



Department of Defense  
Office of the Inspector General

# Information Release

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FOR IMMEDIATE RELEASE

March 13, 2006

## **Former Government Contract Employee at SPAWAR Pleads Guilty to Conspiracy to Accept Illegal Gratuities**

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that Allison R. Broda, a former government contract employee, supply technician, waived indictment and pled guilty in U. S. District Court for the Eastern District of Virginia, Norfolk, VA, to a criminal information charging her with a single count of conspiracy to accept illegal gratuities, in violation of Title 18 of the United States Code, Section 371 and 201 (C) (1) (B).

Broda started working at the Space & Naval Warfare Systems Center Charleston Detachment (SPAWAR), in building 59, at St. Juliens Creek, Portsmouth, VA, in approximately 1980. She had the authority to act on behalf of the U. S. Government by awarding government freight transportation contracts, known as bills of lading, to various freight forwarding companies located in the Hampton Roads area. The companies are registered to transport freight, in support of the military, at the Military Surface Deployment and Distribution Command (SDDC). The items shipped were equipment/supplies in support of the U. S. Navy.

The investigation found that from approximately March 2001 and continuing through November 2004, Broda accepted various items of value from Teresa Stranigan, a sales representative for Air Cargo Expeditors Incorporated (Air Cargo), Virginia Beach, Virginia, in return for the continuing award of bills of lading to Air Cargo. On March 6, 2006, Stranigan plead guilty to one count of conspiracy to pay illegal gratuities.

Air Cargo was an independently owned and operated business, which had an independent contractor agreement with AIT Worldwide Logistics Incorporated, Itasca, Illinois, to ship freight through AIT's transportation system while using AIT's name and logo. Air Cargo was registered at the SDDC as AIT.

The gratuities accepted by Broda were valued in excess of \$10,000. From April 2001, shortly after Stranigan began working for Air Cargo, to July 2005, Air Cargo received approximately \$717,000 worth of business from Broda at SPAWAR. Prior to April 2001, Air Cargo's business with SPAWAR was virtually nonexistent.

Broda faces a maximum sentence of five years imprisonment, three years supervised release, a special assessment, and a \$250,000 fine. Broda will be sentenced on June 19, 2006.

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. Audit support was provided by the Defense Contract Audit Agency. Assistant U. S. Attorney, Robert J. Seidel, Jr., of the Norfolk Virginia U. S. Attorney's office, handled the prosecution of this case.

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

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