



Department of Justice

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Civilian Navy Employee Charged with Stealing More Than \$360,000 in Housing Benefits

WASHINGTON – A civilian employee of the U.S. Navy posted at the Capodichino Navy Base near Naples, Italy, was arraigned yesterday in Norfolk, Va., for allegedly obtaining more than \$360,000 in housing benefits that he was not entitled to receive.

Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division and United States Attorney Nicholas A. Klinefeldt of the Southern District of Iowa made the announcement.

Steven William Ashton, 41, was charged in a seven-count indictment returned by a grand jury in the Southern District of Iowa on Feb. 19, 2014. He is charged with theft of government funds for obtaining more than \$360,000 in housing benefits, called Living Quarters Assistance (LQA), to which he was not entitled. He is also charged with presenting a falsified lease and making false statements in an effort to justify those benefits when confronted by a federal agent from the Naval Criminal Investigative Service (NCIS).

According to court documents, from April 2004 to the present, Ashton has been employed by the Navy as the NATO and Host Nation Programs Manager for the regions of Europe, Africa and Southwest Asia, managing contracts and agreements among the Navy and other countries to support the United States' military efforts. Because he lived off-base, he was entitled to an LQA allowance to reimburse him for his payments for rent and other housing expenses. But when he allegedly moved in with his future wife and stopped paying rent in November 2005, he continued receiving the rental subsidies even though he was no longer eligible for them. When confronted by an NCIS agent investigating the matter, Ashton allegedly forged a lease in 2013 with his father-in-law – who had died in 2007 – and provided the lease along with false explanations to the NCIS agent.

Ashton is also charged with creating and submitting to the U.S. Navy various fraudulent documents to obtain other benefits. According to the indictment, Ashton created false documents to obtain a Foreigners' Permit of Stay from the Italian government that allowed him

to travel in and out of Italy without a visa and to be tax exempt for wages earned in Italy. He also allegedly created false documents to obtain a Permanent Logistic Support letter that gave Ashton Navy benefits such as purchasing tax-free gas at a savings of more than 50 percent, and a Civilian Access Card that provided him free access to U.S. military facilities world-wide, including use of the tax-free military shopping facilities. In addition, Ashton used fraudulent U.S. Coast Guard documentation purporting to show that Ashton had the licenses needed to moor a boat at discounted rates in the Bay of Naples, which saved him more than \$28,000 in mooring fees.

Ashton was arrested on the Navy base in Italy and flown to Norfolk for his initial appearance. A preliminary hearing is scheduled for March 4, 2014 in the Southern District of Iowa.

This case was investigated by the NCIS and the Air Force Office of Special Investigations. The case is being prosecuted by Director of Procurement Fraud Litigation Catherine Votaw of the Criminal Division's Fraud Section and Assistant U.S. Attorney Clifford Cronk of the Southern District of Iowa.

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