

Department of Justice Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, May 23, 2014

Navy Military Sealift Command Official and Businessman Charged with Bribery

Scott B. Miserendino, Sr., 55, a former government contractor who performed work for the United States Navy Military Sealift Command, and Timothy S. Miller, 57, a businessman whose company sought contracting business from the Military Sealift Command, were indicted today on charges including conspiracy and bribery.

Acting Assistant Attorney General David A. O'Neil of the Justice Department's Criminal Division, Acting U.S. Attorney Dana J. Boente of the Eastern District of Virginia, Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service Mid-Atlantic Field Office (DCIS), 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.

A federal grand jury in the Eastern District of Virginia returned a six-count indictment today that 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 of a public official.

According to the indictment, Miserendino was a government contractor at the Military Sealift Command, the leading provider of transportation for the United States Navy. The indictment alleges that Miserendino worked closely with another Military Sealift Command official, Kenny E. Toy, in managing telecommunications projects and in influencing the award of United States government contracts, subcontracts, and task orders.

The indictment alleges that Miserendino solicited and accepted bribes, in the form of cash, a flat screen plasma television, a wine refrigerator, and other items, in exchange for providing favorable treatment to two companies in connection with United States government contracts.

Between March 2005 and 2007, Miserendino allegedly accepted cash payments of approximately \$3,000 per month from agents of Company A, a corporation that sought contracting business from the Military Sealift Command. In total, Miserendino accepted approximately \$100,000 in bribes from Company A's agents.

In addition, the indictment alleges that, in February 2009, Miller and his business partner Dwayne A. Hardman established Company B, a government contracting corporation located in Chesapeake, Virginia, to provide support to the Military Sealift Command on various telecommunications projects. Shortly thereafter, in May 2009, Miller and Hardman allegedly paid cash bribes totaling \$50,000 to Miserendino and Toy in exchange for favorable treatment in connection with U.S. government contracts, subcontracts, and task orders.

In addition, as alleged in the indictment, Miserendino obstructed justice and tampered with a witness by causing \$85,000 to be paid to Hardman in an attempt to prevent or delay him from reporting the bribery scheme to law enforcement authorities.

Prior to this indictment, five other individuals pleaded guilty in connection with the bribery scheme. On Feb. 12, 2014, Kenny E. Toy, former Afloat Programs Manager for the Military Sealift Command N6 Command, Control, Communication and Computer Systems Directorate, pleaded guilty to bribery and admitted to receiving more than \$100,000 in cash bribes in exchange for providing favorable treatment to two companies in connection with U.S. government contracts. On Feb. 18, 2014, Dwayne A. Hardman, Miller's business partner, pleaded guilty to bribery and admitted to providing more than \$140,000 in cash bribes to Toy and Miserendino. On Feb. 19, 2014, Michael P. McPhail pleaded guilty to conspiracy to commit bribery and agreed to forfeit \$57,000. On March 5, 2014, Roderic J. Smith pleaded guilty to conspiracy to commit

bribery and agreed to forfeit \$175,000. On April 4, 2014, Adam C. White pleaded guilty to conspiracy to commit bribery and agreed to forfeit \$57,000.

The case was investigated by the DCIS, NCIS and the FBI. The case is being 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.

The charges in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.