



# Department of Justice

**United States Attorney Neil H. MacBride  
Eastern District of Virginia**

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## **ALABAMA BUSINESSMAN PLEADS GUILTY TO FRAUD, PAYING BRIBES**

NORFOLK, Va. – Huffman Earl Monk, 52, Brookwood, Ala., pleaded guilty today to wire fraud and paying bribes to a U.S. Coast Guard Transportation Officer.

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 the plea was accepted by United States District Judge Mark S. Davis.

Monk was indicted on May 23, 2012, by a Federal grand jury on charges of conspiracy, wire fraud, and paying bribes to a public official. Monk faces a maximum penalty of 20 years in prison when he is scheduled to be sentenced before Judge Mark S. Davis on April 29.

“In two years, Mr. Monk paid out more than \$220,000 in bribes to Dunn in exchange for receiving over-priced and false shipping contracts,” said U.S. Attorney MacBride. “Rooting out criminals who abuse the public’s trust strengthens the integrity of – and our confidence in – the government’s procurement process.”

“As a steward of public funds, the Coast Guard Surface Forces Logistics Center holds its members and contracting partners to high standards of conduct,” said Special Agent in Charge Harris. “We will continue to work closely with Coast Guard units and the U.S. Attorney’s Office to pursue and deal appropriately with threats to the integrity of the contracting process wherever they may occur.”

According to a statement of facts filed with his plea agreement, 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. Nathan Allen Dunn 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. Dunn’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. Dunn 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 Dunn and told him that in exchange for Dunn issuing USCG freight contracts to Monk's freight companies, Monk would kickback a percentage of the profits to Dunn. Dunn agreed to Monk's offer and, shortly thereafter, the Monk began offering monetary bribes to Dunn by providing him with debit cards linked to several of Monk's business bank accounts. In order to inflate the profits Monk and Dunn would make from each contract Monk encouraged Dunn to fraudulently manipulate various data entered into the TransCom computer system in order to artificially inflate the price of the shipping contracts Dunn steered to Monk's companies. Monk and Dunn 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 Dunn also receiving a larger kickback from Monk. Over a two-year period, Monk paid out over \$220,000 in bribe payments to Dunn. 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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