



Department of Defense
Office of the Inspector General

Information Release

FOR IMMEDIATE RELEASE

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Former MILCOM Employee Pleads Guilty to Accepting Kickbacks

The Department of Defense (DoD) Office of the Inspector General (OIG) announced today that Reginald Wayne Page, the former Division Purchasing Manager for MILCOM Systems Corporation (MILCOM), Virginia Beach, VA, waived indictment and plead guilty in U. S. District Court for the Eastern District of Virginia, Norfolk, VA, to a single count criminal information charging him with accepting kickbacks, in violation of the Anti-Kickback Act, Title 41 of the United States Code, Sections 53 and 54.

Page began working for MILCOM in February 1985, and he held various logistics support positions before being promoted to Division Purchasing Manager in July 2000. He was responsible for supervising a staff of eight supply specialists and buyers, who handled the worldwide logistics requirements for various U. S. Navy Fleet Support contracts. Page approved the award of all freight transportation contracts, known as commercial bills of lading, for MILCOM.

Air Cargo Expeditors Incorporated (Air Cargo), Virginia Beach, VA, performed the freight forwarding function for MILCOM on a subcontractor basis. Air Cargo was an independently owned and operated business, which had an independent contractor agreement with AIT Worldwide Logistics Incorporated (AIT), Itasca, IL, to ship freight through AIT's transportation system while using AIT's name and logo. Air Cargo was registered to transport freight in support of the military at the Military Surface Deployment and Distribution Command, Ft. Eustis, VA, as AIT. The Owner and President of Air Cargo, was Thomas Alan Perry Jr.

MILCOM is a prime Government contractor which designs and installs advanced electronic telecommunications systems for ashore, afloat, and airborne military commands. MILCOM's primary client is the U. S. Department of Defense. An analysis of freight expenditures by MILCOM for the time period 2002 to 2006 revealed Air Cargo received a substantial percentage of the total commercial bill of lading awards made by MILCOM.

An investigation found that from about January 1999, and continuing through October 2004, Page accepted, on over 125 separate occasions, various items of value from Perry, in return for the award of commercial bills of lading to Air Cargo, on a subcontractor basis. The items of value included lunches and dinners at various restaurants in the Hampton Roads area, concert tickets, travel expenses and lodging in Charlotte, NC, football tickets for a Dallas Cowboys versus Washington Redskins game in Dallas, TX, along with accompanying airline tickets for the flight from Norfolk, VA, to Dallas, TX, hotel room charges in Dallas, TX, tickets to a Chicago Bulls basketball game and associated travel charges to Chicago, IL, an airline ticket for a flight from Norfolk, VA, to Daytona Beach, FL, and various sports souvenirs. The items of value accepted by Page from Perry totaled approximately \$7,400.

Page faces a maximum sentence of ten years imprisonment, three years supervised release, full restitution, a special assessment fee, and a \$250,000 fine. He will be sentenced on March 8, 2007.

This investigation was 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 Willie E. Clifton, Acting Special Agent in Charge, Mid-Atlantic Field Office at (703) 604-8420.

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