HOT ISSUE BRIEF

ISSUE: CIVILIAN EMPLOYEE OF US NAVY SUBMARINE COMBAT SYSTEM PROGRAM OFFICE CHARGED WITH BRIBERY

SENSITIVITY: The extent of the alleged offences and proximity to an Australian Joint Program Office may generate media interest.

KEY ISSUES:

- On 8 Feb US Federal Prosecutors announced that a civilian employee of the US Navy and a contractor to the US Navy have been charged for involvement in a kickback and bribery scheme.

- The US Navy employee was working in the United States Naval Sea Systems Command (NAVSEA) organisation which also manages the AN/BYG-1 Submarine Tactical and Weapon Control Joint Project arrangement between Australia and the US Navy.

- Specific details of the case have not been released by US prosecutors and it is not yet known if the charges relate to any activities involving Australian contributions to the Joint Project.

- The matter is now progressing through the US legal system; we will monitor and advise when further details are available.
BACKGROUND: EXAMPLE MEDIA REPORT OF THE CHARGES
Published online Feb 8, 2011

Navy employee, contractor charged with bribery in $10M kickback scheme
By PBN Staff

PROVIDENCE – A civilian program manager and the founder of a technology services company have been charged with bribery of a public official in connection with an alleged $10 million kickback scheme involving U.S. Navy funds. Ralph Mariano, 52, of Arlington, Va., a civilian program manager and senior systems engineer with the United States Naval Sea Systems Command in Newport and Washington, D.C., and Anjan Dutta-Gupta, 58, founder and president of Advanced Solutions for Tomorrow with offices in Middletown and Roswell, Ga., were cited in criminal complaints unsealed in U.S. District Court in Providence.

The charges say Dutta-Gupta funnelled approximately $10 million to Mariano, as well as Mariano’s relatives and associates, in return for the engineer’s role in the funding of Navy contracts to ASFT.


"A Navy employee and a DoD contractor conspired to corrupt the DoD’s procurement system and personally profit from their scheme," he said.

According to an affidavit, about $13.5 million in funding from the Navy was sent by ASFT to a subcontractor, mostly for work that was not performed, U.S. Attorney General Peter F. Neronha said on Tuesday. The subcontractor kicked back about $10.0 million to Mariano, his relatives and associates, and entities controlled by Dutta-Gupta.

"A $10 million heist is a major crime, whether the money is taken with a gun or with a keyboard. Fraud victimizes every taxpayer. It wastes billions of tax dollars and erodes public confidence. Citizens have the right to expect their public employees to be people of integrity, not self-serving criminals," said Kirk Greffen, acting special agent in charge, Naval Criminal Investigative Service, Northeast Field Office.

Dutta-Gupta, arrested Sunday in Atlanta after returning to the country from Chile, was ordered to appear before a Magistrate Judge in U.S. District in Providence on Feb. 15. He made an initial appearance in U.S. District Court in Atlanta on Monday and was released on $25,000 unsecured bond.

Mariano surrendered to the U.S. Marshals Service in Rhode Island on Monday and made an initial appearance in U.S. District Court in Providence Monday afternoon. He was released on a $50,000 unsecured bond.
TALKING POINTS

• It has been reported in the US media that a civilian US Navy employee and a contractor to the US Navy have been charged for alleged involvement in a bribery scheme.

• The employee named in reports worked in proximity to the submarine Program Office jointly funded by Australia and the US.

• At present there is no known direct connection between the allegations and the activities of the Joint Program Office.

• The matter is being dealt with in the US legal system and further detail on the case is not yet available.

Contact Officer: Maree Weir W: 6265 7351
Authorised by: AVM Deeble, W: 6265 7017
PMC&W, DMO
PA Clearance by: Caroline Chalker W: 6127 1951