

JUSTICE NEWS

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Former Contractor at Military Sealift Command Pleads Guilty to Conspiracy, Bribery, and Honest Services Fraud

A former contractor at the Military Sealift Command (MSC) pleaded guilty today for accepting bribes totaling approximately \$2.8 million in the course of a bribery and fraud scheme that lasted more than a decade.

Acting Assistant Attorney General John P. Cronan of the Justice Department's Criminal Division; U.S. Attorney Dana Boente for the Eastern District of Virginia; Special Agent in Charge Martin Culbreth of the FBI's Norfolk Field Office; Special Agent in Charge Robert E. Craig, Jr. of the Defense Criminal Investigative Service (DCIS) Mid-Atlantic Field Office and Special Agent in Charge Clifton J. Everton, III of the Naval Criminal Investigative Service (NCIS)'s Norfolk Field Office, made the announcement.

Scott B. Miserendino, Sr., 58, formerly of Stafford, Virginia, pleaded guilty before U.S. Magistrate Judge Lawrence R. Leonard of the Eastern District of Virginia to an indictment charging him with one count of conspiracy, one count of bribery, and three counts of honest services mail fraud. Sentencing has been scheduled for May 8 before Chief District Court Judge Rebecca Beach Smith.

For more than a decade, Miserendino was a contractor at the MSC, an entity of the U.S. Department of the Navy that supports and supplies the Navy and other U.S. military forces in their global warfighting and disaster relief missions. According to the plea agreement, Miserendino and Joseph P. Allen, the owner of a government contracting company, conspired to use Miserendino's position at MSC to enrich themselves through bribery.

Specifically, beginning in about 1999, Miserendino used his position and influence at MSC to help Allen obtain and expand commission arrangements with a telecommunications company from which MSC purchased maritime satellite communications services. Through these arrangements, Allen received a commission based on the amount of services that MSC purchased from the telecommunications company. For more than a decade, Miserendino then used his position and influence at MSC to perform official acts to benefit the telecommunications company, which through the commission agreement also benefitted Allen and his company.

Unknown to MSC or the telecommunications company, throughout the scheme, Allen paid half of the commissions he received from the telecommunications company to Miserendino as bribes. In total, Miserendino received almost \$3 million in bribes from Allen between 1999 and 2014.

For his role in the scheme, Allen, 56, formerly of Panama City, Florida, pleaded guilty to one count of conspiracy to commit bribery in April 2017, and was sentenced on July 28, 2017, to five years in prison by U.S. District Judge Arenda L. Wright Allen, in Norfolk.

The FBI, DCIS and NCIS are investigating the case. Trial Attorneys Sean Mulryne and Molly Gaston of the Criminal Division's Public Integrity Section and Assistant U.S. Attorney Steve Haynie for the Eastern District of Virginia are prosecuting the case.

Component(s):

Criminal Division

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