



Department of Defense
Office of the Inspector General

Information Release

FOR IMMEDIATE RELEASE

July 18, 2005

Vice President of Virginia Beach Freight Forwarding Company Pleads Guilty to Conspiracy to Pay Illegal Gratuities

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that Stephen Dale Wiley, Vice President, Expedited Cargo Service Incorporated, Virginia Beach, VA, waived indictment and plead guilty in U.S. District Court for the Eastern District of Virginia, Norfolk, VA, to a one count criminal information charging him with conspiracy to pay illegal gratuities, in violation of Title 18 of the United States Code, Sections 371, and 201C(1)(A).

Wiley is the point of contact in Norfolk, VA, for Team Air Express Incorporated (Team Air), Winnsboro, TX. Both Team Air and Expedited share in the profits generated by the business arranged by Wiley. Team Air is registered to transport freight in support of the military at the Military Surface Deployment and Distribution Command, Ft. Eustis, VA.

From approximately August 2003 until August 2004, Wiley agreed to provide cash payments to an independent contractor at the Fleet & Industrial Supply Center Detachment at the Norfolk Naval Shipyard, Portsmouth, VA, who was acting on behalf of the U. S. Government, in return for an increased number of freight transportation contract awards, otherwise known as bills of lading, to Team Air. Wiley arranged to provide forty-one cash payments either directly to the contractor or into the individual's bank account, for a total of approximately \$76,000. The cash payments ranged between \$1,000 to \$4,600, and were disguised as commission payments to one of Wiley's employees at Expedited.

Wiley faces a maximum sentence of five years imprisonment, a special assessment, three years supervised release, and a \$250,000 fine. Sentencing is scheduled for November 22, 2005

This ongoing investigation is being conducted jointly by the Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD), the Naval Criminal Investigative Service, and the Federal Bureau of Investigation. Assistant U. S. Attorney, Robert J. Seidel, Jr., of the U. S. Attorney's Office, Eastern District of Virginia, Norfolk, VA, handled the prosecution of this case. Audit support was provided by the Defense Contract Audit Agency.

For further information, contact Joseph A. McMillan, Special Agent in Charge, Mid-Atlantic Field Office, at (703) 604-8411.

To report suspected fraud, waste, and abuse within DoD programs, contact the Defense Hotline toll-free at (800) 424-9098, e-mail: hotline@dodig.osd.mil/, or visit them on the World Wide Web at <http://www.dodig.osd.mil/hotline/>.

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