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Three Owners and CEO of Contracting Company Indicted for Bribing Army National Guard Colonel

Three owners and the CEO of a government contracting company headquartered in Falls Church, Virginia, all of whom are retired Army National Guard colonels, were indicted today for their alleged participation in a scheme to bribe an active-duty Army National Guard colonel in order to obtain millions of dollars of Army National Guard marketing, retention and recruitment contracts.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Dana J. Boente of the Eastern District of Virginia, Assistant Director in Charge Andrew G. McCabe of the FBI's Washington, D.C., Field Office, Acting Special Agent in Charge Paul Sternal of the Defense Criminal Investigative Service (DCIS) Mid-Atlantic Field Office and Director Frank Robey of the U.S. Army Criminal Investigative Command's Major Procurement Fraud Unit (Army-CID) made the announcement.

"As alleged in the indictment, four retired colonels have been charged with using their corporate marketing firm to funnel bribe payments to high-ranking accomplices in the Army National Guard to corruptly obtain lucrative marketing contracts," said Assistant Attorney General Caldwell. "This case is emblematic of the Criminal Division's ongoing efforts to root out corruption wherever it may be found, including at the highest ranks of our armed services."

"These criminal charges reflect our continued commitment to rooting out public corruption wherever it occurs," said U.S. Attorney Boente. "The public contracting process should be one of integrity and fairness, and these cases should send a strong message that public corruption will be vigorously prosecuted in the military as well as other areas of government."

"The FBI's top criminal priority is investigating and stopping corrupt officials and the organizations they do business with," said Assistant Director in Charge McCabe. "These indictments outline a significant bribery scheme that undermined a fair government contracting process."

"The actions of the defendants have brought them dishonor and erode confidence in the integrity of a contracting process intended to support their fellow citizen soldiers," said Acting Special Agent in Charge Sternal. "The Defense Criminal Investigative Service, alongside its law enforcement partners and the U.S. Attorney's Office, remain vigilant and committed to bringing individuals who subvert the acquisition system to justice."

"Today's indictment illustrates our commitment and cooperation shared between law enforcement agencies investigating this type of corruption and bribery," said Director Robey. "It is unconscionable how these former military officers betrayed the offices they once held for monetary gain."

Edwin Stuart Livingston III, 67, of The Villages, Florida; Ronald Joseph Tipa, 68, of Sunny Isles Beach, Florida; Thomas Edward Taylor, 66, of Alexandria, Virginia; and Ross Bernard DeBlois Sr., 55, of Fairfax Station, Virginia, are each charged by indictment with one count of conspiracy to commit bribery, one count of bribery of a public official, one count of conspiracy to commit honest services fraud and five counts of honest services fraud.

According to the indictment, Livingston, Tipa, Taylor and John Jones, 77, a retired brigadier general from the New York Army National Guard, each owned 25 percent of MPSC and constituted MPSC's Board of Directors. DeBlois was the company's CEO.

The National Guard Bureau (NGB) is a joint activity of the U.S. Department of Defense (DOD), the state units of the Army National Guard and the Departments of the Army and Air Force. The NGB oversees the distribution of federal funding provided to the Army National Guard and its state units.

The DOD provides millions of dollars in federal funds to the NGB for, among other things, advertising, marketing and sponsorships in order to recruit new Army National Guard members. The NGB then uses these funds to promote the Army National Guard on a national level by entering into marketing contracts.

According to the allegations in the indictment, in 2010 or 2011, Livingston and Tipa offered Robert Porter, 50, who then was an active-duty colonel in the Army National Guard who held a high-level position at the NGB, a deal in which MPSC would pay Porter 1 percent of the value of all contracts he steered to MPSC. The indictment alleges that Porter was to receive the

bribe payment after he retired from the NGB and began working for MPSC, and that the payment was to be concealed as an “incentive fee” or “bonus” payment in MPSC payroll records.

According to the indictment, during 2011 and 2012, Porter allegedly steered at least three NGB marketing contracts to MPSC, which were worth a total of approximately \$5.5 million. The indictment alleges that, during a July 2014 meeting of MPSC's board of directors, DeBlois confirmed that three contracts were awarded to MPSC while Porter was “in uniform.” Thereafter, Livingston, Tipa, Taylor and Jones allegedly unanimously voted to make the promised bribe payment to Porter. The indictment further alleges that, between July and September 2014, MPSC made three payments to Porter, each for over \$10,000.

In September 2014, Porter pleaded guilty to conspiracy to commit bribery and bribery of a public official, and in February 2015, Jones pleaded guilty to conspiracy to commit bribery and bribery of a public official in connection with this scheme.

The charges and allegations contained in the indictment are merely accusations. The defendants are presumed innocent unless and until proven guilty.

The case was investigated by the FBI's Washington Field Office, DCIS Mid-Atlantic Field Office and Army-CID's Major Procurement Fraud Unit. The case is being prosecuted by Trial Attorney Alison L. Anderson of the Criminal Division's Fraud Section and Assistant U.S. Attorney Jonathan Fahey of the Eastern District of Virginia.

Individuals with information regarding bribery or corruption within the NGB's retention and recruitment contracting process or at MPSC should contact the FBI's Washington Field Office at (202) 278–2000.

 [MPSC Indictment](#)