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FOR IMMEDIATE RELEASE

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SENIOR GOVERNMENT OFFICIAL AND LOCAL ATTORNEY SENTENCED IN CONNECTION WITH \$18.1 MILLION CONTRACT PROCUREMENT FRAUD AT NAVY BASE IN MECHANICSBURG, PA

Harrisburg – Kevin D. Marlowe, 53, Dillsburg, Pennsylvania, and Benjamin D. Share, 77, Harrisburg, Pennsylvania, were sentenced today by Senior Judge Sylvia Rambo for their roles in orchestrating an \$18.1 million contract procurement fraud at the Navy Base in Mechanicsburg, PA. Marlowe, the former Chief of Plans, Requirements and Acquisitions for the Defense Information Systems Agency (DISA) was sentenced to 135 months imprisonment, restitution of \$54,871.90, \$1,500 in fines and assessment and 2 years supervised release. Share, the owner and operator of Vector Systems, Inc., (Vector) was sentenced to 120 months imprisonment, \$10,200 in fines and assessment and 2 years supervised release.

DISA is a combat support agency of the U.S. Department of Defense which is responsible for the communications and information systems for the military. DISA maintains a regional data processing center known as the Defense Enterprise Computing Center (DECC) at the Navy Base in Mechanicsburg. Marlowe was in charge of the DECC's acquisitions and procurements. In this capacity, Marlowe steered \$18.1

million in government contracts to Vector, a small Harrisburg information technology (IT) company that Share operated and in which Marlow held a secret partnership interest.

Share was the former chief legal counsel for the Navy Base until 1985, when he resigned immediately prior to pleading guilty to receiving illegal gratuities. Judge Rambo sentenced Share in that case to a two-year suspended sentence, three years probation, a \$20,000 fine, and 400 hours of community service.

Marlowe secretly received approximately \$500,000 in cash and other benefits from Vector at the same time he steered contracts to it. The payments included use of Vector's corporate credit card to purchase expensive jewelry, furniture and vacations and a secret trust fund opened for the benefit of Marlowe and his wife. The payments were concealed by using a web of fake names, shell corporations and cash.

The scheme began to unravel in 2002 when Department of Defense auditors used data mining software and discovered that Marlowe paid Vector over \$11 million using government credit cards, which represented approximately 31% of all the DECC's contract awards between 1998 and 2002 .

The sentencing today results out of the September 13, 2005, guilty pleas entered by Marlowe and Share in the middle of their jury trial. Marlowe pled guilty to four counts: conspiracy to defraud the United States, wire fraud, conflict of interest, and subornation of perjury. Share pled guilty to two counts: conspiracy to defraud the United States and obstruction of justice.

Additionally, Marlowe was sentenced today in connection with two other schemes where he was found guilty after jury trials in November 2004 and January 2005. Those cases involved Marlowe making false statements to the Social Security Administration (SSA) in connection with his wife's disability benefits which resulted in \$54,871.90 in

excess payments and a phony invoice scheme Marlowe executed out of his home using a shell corporation known as Terra Hara Inc., in which he defrauded a New Jersey environmental remediation firm operated by his nephew of \$76,250.

To date, the investigation has resulted in the conviction of seven individuals and two corporations including Marlowe's wife, daughter, brother and nephew:

<u>DEFENDANT</u>	<u>SENTENCE</u>
<u>KEVIN D. MARLOWE</u>	
-conspiracy to defraud the United States	135 months imprisonment,
-wire fraud	\$54,871.90 restitution,
-conflict of interest	\$1,500 in assessments
-subornation of perjury	and 2 years supervised release
<u>BENJAMIN D. SHARE</u>	
-conspiracy to defraud the United States	120 months imprisonment,
-obstruction of justice	\$10,200 in fines and assessment, 2 years supervised release.
<u>FREDERICK W. MARLOWE II</u>	
-false statements to the grand jury	33 months imprisonment,
-conspiracy to commit mail fraud	3 yrs. Supervised Release,
-mail fraud	\$2,100 fine/assessment
<u>LINDA MARLOWE</u>	
-Social Security fraud	2 yrs. Probation with
-false statements to the grand jury	6 months community
	confinement, \$54,871
	restitution, \$200
	assessment
<u>STEPHANIE MARLOWE</u>	
-false statements to the grand jury	1 yr. Probation with 6 months home detention, \$100 fine/assessment
<u>DAVID M. TYNIO</u>	
-false statements to the DISA Inspector General's Office	1 yr. Probation with 3 months home detention, \$600 fine/assessment

DEFENDANT

SENTENCE

J. ANTHONY KLOSS

-conspiracy to commit mail fraud

3 yrs. Probation with 6 months home detention, \$3,100 fine/assessment

VECTOR SYSTEM, INC.

-conspiracy to defraud the United States \$401 in fines and assessment

TERRA HARA, INC.

-conspiracy to commit mail fraud

\$3,601 in fines and assessment

DISA Inspector General Charles St. Cyr stated that “this case signifies the importance DISA places on its financial stewardship of American taxpayer dollars and our responsibility to protect DOD resources for the men and women serving our nation during a time of war. It is a credit to the U.S. Attorney’s Office and the investigators for their rigorous pursuit of these corrupt individuals, and to those DISA employees and contractors who came forward and assisted in this investigation enabling us to expose and eliminate a complex criminal conspiracy.”

The investigation, which is continuing, was conducted by the DISA Office of Inspector General, the Defense Criminal Investigative Service, and the Social Security Administration’s Office of Inspector General. Senior Litigation Counsel Bruce Brandler and Assistant U.S. Attorney Joseph J. Terz handled the prosecution.

An Indictment or Information is not evidence of guilt but simply a description of the charge made by the Grand Jury and/or United States Attorney against a defendant. A charged Defendant is presumed innocent until a jury returns a unanimous finding that the United States has proven the defendants guilt beyond a reasonable doubt or until the defendant has pled guilty to the charges.