



THE UNITED STATES ATTORNEYS OFFICE
EASTERN DISTRICT *of* VIRGINIA

Former Chesapeake, Virginia Subcontractor Pleads Guilty to Bribery

FOR IMMEDIATE RELEASE

March 5, 2014

NORFOLK, Va. – Roderic J. Smith, 50, pleaded guilty today to charges of paying bribes to public officials.

Dana J. Boente, Acting United States Attorney for the Eastern District of Virginia, and Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, made the announcement after the plea was accepted by Senior United States District Judge Henry Coke Morgan, Jr.

Smith was charged via criminal information on March 5, 2014 with conspiracy to bribe public officials. Smith faces a maximum penalty of five years when he is sentenced on June 23, 2014.

According to a statement of facts filed with the plea agreement, Smith and his business partner, Dwayne A. Hardman, established a government contracting corporation in Chesapeake, Virginia in November 2004, which was to provide support to the Military Sealift Command (MSC) on various telecommunications projects. Shortly thereafter, in early 2005, Smith and Hardman agreed to pay cash bribes to two MSC officials in exchange for the MSC official steering government contracts to Smith and Hardman's corporation. In exchange for the contracts being issued to the corporation, Smith and Hardman agreed to pay cash bribes to the two MSC officials. From March 2005 until 2007, Smith, Hardman, and others paid the MSC officials a total of approximately \$3,000 each month in cash bribe payments. During this time, Smith and Hardman withdrew approximately \$144,000 in cash which was then provided to the two MSC officials, in exchange for the MSC officials' assistance in securing MSC contracting and subcontracting business for their company. Hardman left the company in 2009 and Smith managed the company as president until he resigned in late 2013.

On Feb. 12, 2014, one of the MSC officials, Kenny Toy, who was the Afloat Programs Manager for MSC's N6 Command, Control, Communication, and Computer Systems Directorate, pleaded guilty to accepting bribes in conjunction with this scheme. On Feb. 18, 2014, Smith's business partner, Dwayne A. Hardman, pleaded guilty to bribery. On Feb. 19, 2014, Smith's business partner, Michael P. McPhail, pleaded guilty to conspiracy.

This case was investigated by Special Agents of the FBI, the Naval Criminal Investigative Service (NCIS), and the Defense Criminal Investigative Service (DCIS). Assistant United States Attorney Stephen W. Haynie and Trial Attorney Emily Rae Woods, of the Public Integrity Section, Criminal Division, Department of Justice, are prosecuting the case on behalf of the United States.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.