

## Department of Justice

Office of Public Affairs

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**Former U.S. Navy Military Sealift Command Manager Sentenced  
for Receiving Bribes**

Kenny E. Toy, 54, the former Afloat Programs Manager at the United States Navy Military Sealift Command, was sentenced today to serve 96 months in prison for receiving bribes.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, United States Attorney Dana J. Boente of the Eastern District of Virginia, Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service (DCIS) Mid-Atlantic Field Office, Acting Executive Assistant Director Charles T. May Jr. of the Naval Criminal Investigative Service (NCIS) Atlantic Operations and Special Agent in Charge Royce E. Curtin of the FBI's Norfolk Field Office made the announcement today after sentencing by United States Chief Judge Rebecca Beach Smith of the Eastern District of Virginia.

On Feb. 12, 2014, Toy pleaded guilty to a criminal information charging him with one count of bribery. According to the statement of facts filed with Toy's plea agreement, Toy was employed as the Afloat Programs Manager in the N6 Command, Control, Communication, and Computer Systems Directorate at the Military Sealift Command, which is the leading provider of transportation for the United States Navy. In approximately November 2004, Toy joined an extensive bribery conspiracy that spanned five years, involved multiple co-conspirators, including two different companies, and resulted in the payment of more than \$265,000 in cash bribes, among other things of value, to Toy and to Scott B. Miserendino Sr., a former government contractor who performed work for the Military Sealift Command.

At his plea hearing, Toy admitted that he accepted monthly cash bribes of approximately \$3,000, as well as a flat screen television and a paid vacation to the Outer Banks in North Carolina, from co-conspirators Dwayne A. Hardman, Roderic J. Smith, Michael P. McPhail and Adam C. White, all of whom were employed at a government contracting company referred to as Company A in court documents. Toy also admitted that he accepted a \$50,000 cash bribe in May 2009 from Hardman and another co-conspirator, Timothy S. Miller, both of whom were employed at a government contracting company referred to as Company B in court documents. In exchange for the bribes, Toy provided favorable treatment to Company A and Company B in connection with Military Sealift Command related business.

As part of his guilty plea, Toy also admitted to engaging in a scheme to conceal his criminal activity. Toy admitted to causing more than \$88,000 to be paid to Hardman in an attempt to prevent Hardman from reporting the bribery scheme to law enforcement authorities.

Toy was also ordered to serve a supervised release term of three years following his prison sentence, and ordered to forfeit \$100,000.

Earlier this year, four other individuals pleaded guilty in connection with the bribery scheme. On Feb. 18, 2014, Hardman, the co-founder of Company A and Company B, pleaded guilty to providing bribes to Toy and Miserendino. On Feb. 19, 2014, McPhail, a former employee at Company A, pleaded guilty to conspiracy to

commit bribery. On April 4, 2014, White, a former vice president at Company A, pleaded guilty to conspiracy to commit bribery. On March 5, 2014, Smith, the former president of Company A, pleaded guilty to conspiracy to bribe public officials. On June 23, 2014, United States District Judge Henry Coke Morgan sentenced Smith to serve 48 months in prison followed by one year of supervised release and ordered him to forfeit \$175,000.

On May 23, 2014, a grand jury in the Eastern District of Virginia indicted Miserendino and Timothy S. Miller, a businessman whose company sought contracting business from the Military Sealift Command. The indictment charges Miserendino with one count of conspiracy to commit bribery, one count of bribery, one count of conspiracy to commit obstruction of criminal investigations and to commit tampering with a witness, and one count of obstruction of criminal investigations. The indictment charges Miller with one count of conspiracy to commit bribery and two counts of bribery. Trial is set for Sept. 30, 2014, before Chief Judge Rebecca Beach Smith.

Charges contained in an indictment are merely allegations, and a defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The case was investigated by the FBI, NCIS and DCIS. The case was prosecuted by Trial Attorney Emily Rae Woods of the Criminal Division's Public Integrity Section and Assistant U.S. Attorney Stephen W. Haynie of the Eastern District of Virginia.