

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

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Department of Justice

U.S. Attorney's Office

Southern District of Illinois

FOR IMMEDIATE RELEASE

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**Missouri Army National Guardsman and Department of Defense Subcontractors
Indicted for Conspiring to Steal and Sell Military Gear**

EAST ST. LOUIS, Ill. – A federal grand jury in East St. Louis, Illinois, has returned an indictment charging three area men with conspiring to steal and sell sensitive equipment and other property belonging to the United States military.

Brandon Schulte, 43, of Jefferson City, Missouri, Jody ("Joe") Stambaugh, 50, of Nashville, Illinois, and Gary Stambaugh, 77, of Fayetteville, Illinois, are accused of conspiring with each other and others unnamed to steal military uniforms, tactical robots, night vision sights, high frequency radios, and other functional military equipment.

"These allegations are very serious," U.S. Attorney Steven D. Weinhoeft said. "The indictment charges a conspiracy to steal and sell sensitive military items. Any theft of government property harms the taxpayers, but worse, items such as equipment and uniforms could easily fall into the wrong hands and threaten the safety of our service members."

"As the investigative arm of the Department of Defense, the DoD Office of Inspector General Defense Criminal Investigative Service (DCIS) is charted to protect our warfighters, DoD equipment, funds and other resources," said Michael Mentavlos, Special Agent-in-Charge – DCIS, Southwest Field Office. "Today's announcement demonstrates our commitment, along with our law enforcement partners, to aggressively pursue those that attempt to illegally profit from taxpayer funded resources."

According to the indictment, Gary Stambaugh and Joe Stambaugh were co-owners of Stambaugh Enterprises, a scrap metal company located in Mascoutah, Illinois. Stambaugh Enterprises allegedly operated as a subcontractor on a DoD contract to pick-up, transport, and recycle scrap metal items from multiple DoD facilities in Illinois and Missouri, including Scott Air Force Base in St. Clair County, Illinois, and a Missouri Army National Guard facility in Jefferson City, Missouri.

The indictment alleges that the Stambaughs were obligated to mutilate and destroy all military property they hauled away from each DoD facility and were prohibited from reusing or refurbishing any military items for their own use or selling any military items to be reused or refurbished by someone else.

The Stambaughs allegedly removed truckloads of military property from DoD facilities but did not destroy or mutilate every item, in violation of their contracts. According to the indictment, the Stambaughs transported the military property to their place of business in Mascoutah and sorted through the items to determine what could be converted to their own use or sold to others.

From January-October 2017, Joe Stambaugh allegedly provided an unnamed person identified as J.S. with numerous military items to be sold for profit, including LED video screens, a high frequency radio, military night vision sights, a military antenna system, military flight helmets, and a military infrared thermal imager.

The indictment further alleges that the Stambaughs submitted "certificates of destruction" that falsely showed they had properly mutilated and destroyed the property when, in fact, they had stolen and retained items off the scrap piles for their own use and for sale.

Brandon Schulte was a national guardsman responsible for properly storing and disposing of military property at the Missouri Army National

Guard facility in Jefferson City. According to the indictment, the Stambaughs received military uniforms and other unauthorized, sensitive military property from Schulte, even though Schulte allegedly knew the Stambaughs were authorized to receive only scrap metal.

The indictment charges that Schulte understood he was required to follow specific procedures to dispose of sensitive military items, including uniforms. Such procedures are vital to national security, as terrorist groups overseas have previously acquired U.S. combat uniforms and used them to impersonate American soldiers, endangering American troops. Nevertheless, Schulte allegedly supplied the Stambaughs with thousands of pounds of military uniforms and other non-scrap military equipment. The indictment charges Schulte with conspiring with the Stambaughs from 2015-2018, as well as making a false statement about his conduct to federal agents in 2019.

An indictment is a formal charge against a defendant. Under the law, a defendant is presumed to be innocent of a charge until proven guilty beyond a reasonable doubt to the satisfaction of a jury.

The Stambaughs and Schulte are due in federal court for their initial appearances and arraignments on Sept. 1, 2021, before U.S. Magistrate Judge Mark A. Beatty in the federal courthouse in East St. Louis. If convicted, the Stambaughs face up to 10 years in prison on each of their three theft counts and up to 5 years in prison for the conspiracy. Schulte's conspiracy count and separate charge for making a false statement each carry a maximum sentence of 5 years in prison.

This case is being investigated by agents with DCIS, the Defense Logistics Agency-Office of Inspector General, the Department of Homeland Security-Homeland Security Investigations, U.S. Army Criminal Investigation Command (CID), FBI-Springfield, and the Department of Commerce. The case is being prosecuted by Assistant United States Attorney Luke J. Weissler.

Component(s):

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