



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

[U.S. Attorneys](#) » [Southern District of Florida](#) » [News](#)

Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Thursday, January 26, 2017

**Virginia Man Convicted at Trial of Abusing Corporate
Position to Defraud Employer and United States
Government**

Yesterday, a West Palm Beach jury convicted Brian Charles Tolley, 41, of Bedford, Virginia, of wire fraud, identity theft, aggravated identity theft, possession of counterfeit government seals with the intent to defraud, money laundering, making and subscribing false federal income tax returns, and failing to file federal income tax returns.

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, John F. Khin, Special Agent in Charge, Defense Criminal Investigative Service (DCIS), Southeast Field Office, Brian A. Hauck, Special Agent-in-Charge, North Central Fraud Field Office, United States Army Criminal Investigation Command, Kelly R. Jackson, Special Agent in Charge, Internal Revenue Service, Criminal Investigation (IRS-CI), and Special Agent in Charge Wendell W. Palmer, United States Air Force Office of Special Investigations, Procurement Fraud Detachment Southeast, made the announcement.

U.S. Attorney Wifredo Ferrer stated, "Brian Tolley lived a life of luxury by abusing his corporate leadership position to defraud his employer and the United States government. All corporations and our American taxpayers deserve to have their financial pockets protected against illicit fraud schemes. The U.S. Attorney's Office and our fraud enforcement allies will continue to target for prosecution those who put their own self-interests above lawful business and tax filing practices."

"Mr. Tolley, as the President and Chief Information Officer of Partsbase, a large marketplace for aviation components, illegally enriched himself by submitting fraudulent expense reports for DoD procurement data to his employer," said Special Agent in Charge John F. Khin, Southeast Field Office, DCIS. "Mr. Tolley embezzled \$1.6 million through this scheme, using the money to purchase vehicles, property, and expensive first class vacations for his family. Today's verdict

sends a strong message that DCIS agents will vigorously pursue those who defraud and corrupt Defense programs and bring them to justice.”

“The jury’s verdict should stand as a deterrent to those who would engage in fraud and corruption for personal gain, and is a testament to the thorough and professional effort of our investigative and prosecutorial team,” said Special Agent in Charge Brian Hauck, of the U.S. Army Criminal Investigation Command’s North Central Fraud Field Office. “We will diligently continue our efforts to pursue those engaged in criminal activity that impacts the integrity of U.S. Government and Army programs and resources within our purview.”

Kelly R. Jackson, Special Agent in Charge, IRS-CI stated, “We are pleased with the guilty verdict rendered against Brian Tolley. He perpetuated a fraud scheme against his employer, and then willfully omitted the stolen proceeds from his tax returns. As we are at the beginning of another tax filing season, it is important to remember that all income (whether legal or illegal) must be reported to the IRS. Knowingly omitting income from tax returns and failing to file tax returns are crimes, and IRS-CI Special Agents will continue to provide their financial expertise in the investigation of these cases.”

to the evidence presented at trial, Tolley was employed by PartsBase, Inc., which is located in Boca Raton, Florida, as Vice President from 2001 through 2001, as Chief Information Officer from 2001 through January 2014, and President from 2010 until January 2014. Between June 2007 and September 2013, Tolley submitted to PartsBase forged documentation from various branches of the U.S. military and other government agencies. These documents purported to acknowledge Tolley’s orders of procurement data on PartsBase’s behalf, and purported to be signed by real federal employees. Tolley then requested reimbursement from PartsBase for charges he had purportedly incurred from the government agencies. In total, PartsBase paid Tolley approximately \$1.6 million in reimbursements based on this fraudulent scheme. Tolley used the money he procured from the fraudulent scheme to purchase a 2011 Buick Enclave, a 2011 Lincoln Navigator, real estate in Bedford, Virginia and other items. In addition, Tolley failed to report the proceeds of his fraud scheme as income on the federal income tax returns he filed for tax years 2007 through 2011. Tolley failed to file returns for tax years 2012 or 2013.

Tolley faces a maximum statutory sentence of 20 years’ imprisonment on each count of wire fraud; 15 years’ imprisonment on each count of identity theft; 5 years’ imprisonment on each count of possession of counterfeit government seals; 10 years’ imprisonment on each count of money laundering; 3 years’ imprisonment on each count of making and subscribing false federal income tax returns; and 1 year in prison on each count of failing to file federal income tax returns. Tolley also faces a mandatory consecutive sentence of 2 years’ imprisonment for the aggravated identity theft conviction(s).

Mr. Ferrer commended the investigative efforts of DCIS, the U.S. Army Criminal Investigation Command Major Procurement Fraud Unit, IRS-CI, and the Air Force Office of Special Investigations Procurement Fraud Unit. This case is being prosecuted by Assistant U.S. Attorneys Marc Osborne and Mark Dispoto.

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>.

USAO - Florida, Southern

Updated January 26, 2017