



THE UNITED STATES ATTORNEYS OFFICE

SOUTHERN DISTRICT *of* FLORIDA

Nine Year Sentence for Alabama Man Convicted of Defrauding Military Sub-Contractor

FOR IMMEDIATE RELEASE

March 2, 2015

Stanley P. Phillips, 48, of Dothan, Alabama, was sentenced by U.S. District Judge Beth Bloom to nine years imprisonment after his conviction on eight counts of wire fraud in Fort Lauderdale, Florida. Phillips was convicted on December 11, 2014, after an eleven day jury trial. The jury found that Phillips, 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, 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.

U.S. Attorney Wifredo A. Ferrer stated “Stanley Phillips stole from his friends, his business partners, and his employer. He used his position of trust to compromise the ability of our military to fund necessary projects. We are committed to work with our law enforcement partners to prosecute those who corrupt the procurement process for their own personal benefit.”

“We cannot tolerate a system where crooked individuals seek to enrich themselves at taxpayer expense,” said Michael A. D’Alonzo, Assistant Special Agent in Charge, FBI Miami. “We will continue to aggressively investigate this type of conduct to ensure that government monies do not fall into the hands of the greedy and dishonest. Anyone who may have information about corruption is encouraged to come forward and report it.”

“Today’s sentencing sends a clear signal to those who defraud the Department of Defense,” said Special Agent in Charge John F. Khin, Defense Criminal Investigative Service (DCIS) Southeast Field Office. “This individual, working in a position of trust, manipulated the contracting process for his own personal gain. DCIS continues to work with our investigative partners to tirelessly investigate the misuse or abuse of American taxpayer dollars needed to support our Warfighters.”

“We are very pleased with the sentencing and as equally proud of the hard work and tireless investigative efforts of our Special Agents,” said Frank Robey, Director of the U.S. Army Criminal Investigation Command’s Major Procurement Fraud Unit. “This sentencing is a strong message to all who would defraud the DoD and the Department of the Army and an example of our continued and relentless commitment to investigate and assist in holding accountable all those who attempt to commit fraud.”

According to evidence presented at trial, in the first scheme, Phillips, 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, (AWA) 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 HSIH to “hire” a company called RGS Professional Services, LLC (RGSPS) to ostensibly do work on behalf of HSIH 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 HSIH 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.

In addition to the term of imprisonment, Phillips was also sentenced to three years supervised release, and was ordered to pay restitution to the proprietors of AWA and HSIH.

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

[Return to Top](#)

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.