



United States Attorney's Office District of Connecticut
Press Release

October 31, 2006

**THOMASTON MAN PLEADS GUILTY TO DEFENSE
CONTRACTING FRAUD**

Kevin J. O'Connor, United States Attorney for the District of Connecticut, announced that PATRICK HALE, age 40, of 136 Smith Road, Thomaston, Connecticut, pleaded guilty today before Senior United States District Judge Ellen Bree Burns in New Haven to engaging in a scheme to defraud the United States Department of Defense, and willful failure to file an income tax return.

According to documents filed with the Court and statements made in court, HALE was the operations manager for *Ace & Company, Inc.*, which sells and distributes electronic components through its division, *Stran Technologies*. *Stran Technologies*, which maintains a manufacturing facility at 39 Great Hill Road in Naugatuck, Connecticut, develops and manufactures fiber optic and electric connectors, cable assemblies, and termination tools for commercial and military applications. In 1999, *Stran Technologies* qualified with the United States Army to produce the first generation Tactical Fiber Optic Cable Assembly ("TFOCA I"). The military applications of the TFOCA I connectors include use on Patriot missile launchers and communication systems for military vehicles and aircraft carriers.

In pleading guilty, HALE admitted that he participated in a scheme to falsely represent to the United States Army that *Stran Technologies* had conducted certain required tests on the TFOCA I. In fact, *Stran Technologies* had not performed those tests, but had fabricated test results for the purpose of obtaining DOD contracts and subcontracts.

On August 2, 2006, *Ace & Company, Inc.* entered a corporate guilty plea based on the same scheme. Also on August 2, the owner and president of *Ace*, James E. Stranberg, Jr., pleaded guilty to tax evasion based on his filing a false corporate income tax return for *Ace* in 2003. Both *Ace* and Stranberg are awaiting sentencing before Judge Burns.

"The Department of Defense requires contractors to provide parts and equipment that are rigorously tested so that they will not fail under the rigors of battle or in adverse weather conditions," U.S. Attorney O'Connor stated. "Without this rigorous testing, we cannot be assured that our military is being provided with safe and superior technology."

In addition to the fraud charge, HALE pleaded guilty to the charge of willfully failing to file his federal income tax return for the year 2002.

Judge Burns has scheduled sentencing for January 18, 2007, at which time HALE faces a maximum term of imprisonment of five years and a fine of up to \$250,000 on the fraud charge, and a maximum term of imprisonment of one year and a fine of up to \$25,000 on the tax charge.

This case was investigated by the Defense Criminal Investigative Service, the Internal Revenue Service – Criminal Investigation Division, the Federal Bureau of Investigation, the United States Army Criminal Investigation Division, and the Naval Criminal Investigative Service. The case is being prosecuted by Assistant United States Attorney John A. Marrella.

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