

Navy restores contract authority to RI base

The Associated Press

Posted : Monday Oct 31, 2011 9:01:10 EDT

PROVIDENCE, R.I. — The Navy has restored contract authority to its Newport submarine research base that had been taken away after a kickback scandal.

[The Providence Journal reports](#) Naval Sea Systems Command announced that the Naval Undersea Warfare Center has taken steps to strengthen acquisition processes and improve contracting oversight.

Previous coverage

- [Navy subcontractor pleads guilty in bribe case](#) (June 17)
- [Contractor to plead guilty in kickback scheme](#) (April 24)
- [Company at heart of Navy kickback scheme sued](#) (March 15)

Three men have pleaded guilty in a kickback scheme that allegedly siphoned as much as \$21 million through a now-defunct contractor in Middletown.

An internal Navy investigation resulted in military officials in Washington suspending the contracting authority of Newport's Naval Undersea Warfare Center. The Navy said at the time that contracting problems made the scheme possible.

Navy subcontractor pleads guilty in bribe case

By Ian Macdougall - The Associated Press

Posted : Friday Jun 17, 2011 15:01:54 EDT

PROVIDENCE, R.I. — A Navy subcontractor pleaded guilty Friday in Rhode Island for his part in what federal prosecutors say was a kickback scheme that cost the Navy millions of dollars.

Russell Spencer's plea was part of an agreement with prosecutors in which he promised to cooperate with authorities as he has been since investigators approached him in June 2010.

Spencer, 56, pleaded guilty to conspiring to commit bribery in helping funnel money, through his businesses, from a Navy contractor to a civilian Navy employee who prosecutors say then

bumped up funding to the contractor. Prosecutors say the scheme cost the Navy between \$7 million and \$20 million.

Previous coverage

- [Contractor to plead guilty in kickback scheme](#) (April 24)
- [Company at heart of Navy kickback scheme sued](#) (March 15)

The case prompted an internal Navy investigation that resulted in military officials in Washington suspending the contracting authority of Newport's Naval Undersea Warfare Center. The Navy said a host of contracting problems at the facility enabled the scheme.

According to the government, Ralph M. Mariano of Arlington, Va., who worked at the warfare center, initiated the scheme by threatening to use his position to reduce funding for contracts held by Advanced Solutions for Tomorrow if company owner Anjan Dutta-Gupta didn't kick back money to Mariano.

Dutta-Gupta, also of Arlington, has pleaded guilty to paying \$8 million in bribes over more than a decade. Mariano has been charged, but not indicted. He has declined to comment on the allegations, and remains free on bond.

According to court filings, Spencer submitted false and inflated invoices to ASFT for work that, for the most part, was never done. Prosecutors say he then passed the money onto Mariano, Mariano's relatives and girlfriend, among others.

Spencer took a salary from the payments, according to prosecutors, and as part of his plea agreement he is to forfeit more than \$330,000 in proceeds from the scheme.

Dutta-Gupta dissolved ASFT, based in Roswell, Ga., shortly after he and Mariano were arrested in February. At the time, the company held \$120 million in Navy contracts. It also had offices in Rhode Island.

In addition to the bribes, prosecutors say, ASFT paid \$1.2 million through Spencer's businesses to a separate company owned by Dutta-Gupta.

Spencer and his attorney declined to comment Friday. He and Dutta-Gupta, who also agreed to cooperate with prosecutors, are scheduled for sentencing in December.

Contractor to plead guilty in kickback scheme

The Associated Press

Posted : Sunday Apr 24, 2011 12:25:57 EDT

PROVIDENCE, R.I. — A Navy contractor charged in a multimillion-dollar kickback and bribery scheme is set to plead guilty to bribing a public official.

Anjan Dutta-Gupta is scheduled to appear before a judge in U.S. District Court in Providence on Thursday to enter his plea.

He was arrested in February on charges he paid \$8 million in bribes over more than a decade to civilian Navy employee Ralph Mariano, his family members and his associates. Prosecutors say that in return, Mariano increased funding to Navy contracts held by the 58-year-old Dutta-Gupta's now-defunct company, Advanced Solutions for Tomorrow.

In exchange for his plea and cooperation, federal prosecutors have agreed to recommend a significantly reduced sentence.

Mariano has been charged, but not indicted.

Company at heart of Navy kickback scheme sued

The Associated Press

Posted : Tuesday Mar 15, 2011 22:35:58 EDT

PROVIDENCE, R.I. — The company of a Navy contractor accused of taking part in a \$10 million kickback scheme is facing a lawsuit from a former employee.

Patrick Clement says in federal court documents that Georgia-based Advanced Solutions for Tomorrow violated labor laws by failing to give 60 days' notice before firing its workers, and seeks a payment equal to 60s days' wages and benefits.

Federal prosecutors said in a criminal complaint last month the company's founder and former president, Anjan Dutta-Gupta, funneled kickbacks through subcontractors to a civilian Navy employee in exchange for increased funding for contracts. The workers were fired shortly after his arrest Feb. 6. Dutta-Gupta has not been indicted or entered a plea.

Lawyers representing Clement and Dutta-Gupta did not immediately respond to requests for comment Tuesday.