

**U.S. Department of Justice**

*United States Attorney  
Southern District of Florida  
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November 15, 2013

**NEWS RELEASE:**

**Alabama Man Indicted In Scheme to Defraud Military Sub-Contractor**

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, Michael B. Steinbach, 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, announce the indictment of defendant Stanley P. Phillips, 47, of Dothan, Alabama. Phillips is charged with seven counts of wire fraud, in violation of Title 18, United States Code, Section 1343. Phillips is scheduled for arraignment on November 20, 2013 in West Palm Beach before U.S. Magistrate Judge James M. Hopkins.

According to the indictment, Phillips engaged in a scheme to defraud a subsidiary of Day & Zimmermann International, Inc. (D&Z) of over \$600,000. D&Z was a military sub-contractor who had been engaged to build a Weak Acetic Acid Recovery Facility Plant, known as the WAARP Project, at the Holston Army Ammunition Plant in Kingsport, Tennessee. Phillips was the D&Z Construction/Site Manager on the WAARP Project. Phillips used his position with D&Z to influence D&Z into hiring a small company called HSIII as a subcontractor on the WAARP Project. In turn, Phillips had HSIII hire a company called RGS Professional Services, Inc. (RGSPS) to ostensibly do work on behalf of HSIII on the WAARP Project. In fact, RGSPS had been incorporated by Phillips in Florida and was actually a nursing registry which was not capable of providing any services on the WAARP Project. Phillips did not disclose his ownership in RGSPS to HSIII, and made sure HSIII did not disclose RGSPS to D&Z. Phillips directed D&Z to pay HSIII monies which were earmarked for RGSPS, and which were ultimately used by Phillips for his personal benefit.

If convicted, the maximum penalties for each charge are twenty years in prison, up to three years supervised release, and a fine of \$250,000 or not more than twice the gross gain or loss from the offense, whichever is greater.

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

An indictment is only an accusation and a defendant is presumed innocent until proven guilty beyond a reasonable doubt.

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 United States District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.