

## Department of Justice

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**Former Virginia Subcontractor Sentenced for Conspiracy to Bribe Officials at the United States Navy Military Sealift Command**

A former employee of a government contracting company was sentenced today to 36 months in prison to be followed by three years of supervised release for conspiracy to bribe public officials at the United States Navy Military Sealift Command in exchange for favorable treatment in connection with U.S. government contract work.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. 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, Special Agent in Charge Susan Triesch of the Naval Criminal Investigative Service (NCIS) Norfolk Field Office, and Special Agent in Charge Royce E. Curtin of the FBI's Norfolk Field Office made the announcement today after McPhail's sentencing before United States Chief District Judge Rebecca Beach Smith of the Eastern District of Virginia.

Michael P. McPhail, 49, pleaded guilty to a criminal information charging him with conspiracy to commit bribery on Feb. 19 2014. According to his plea documents, McPhail is a former employee of a Chesapeake, Virginia, government contracting company, referred to as Company A, which sought contracting business from the Military Sealift Command, the leading provider of transportation for the United States Navy. At his plea hearing, McPhail admitted that from March 2005 to January 2007, he contributed approximately \$45,000 of his salary toward bribe payments made to two public officials working for the Military Sealift Command to influence them to provide favorable treatment to Company A in connection with United States government contracting work.

Specifically, McPhail and other Company A employees, including Roderic J. Smith, the former president of Company A; Dwayne A. Hardman, the co-founder of Company A; and Adam C. White, a former vice president at Company A provided monthly cash bribes to two Military Sealift Command public officials. The bribery conspiracy resulted in the payment of more than \$265,000 in cash bribes, among other things of value, to Kenny E. Toy, the former Afloat Programs Manager for the Military Sealift Command's N6 Command, Control, Communication, and Computer Systems Directorate, and Scott B. Miserendino, Sr., a former government contractor who performed work for the Military Sealift Command. In addition his prison sentence, McPhail was ordered to forfeit \$57,000.

Earlier this year, four other individuals pleaded guilty in connection with the bribery scheme. On Feb. 12, 2014, Toy pleaded guilty to accepting bribes from Company A employees. On Feb. 18, 2014, Hardman pleaded guilty to providing bribes to Toy and Miserendino. On March 5, 2014, Smith pleaded guilty to conspiracy to bribe public officials. On April 4, 2014, White pleaded guilty to conspiracy to commit bribery.

On June 23, 2014, United States District Judge Henry Coke Morgan sentenced Smith to 48 months in prison and ordered him to forfeit \$175,000. On July 9, 2014, Judge Smith sentenced Hardman to 96 months in prison and ordered him to forfeit \$144,000. On July 11, 2014, Judge Smith sentenced White to 24 months in prison and ordered him to forfeit \$57,000. On July 29, 2014, Judge Smith sentenced Toy to 96 months in prison and ordered him to forfeit \$100,000.

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 Judge Smith.

Charges contained in an indictment are merely allegations, and a defendant is presumed innocent unless and until proven guilty.

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.