



## Alabama Man Convicted In Scheme to Defraud Military Sub-Contractor

FOR IMMEDIATE RELEASE

December 15 2014

After eleven days of trial, a federal jury convicted an employee of Day and Zimmerman, International (D&Z), a large, multi-national company specializing in construction, engineering, and security for leading corporations and governments around the world, of eight counts of wire fraud. The employee engaged in two schemes in which he attempted to fraudulently obtain almost \$650,000.

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, George L. Piro, Special Agent in Charge, Federal Bureau of Investigations (FBI), Miami Field Office, John F. Khin, Special Agent in Charge, Defense Criminal Investigative Service (DCIS), and Frank Robey, Director, Major Procurement Fraud Unit (MPFU), U.S. Army Criminal Investigation Command, made the announcement.

According to evidence presented at trial, in the first scheme, **Stanley P. Phillips**, 48, of Dothan, Alabama, used his position as a construction foreman on a D&Z project to build a chemical plant in Pace, Florida, to steal more than \$35,000. Phillips did so by convincing AWA Fabrication and Construction, LLC, a family-owned vendor company that supplied certain piping materials to D&Z, to "hire" a company called Royal Global Services, LLC to install the piping being supplied. In fact, the installation was done by D&Z employees, and Royal Global Services, LLC was a shell company solely owned by the Phillips.

In the second scheme, Phillips, acting as the construction/site manager for a D&Z project to build a Weak Acetic Acid Recovery Facility Plant (WAARP) at the Holston Army Ammunition Plant in Kingsport, Tennessee, attempted to steal more than \$600,000. Phillips did so by convincing a family-owned sub-contractor company called HSIII to "hire" a company called RGS Professional Services, Inc. (RGSPS) to ostensibly do work on behalf of HSIII on the WAARP Project. In fact, Phillips was the 51% owner of RGSPS, which was actually a nursing registry not capable of providing any services on the WAARP Project.

Monies from both schemes were deposited into an account in the name of RGS, LLC, which was a separate company Phillips' controlled but which had been opened in the name of his girlfriend. She was told that the monies were being deposited because Phillips' was on the secret payroll of Senator Ron Johnson of Wisconsin, and that the money from AWA and HSIII were repayments of loans made to them by Senator Johnson. Phillips maintained the trust of his girlfriend and others by telling them about his association with Senator Johnson, his work for the FBI, his background as a nuclear engineer, and his exploits as part of a secret military team who extracted General Noriega from the jungles of South America. None of this was true. Phillips stipulated that he had no association with any senators of any kind, and no law enforcement connections. He was in fact a high school graduate who had completed two entry level navigation classes while in the Coast Guard. He was discharged in 1986 after only two years because of sleepwalking. Operation Just Cause, in which General Noriega was retrieved, took place in 1989/1990.

Phillips is scheduled to be sentenced on February 20, 2014, at 4:00 p.m. before U.S. District Judge Beth Bloom, in Fort Lauderdale, Florida. At sentencing, he faces a maximum term of 160 years imprisonment, plus supervised release, restitution and a fine.

Mr. Ferrer commended the investigative efforts of the FBI, DCIS, MPFU, and the U.S. Army Criminal Investigation Command. This case is being prosecuted by Assistant U.S. Attorney Carolyn Bell.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at [www.usdoj.gov/usao/fls](http://www.usdoj.gov/usao/fls). Related court documents and information may be found on the website of the District Court for the Southern District of Florida at [www.flsd.uscourts.gov](http://www.flsd.uscourts.gov) or on <http://pacer.flsd.uscourts.gov>.