



Department of Justice

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District of Rhode Island

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NAVAL PROGRAM MANAGER; FOUNDER AND PRESIDENT OF RHODE ISLAND & GEORGIA BASED TECHNOLOGY FIRM CHARGED IN \$10 MILLION KICKBACK SCHEME

PROVIDENCE, R.I. – United States Attorney Peter F. Neronha announced today that a civilian program manager and senior systems engineer with the United States Navy’s Naval Sea Systems Command (NAVSEA) in Newport, R.I and Washington, D.C., and the founder and president of a technology services company with offices in Rhode Island and Georgia, have been charged in U.S. District Court in Providence with bribery of a public official in connection with an alleged on-going kickback scheme involving approximately \$10 million of naval funds.

Criminal complaints and supporting affidavits unsealed in U.S. District Court in Providence allege that Ralph Mariano, 52, of Arlington, VA, a civilian program manager and senior systems engineer with NAVSEA, and Anjan Dutta-Gupta, 58, of Roswell, GA, founder and president of Advanced Solutions for Tomorrow (ASFT), with offices in Middletown, Rhode Island, and Roswell, Georgia, participated in a kickback and bribery scheme in which Dutta-Gupta funneled approximately \$10 million dollars to Mariano, Mariano’s relatives, and Mariano’s associates in return for Mariano’s role in the funding of Naval contracts to ASFT. According to the affidavit, approximately \$13.5 million in funding from the Navy was sent by ASFT to a subcontractor, mostly for work that was not performed. The subcontractor, over a period of years, allegedly kicked back a total of approximately \$10 million to Mariano, Mariano’s relatives and associates, and back to entities controlled by Dutta-Gupta.

Dutta-Gupta was arrested on Sunday in Atlanta by U.S. Customs agents and turned over to the FBI as he entered the country on a return trip from Chile. Dutta-Gupta made an initial appearance in U.S. District Court in Atlanta on Monday and was released on \$25,000 unsecured bond and he was ordered to surrender his passport. The defendant was ordered to appear before a Magistrate Judge in U.S. District in Providence on February 15, 2011.

Mariano surrendered to the U.S. Marshals Service in Rhode Island on Monday and made an initial appearance in U.S. District Court in Providence Monday afternoon before U.S. District Court Magistrate Judge Lincoln D. Almond. Mariano was released on \$50,000 unsecured bond and he was ordered to surrender his passport.

Joining U.S. Attorney Peter F. Neronha in announcing the criminal complaints and arrest of Mariano and Dutta-Gupta were Edward Bradley, Special Agent-in-Charge Defense Criminal Investigative Services(DCIS), Northeast Field Office; Kirk Greffen, Acting Special Agent-in-Charge Naval Criminal Investigative Service(NCIS), Northeast Field Office, Newport, R.I.; James Burrell, Assistant Special Agent-in-Charge of the FBI’s Boston Field Office; and Phillip Hall, Assistant Special Agent-in-Charge of the Boston office of the Internal Revenue Service (IRS), Criminal Investigations.

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U.S. Attorney Peter F. Neronha commented, "While there is no shortage of other crime to be mindful of, public corruption will always be a focus of this office. The public has the right to know that those who work for them are doing so honestly. Taxpayer money must never be wasted, let alone stolen. When we discover bribery schemes like the one alleged here, we will do everything in our power to hold both the bribe payer and the person accepting the bribe accountable."

"The criminal complaint unsealed today details troubling allegations of public corruption impacting the integrity of the U.S. Department of Defense's contracting process," said Special Agent-in-Charge Ed Bradley, DCIS, Northeast Field Office. "Unfortunately, as the complaint alleges, a Navy employee and a DoD contractor conspired to corrupt the DoD's procurement system and personally profit from their scheme. Stopping public corruption is a top priority for the Defense Criminal Investigative Service, and DCIS is committed to working with the U.S. Attorney's Office and our law enforcement partners, to ensure that taxpayer's dollars are not misappropriated and therefore available to support the men and women who serve in the U.S. military."

Kirk Greffen, Acting Special Agent in Charge Naval Criminal Investigative Service (NCIS), Northeast Field Office, Newport, R.I., added, "A 10-million dollar heist is a major crime, whether the money is taken with a gun or with a keyboard. Fraud victimizes every taxpayer. It wastes billions of tax dollars and erodes public confidence. Citizens have the right to expect their public employees to be people of integrity--not self-serving criminals."

NAVSEA is the largest of the Navy's five system commands and accounts for nearly one quarter of the Navy's entire budget. NAVSEA has responsibility for establishing and enforcing technical authority in combat system design and operation, and uses its technical expertise to ensure systems are engineered effectively, and that they operate safely and reliably. Mariano plays a role in funding for NAVSEA's technical program and directs contracting officers to issue task orders through modifications on existing contracts. Mariano is also responsible for evaluating proposals during the solicitation and bidding process for new contracts. Mariano also has responsibility over Indefinite Delivery/Indefinite Quantity ("IDIQ"), Cost Plus Fixed Fee Adjustment ("CPFA") contracts. IDIQ contracts give government officials like Mariano the flexibility to add funding to contracts when there is a legitimate need to obtain additional services from a contractor or sub-contractor.

ASFT is a technology services company that provides systems engineering, product assurance, program support, integrated logistics services and Autonomous Underwater Vehicle development to the Navy. The majority of ASFT's employees support NUWC contracts and are located at ASFT's Rhode Island office in Middletown, R.I.

"Today's indictment reflects the emphasis the Defense Criminal Investigative Service, Naval Criminal Investigative Service, Internal Revenue Service, FBI and the United States Attorney's Office place on thwarting crimes that undermine the public's trust in the government," noted James Burrell, Assistant Special Agent in Charge of the FBI's Boston Field Office. "The completion of this public corruption investigation, and those ongoing, reflect law enforcement's cooperative efforts to identify individuals and companies who seek to line their pockets at the expense of the taxpayers and businesses that play by the rules."

IRS Assistant Special Agent in Charge Phillip Hall stated, "IRS Criminal Investigation often works jointly with other law enforcement agencies to provide financial investigative expertise. The charges brought in this case demonstrate our collective efforts to enforce the law and ensure public trust."

The case is being prosecuted by Assistant U.S. Attorneys Andrew J. Reich and Lee H. Vilker.

This matter is an ongoing, joint investigation being conducted by a team of agents from the DCIS Boston Resident Agency, Northeast Field Office; NCIS, Northeast Field Office; the FBI Providence Resident Agency; and the IRS-CID office in Rhode Island.

A Criminal Complaint is merely an allegation and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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