which he again did not report as income on his 2010 federal tax return.

As part of his plea agreement, Hill is required to pay restitution to the Internal Revenue Service in the amount of \$134,795.22, and to pay restitution to the U.S. Navy in the amount of \$631,057.41.

Hill faces a maximum penalty of 10 years in prison for embezzling government property and a maximum of three years in prison for filing a false tax return. Chief U.S. District Judge Deborah K. Chasanow, has scheduled sentencing for February 6, 2012 at 11:00 a.m.

United States Attorney Rod J. Rosenstein commended the NCIS, DCIS, and IRS-Criminal Investigation for their work in the investigation. Mr. Rosenstein thanked Assistant United States Attorney Mara Zusman Greenberg, who is prosecuting the case.

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[HOME](#)