



U.S. Department of Justice

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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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### **Former Defense Reutilization and Marketing Service** **Official is Sentenced to Prison, Another** **Pleads Guilty, for Military Equipment Theft Scheme**

**Washington, D.C.** - A former official of the Defense Reutilization and Marketing Service (DRMS), Ronald W. Wiseman, has been sentenced to serve 18 months in prison for illegally selling to foreign nationals, in Middle East countries, militarized High-Mobility Multi-Wheeled Vehicles (HMMWVs). Wiseman faces sentencing on a separate theft conspiracy charge arising out of the scheme. He pled guilty to both charges. A second former DRMS official, Gayden C. Woodson, has also pled guilty in connection with his role in the multi-year scheme to steal and sell excess military equipment, including HMMWVs, and pocket hundreds of thousands of dollars in illicit proceeds. The sentence and pleas were announced jointly today by U.S. Attorneys Jeffrey A. Taylor, of the District of Columbia, and Matthew D. Orwig, of the Eastern District of Texas, together with Kenneth L. Wainstein, Assistant Attorney General of National Security Division, U.S. Department of Justice, and Defense Criminal Investigative Service (DCIS) Director Daniel F. Willkens.

Wiseman, 59, of New Boston, Texas, was sentenced today by the Honorable James Robertson in the U.S. District Court for the District of Columbia, who said, "If there's one thing I find particularly disturbing, it's the notion of selling non-demilitarized Humvees in the Middle East, not knowing into whose hands they're going to fall, considering the situation today and when they were sold. That's very serious stuff."

Wiseman is due to be sentenced on the second charge by the Honorable David Folsom in the U.S. District Court for the Eastern District of Texas, on November 9, 2006.

Wiseman was employed for nearly 20 years by DRMS, which has the responsibility to manage the disposal - by reutilization, sale, transfer, or donation - of excess material no longer needed by the U.S. military services. DRMS operations are carried out through personnel at overseas locations who are authorized to conduct local sales for certain usable property of the United States. Such sales were held through sealed bid, auction, or retail fixed-price sales to the public. From 1999 to 2002, Wiseman served as a DRMS Property Disposal Specialist assigned to the Southwest Asia region, covering, among other countries, Oman, Kuwait, Saudi Arabia, and Qatar. According to the charges filed against Wiseman in the District of Columbia, during that period he engaged in a conspiracy to export, attempt to export, and cause to be exported defense articles - militarized HMMWVs - for which a license and written approval was required, without first obtaining the required license and written approval from the U.S. Department of State's Office (now Directorate) of Defense Trade Controls, located in the District of Columbia. This conduct violated the Arms Export Control Act (AECA) and related regulations. Wiseman pled guilty to that charge on May 11, 2005. Wiseman also pled guilty on May 13, 2005, in the Eastern District of Texas to a criminal information charging him with conspiracy to steal over \$100,000 in government funds - his proceeds from the illegal sales. The pleas were entered under seal to protect the then-ongoing investigation.

Another participant in the conspiracy, Gayden C. Woodson, 46, of North Ogden, Utah, also served as a DRMS Property Disposal Specialist in the Southwest Asia region, arriving in November 2000. Woodson pled guilty today before Judge Robertson in the District of Columbia to a criminal information charging him with conspiracy to steal government property. In a factual statement filed at the time of his plea, Woodson admitted that he was recruited to the conspiracy in January 2001 by Wiseman and a Saudi Arabian contract auctioneer, and that from then until March 2003, he himself obtained at least \$350,000 in illicit proceeds from the illegal sales of U.S. military items. Woodson is scheduled to be sentenced on January 31, 2007. He faces a possible sentence of 12 to 18 months in prison under the federal sentencing guidelines.

"Both these men abused their positions of public trust to plunder U.S. military resources for their own private gain," said U.S. Attorney Taylor. "But even more reprehensible is that in doing so they put significant assets into the unregulated stream of international commerce - including militarized vehicles that could make their way into the hands of adversaries and put our fighting troops abroad in jeopardy. Their actions have created significant force protection concerns for U.S. and allied forces

in the Middle East. These prosecutions make a strong statement about the gravity of these defendants' offenses."

"The Department of Justice will deal severely with those who illegally trade armaments and military materiel that can be used against our military men and women and our allies abroad," said Assistant Attorney General Wainstein.

"The manipulation of the Defense Reutilization and Marketing Service and theft of Government property by two unscrupulous employees will not be tolerated within the Department of Defense," stated DCIS Director Willkins. "The Defense Criminal Investigative Service is committed to aggressively investigating these cases to ensure the integrity of the Defense Reutilization and Marketing Service and to protect the investment of our taxpayers. This is also another example of how the Global War on Terrorism is not limited to any one area. It is worldwide. As others have so correctly pointed out, these vehicles in the wrong hands could pose a serious threat to our nation's warfighters. So this was not just a theft issue - it is also a force protection issue."

In announcing the guilty plea and sentence, U.S. Attorneys Taylor and Orwig, Assistant Attorney General Wainstein, and DCIS Director Willkins expressed appreciation for the outstanding investigative work of the special agents of Defense Criminal Investigative Service (DCIS) and Defense Logistics Agency (DLA), who uncovered the scheme, and for the investigative assistance of special agents of U.S. Department of Homeland Security's Immigration and Customs Enforcement (ICE), which enforces the AECA. They also commended the work of Assistant U.S. Attorneys Laura A. Ingersoll, of the District of Columbia, and Malcolm Bales, of the Eastern District of Texas, as well as Senior Trial Attorney Mariclaire Rourke of the National Security Division's Counterespionage Section, who handled the cases to conclusion.

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