



Department of Defense
Office of the Inspector General

Information Release

FOR IMMEDIATE RELEASE

January 17, 2006

Former Government Contractor Employee Sentenced for Conspiracy to Accept Illegal Gratuities

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that Barbara Elaine Speller, a former independent Government contractor at the Fleet & Industrial Supply Center Detachment at the Norfolk Naval Shipyard, Portsmouth, VA, was sentenced in the U. S. District Court for the Eastern District of Virginia, Norfolk, VA, to 21 months incarceration, three years probation, \$254,209 in restitution and a \$300 special assessment.

On August 1, 2005, Speller waived indictment and plead guilty in U. S. District Court for the Eastern District of Virginia, Norfolk, VA, to a criminal information charging her with one count of conspiracy to accept illegal gratuities, in violation of Title 18 of the United States Code, Section 371, and two counts of accepting illegal gratuities, in violation of Title 18 of the United States Code, Section 201 (C)(1)(B).

Speller was employed by the U.S. Government from 1987 until 1998, performing duties related to the shipping of freight in support of the U.S. Navy. In March 1999, Speller was re-hired as a Government contractor to perform the same job, with the same responsibilities she had as a Government employee. Speller had the authority to act on behalf of the U.S. Government by awarding Government freight transportation contracts, known as bills of lading, to various freight forwarding companies.

The investigation revealed that in early 2003, Speller began accepting items of value from an employee of Expedited Cargo Services Incorporated (Expedited), a freight forwarding company in Virginia Beach, VA, in return for the award of Government freight transportation contracts at the Norfolk Naval Shipyard. The items of value included predominantly food items in the form of lunches and dinners at various restaurants in the Hampton Roads area. Expedited was affiliated with Team Air Express Incorporated, Winnsboro, TX, and both companies shared in the profits generated by the business arranged by Expedited in the Hampton Roads area.

From approximately August 2003 until August 2004, Speller accepted 41 cash payments from an employee of Expedited in return for the award of government freight transportation contracts. These cash payments, which ranged between \$1,000 and \$4,600 apiece, were provided either directly to Speller, or they were deposited into her bank account for a total of approximately \$76,000. The cash payments were disguised as commission payments to an employee of Expedited. In August 2004, Speller accepted several airline tickets, valued at approximately \$1,000, from another freight forwarding company, also located in Virginia Beach, VA, in return for the award of government freight transportation contracts at the Norfolk Naval Shipyard.

The investigation was conducted jointly by the Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD), the Naval Criminal Investigative Service, and the Federal Bureau of Investigation. Audit support was provided by the Defense Contract Audit Agency. Assistant U. S. Attorney, Robert J. Seidel, Jr., of the U. S. Attorney's Office, Norfolk, VA, handled the prosecution of this case.

For further information, contact Joseph A. McMillan, Special Agent in Charge (SAC), Mid-Atlantic Field Office, at (703) 604-8411.

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