



Department of Justice

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ALABAMA BUSINESSMAN SENTENCED FOR FRAUD, PAYING BRIBES

NORFOLK, Va. – Huffman Earl Monk, 52, Brookwood, Ala., was sentenced today to 63 months in prison, followed by three years of supervised release, for wire fraud and for paying bribes to a U.S. Coast Guard Transportation Officer. Monk was also ordered to pay a fine of \$15,000.00 and \$779,549.85 in restitution to the U.S. Treasury.

Neil H. MacBride, United States Attorney for the Eastern District of Virginia; Otis E. Harris, Jr., Special Agent in Charge, Coast Guard Investigative Service, Chesapeake Region; and Michael P. Dawson, Special Agent in Charge, Department of Homeland Security, Office of Inspector General, Washington Field Office, made the announcement after sentencing by United States District Judge Mark S. Davis.

Monk previously pled guilty to the charges on January 9, 2013. According to court documents, Monk was the owner and operator of 12 freight brokerage companies that were headquartered in a single office in Brookwood, Ala. Many of Monk's freight brokerage companies contracted with Department of Defense Transportation Command (TransCom) to ship military-related freight. Monk's co-conspirator was an active duty U.S. Coast Guard (USCG) Petty Officer assigned as a Transportation Administrator at the Surface Forces Logistics Center in Norfolk, Va. It was the co-conspirator's primary duty was to coordinate the shipping of large freight such as boats, trailers, generators, etc. between USCG bases located throughout the United States. The co-conspirator utilized the TransCom automated system to bid out and then contract the shipments with authorized freight brokerage companies.

In September 2009, Monk traveled to Norfolk to meet with the co-conspirator and told him that in exchange for issuing USCG freight contracts to Monk's freight companies, Monk would kickback a percentage of the profits to him. The co-conspirator agreed to Monk's offer and, shortly thereafter, Monk began offering monetary bribes to the co-conspirator by providing him with debit cards linked to several of Monk's business bank accounts. In order to inflate the profits Monk and the co-conspirator would make from each contract Monk encouraged the co-conspirator to fraudulently manipulate various data entered into the TransCom computer system

in order to artificially inflate the price of the shipping contracts the co-conspirator steered to Monk's companies. Monk and the co-conspirator also engaged in creating false shipping contracts for shipments that did not exist, and thereafter awarding the contract and profits to one or more of Monk's companies. Since no freight was actually being shipped pursuant to these false contracts, the USCG payments to Monk was all profit, resulting in the co-conspirator also receiving a larger kickback from Monk. Over a two-year period, Monk paid out over \$220,000 in bribe payments. The total fraud loss to the United States based on these fraudulent military shipping contracts was over \$1 million.

The military has recently implemented a number of internal changes to TransCom's computer systems to enhance the integrity of the bidding and contracting process used by Department of Defense and Department of Homeland Security Transportation Officers.

This investigation was brought as part of the Hampton Roads Procurement Fraud Initiative, a collaboration of defense investigative agencies, Inspectors General, and law enforcement dedicated to strengthening the integrity of the federal procurement system.

This case was investigated by the United States Coast Guard Investigative Service and the Department of Homeland Security, Office of the Inspector General, Washington Field Office, with the cooperation and assistance of the Coast Guard Surface Forces Logistics Center. Assistant United States Attorneys Stephen W. Haynie and V. Kathleen Dougherty are prosecuting the case on behalf of the United States.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.

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