

In other articles on this website, we've [pondered](#), albeit somewhat rhetorically, whether fraud is simply an endemic part of the public procurement process. We've

[inquired](#)

, in writing, whether bribery and conspiracy is "business as usual" in the defense industry. We've published article after article, Department of Justice link after link, and yet the stories keep coming at us like a tortious tsunami of wrongdoing. And so we keep publishing them in the (perhaps futile) hope that somebody, somewhere, is taking notes and designing controls to deter this type of malicious mischief in the public fisc.

Today's story is no different than many others. The details are not quite the same; maybe the dollars are a bit bigger and the alleged actions more brazen—but this seems to us to be just another story in the hit parade of procurement fraud.

Today's story concerns the U.S. Navy and a NAVSEA Program Manager/Senior Systems Engineer name Ralph Mariano, age 52, of Arlington, Virginia. The story also concerns Anjan Dutta-Gupta, 58, of Roswell, Ga., who is (or was) founder and President of Advanced Solutions for Tomorrow (ASFT). Each of these two individuals was recently charged with bribery, as Dutta-Gupta allegedly paid Mariano and "his relatives and friends" about \$10 million in order to secure "millions of dollars" of Navy contracts for ASFT. Here's [a link](#) to one of the early stories.

According to the Providence Journal story (link above)—

'The payments come in the form of checks, cash and wires, and are funneled through ASFT's subcontractors and Mariano's relatives and friends,' says an affidavit attached to the criminal complaint.

The affidavit says that business and banking records show that the alleged arrangement between Mariano, Dutta-Gupta and unnamed ASFT subcontractors had been going on since 1999.

Bribery, Kickbacks and the U.S. Navy

Written by Nick Sanders

Wednesday, 23 February 2011 00:00

The affidavit alleges that an unnamed cooperating witness, CW 1, has participated in the scheme with Mariano and Dutta-Gupta for more than a decade. The witness lives in Rhode Island and established an entity to launder the millions of dollars in kickbacks.

‘I have found no evidence to support a legitimate purpose for the payments to Mariano, and the majority of the payments to Mariano’s relatives and associates and to Dutta-Gupta’s entities were for services not performed,’ wrote Special Agent Patrick J. Hegarty, of the Defense Criminal Investigative Service.

The affidavit says that Mariano regularly sent CW 1 text messages and e-mails seeking weekly payments of \$3,500.

Helpfully, the Providence Journal also provided a link to the formal [criminal complaint](#) .

What makes this story perhaps a tad different from most is the possible link between ASFT and the Congressional delegation from Rhode Island. The Providence Journal [reported](#) (in a separate story) that the individuals involved (as well as ASFT) “have been active backers of the Rhode Island congressional delegation’s election campaigns for at least nine years.” The legislators, for the most part, issued statements noting how upset they were with the actions of the two men, and supporting the law enforcement officials who were investigating the wrongdoing.

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Further investigation by journalists revealed that some of the legislators had “earmarked” funds for ASFT. For example, [this article](#) by the Providence Journal reported that Rhode Island Senator Jack Reed had helped ASFT to “secure ‘earmarks’ for \$9.15 million worth of submarine-related work over the past four years....” But the article also noted that Senator Reed had promised to give all campaign donations received from those two men, ASFT, and related individuals, to a charity.

In a sad turn of events, ASFT laid-off its entire staff on February 14 — nearly 100 in total. According to [this story](#) at the Boston Globe, the acting CEO of ASFT told the employees that “the company’s assets had been frozen and it could no longer operate.” The article also noted that the fallout from the scandal might reach beyond ASFT and its employees to other companies. It reported—

Economic Development Corp. Executive Director Keith Stokes said one area of concern was how the closure would affect companies in ASFT's supply chain, such as its janitorial firm or other subcontractors.

‘We don't want to see them penalized,’ he said.

So we wrap up this story saddened at the impact on the lives of innocent employees and hopefully a bit wiser for the lesson. We still wonder how much of this pile of scandal after scandal might have been avoided had better controls been put into place. But in any case, we hope that publicizing the true impacts of such egregious wrongdoing might deter future incidents.