



THE UNITED STATES ATTORNEYS OFFICE
EASTERN DISTRICT *of* VIRGINIA

Two Former Chesapeake, Virginia, Subcontractors Sentenced for Bribery, Conspiracy

FOR IMMEDIATE RELEASE

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WASHINGTON – Dwayne A. Hardman, 44, co-founder of two government contracting companies that sought business from the United States Navy Military Sealift Command (MSC), and Adam C. White, 40, former vice president and co-owner of one of Hardman’s government contracting companies, were sentenced for bribery and conspiracy. On July 9, 2014, Hardman was sentenced to 96 months in prison, followed by three years of supervised release. White was sentenced today to serve 24 months in prison, followed by three years of supervised release. Hardman was ordered to forfeit \$144,000, and White was ordered to forfeit \$57,000.

Assistant Attorney General Leslie R. Caldwell of the Justice Department’s Criminal Division, United States Attorney Dana J. Boente for the Eastern District of Virginia, Special Agent in Charge Royce E. Curtin of the FBI’s Norfolk Office, Acting Executive Assistant Director Charles T. May Jr. of the Naval Criminal Investigative Service (NCIS) and Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service (DCIS) Mid-Atlantic Field Office made the announcement today after sentencing by United States Chief Judge Rebecca Beach Smith of the Eastern District of Virginia.

According to court documents, Hardman and White participated in a five-year bribery scheme in which they and several co-conspirators provided more than \$265,000 in cash bribes, among other things, to two public officials working for MSC, in an illegal effort to influence those public officials to provide favorable treatment to Hardman and White’s companies in connection with United States government contracting work.

On Feb. 18, 2014, Hardman pleaded guilty to a criminal information charging him with bribery. According to the plea documents, Hardman was the co-founder of two government contracting companies, referred to as Company A and Company B, located in Chesapeake, Virginia that sought contracting business from MSC, which is the leading provider of transportation for the United States Navy. At his plea hearing, Hardman admitted that beginning in March 2005, he and other Company A employees, provided approximately \$3,000 in cash bribes per month to two MSC public officials, Kenny E. Toy, the former Afloat Programs Manager for the MSC’s N6 Command, Control, Communication, and Computer Systems Directorate, and Scott B. Miserendino Sr., a former government contractor who performed work for the MSC. Those Company A employees included Roderic J. Smith, the former president, co-owner and co-founder of Company A; Adam C. White, a former vice president and co-owner of Company A; and Michael P. McPhail a former project manager and co-owner of Company A. Hardman also admitted that in May 2009, he and Timothy S. Miller, co-founder of Company B, provided \$50,000 in cash bribes to Toy and Miserendino. In addition to the cash bribes, Hardman stated that he and his co-conspirators provided Toy and Miserendino flat screen televisions, a paid vacation to Nags Head in North Carolina, a personal loan and installation of hardwood floors in Toy’s residence.

In exchange for these bribes, Toy and Miserendino provided favorable treatment in connection with MSC-related business to both Company A and Company B. During the bribery scheme, Company A received approximately \$3 million in MSC-related business, and Company B received approximately \$2.4 million in MSC-related business.

As part of his guilty plea, Hardman also admitted that, in approximately November or December 2010, Hardman threatened to report the bribery activities to law enforcement authorities if his co-conspirators did not provide him money. In total, Hardman admitted that he received approximately \$85,000 from his co-conspirators, including Smith, Toy and Miserendino, in exchange for not reporting the bribery scheme to law enforcement authorities.

On April 4, 2014, White pleaded guilty to a criminal information charging him with conspiracy to commit bribery. At his plea hearing, White admitted that from approximately April 2005 until approximately March 2006, he personally contributed approximately \$26,000 in cash bribe payments for Toy and Miserendino, and White was aware that other co-conspirators, including Hardman, Smith and McPhail, were also contributing cash and other things of value to be provided to Toy and Miserendino in exchange for their official assistance in providing MSC-related business.

Earlier this year, three other individuals pleaded guilty in connection with the bribery scheme. On Feb. 12, 2014, Toy, the former Afloat Programs Manager, pleaded guilty to accepting bribes from Hardman, White, and others. On Feb. 19, 2014, McPhail pleaded guilty to conspiracy to commit bribery. On March 5, 2014, Smith pleaded guilty to conspiracy to bribe public officials.

On June 23, 2014, United States District Judge Henry Coke Morgan of the Eastern District of Virginia sentenced Smith to 48 months in prison followed by 1 year of supervised release and ordered him to forfeit \$175,000.

On May 23, 2014, a grand jury in the Eastern District of Virginia indicted Miserendino and Miller. The indictment 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. Trial is set for Sept. 30, 2014, before Chief Judge Rebecca Beach Smith 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.

The case was investigated by Special Agents of the FBI, NCIS, and DCIS. 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.