



# UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT OF VIRGINIA

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**CHUCK ROSENBERG, UNITED STATES ATTORNEY**

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Jim Rybicki  
Public Information Officer  
Phone: (703) 842-4050 Fax: (703) 549-5202  
E-Mail: [usavae.press@usdoj.gov](mailto:usavae.press@usdoj.gov)  
Website: [www.usdoj.gov/usao/vae](http://www.usdoj.gov/usao/vae)

## **Two Guilty Pleas in Defense Contract Procurement Fraud Cases**

**(Alexandria, Virginia)** - Shannon M. Edgell, age 39, of Fairfax County, Virginia, pleaded guilty today before United States District Judge Gerald Bruce Lee to one count of conspiracy to defraud the United States in connection with a bid rigging scheme involving his company, Government & Commercial Supply, of Manassas, Virginia. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, also announced that Michael A. Causer, age 45, formerly of King George County, Virginia, pleaded guilty yesterday before United States District Judge Claude M. Hilton to one count of conspiracy to defraud the United States in connection with a bid rigging scheme involving the Naval Facilities and Engineering Command, stationed at the Naval Surface Warfare Center, Dahlgren, Virginia.

Edgell was one of two owners of Government & Commercial Supply, a provider of electrical/high voltage products to government agencies. Edgell managed his company's sales to a number of major clients, including the Naval Research Lab ("NRL") in Washington, D.C. When a sale was between \$2,500 and \$100,000, government procurement regulations required that the sale be competitive and that it be awarded at the lowest bid, submitted among three independent bidders. According to court documents, Edgell conspired with a supply coordinator at the NRL to rig bids involving ostensibly competitive sales to the NRL, in part by submitting bids from another company under Edgell's control. As part of the scheme, Edgell admitted in court documents that he had paid at least \$37,000 in cash and gratuities to the NRL official. Edgell also admitted that the NRL official allowed him to fund the gratuities by having Edgell's company overcharge the NRL approximately \$90,000 on other (non-competitive) sales.

According to court documents, Edgell also admitted that he assisted two others, Michael A. Thornton, who pleaded guilty in federal court on September 21, 2006, and Causer, in a bid rigging scheme against the United States Navy at its Facilities and Engineering Command, stationed at the Naval Surface Warfare Center, operating at both Dahlgren, Virginia, and at Indian Head, Maryland.

From the mid 1990s through 2004, Causer was the Utilities Supervisor for the Department of Public Works at the Navy's Dahlgren facility. According to court documents, Causer was the leader in a 2004 bid rigging scheme involving at least two contractors, who sold products and services to the Department of Public Works, based on purchase orders generated by Causer. One of the contractors was Government & Commercial Supply in Manassas, Virginia. Causer's main objective was to direct Dahlgren business to the other contractor, a King George County company owned by a friend. Court documents state that during the last few months of 2004 Causer went further and authorized payments to his friend's company with reckless disregard for whether or not the funds were ever earned. Many of the contracts awarded to his friend's company and improperly paid for in advance were never performed, resulting in a loss to the United States Navy of at least \$252,000.

Judge Lee set sentencing for Edgell on February 23, 2007. Judge Hilton set sentencing for Causer on January 26, 2007. The maximum potential penalty for conspiracy – the count to which both men pled guilty - is five years incarceration and a fine of \$250,000.

The Edgell and Causer investigations were conducted by Special Agents of the Naval Criminal Investigative Service and the FBI. The prosecution of the cases is being handled by Assistant United States Attorney Stephen Learned.