



**U.S. Department of Justice**

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**NEWS RELEASE**

For Immediate Release  
Wednesday, July 6, 2005  
Newport News, Virginia

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Glen A. Osvold, age 33, of Yorktown, Virginia, an employee of Bob's Electric, Inc. of Gloucester, Virginia, pleaded guilty today in United States District Court in Norfolk, to two counts of perjury for lying to a Newport News federal grand jury. Osvold faces a maximum prison term of 10 years, and a fine of \$500,000 when sentenced on November 9, 2005, by United States District Judge Rebecca Beach Smith. Osvold's employer, Bob's Electric, Inc., plead guilty to conspiracy to commit mail and wire fraud. The owner of Bob's Electric, Inc., former NASA Langley Research Center official Robert B. Smoot, Jr., previously pled guilty to felony conflict of interest and for lying to federal agents.

Smoot, Osvold, Bob's Electric, Inc., and others devised a scheme to enter into an illegal government contract at NASA Langley Research Center under false pretenses. Smoot was prohibited by government regulation from engaging in outside employment with a NASA contractor, subcontractor or grantee in connection with work performed by such an entity for NASA. While Smoot was approving work done by a NASA subcontractor on a NASA contract at the Langley Research Center, Smoot's business, Bob's Electric, entered into a hidden agreement with another company that did subcontracting work at NASA Langley Research Center. This agreement allowed Bob's Electric to secretly work for the other company on a separate contract at NASA Langley. Such an arrangement was a conflict of interest for Smoot and a violation of federal law and regulation.

Smoot directed his foreman, Glen A. Osvold, to approach the owner of the other company in an attempt to obtain the subcontract for Bob's Electric in the name of Wright Electric. Osvold arranged for the other company to be included as a company that could bid on the work. Using the other company's letterhead, Glen A. Osvold (still employed by Bob's Electric), prepared a written bid proposal which was submitted to the prime government's contractor.

Mr. McNulty stated: "People who work for or with the government in procuring goods or services must act with integrity. This type of fraud is a priority of my office, and we will track down and prosecute anyone ripping off tax dollars in this way."

As a result of this fraud, Bob's Electric received approximately \$40,000 for the installation of telecommunications cable at a NASA building. Smoot, acting in his official capacity, reviewed and approved work being done by the other company, while Smoot's company performed the installation of the cable.

During the criminal investigation of this matter, Osvold appeared before the federal grand jury and falsely testified regarding Smoot's participation in the scheme.

The matter was investigated by agents of the Federal Bureau of Investigation (FBI) and the

NASA Office of Inspector General. Assistant United States Attorneys Howard J. Zlotnick is prosecuting the case for the United States.

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