

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

UNITED STATES OF AMERICA)	
)	Criminal No. 12-61-ML
v.)	
)	
RALPH MARIANO,)	
)	
Defendant.)	

GOVERNMENT’S SENTENCING MEMORANDUM

Defendant Ralph Mariano (“Mariano”) is due to be sentenced on November 1, 2013, having pled guilty to theft of government funds, conspiracy to steal government funds and tax evasion. Mariano, who was an experienced Chief Engineer in the United States Navy, abused the trust that had been placed in him by orchestrating a sophisticated scheme to steal nearly \$18 million in taxpayer funds. He did so for no reason other than greed – to support a lifestyle full of gambling trips and expensive cigars. He threatened and cajoled officials of an otherwise legitimate government contractor – Advanced Solutions For Tomorrow (“ASFT”) – to participate in this scheme or face the termination of its business. His conduct left the lives of many individuals in ruin, including over 100 ASFT employees who lost their jobs when the company shut its doors after the charges in this case were announced. For these and other reasons discussed below, the United States recommends that the Court impose a sentence at the top of the Guidelines range as determined by the Probation Department. A very significant sentence is needed to punish the defendant for his egregious conduct and to deter him and others from committing similar crimes in the future.

I. Guideline Range: Acceptance of Responsibility

The Probation Department has concluded that Mariano faces an offense level of 30 with a Criminal History Category I, resulting in a Guidelines range of 97-121 months. In determining Mariano's Guidelines range, the Probation Department agreed with the Government that Mariano's conduct after the change of plea hearing in May 2013 indicates that he has failed to accept responsibility for his conduct.¹

The Sentencing Guidelines make clear that pleading guilty is not in and of itself sufficient to qualify for an acceptance of responsibility reduction. Application Note 3 to Guideline § 3E1.1 provides:

Entry of a plea of guilty prior to the commencement of trial combined with truthfully admitting the conduct comprising the offense of convictions, and truthfully admitting or not falsely denying any additional relevant conduct for which he is accountable under [citation omitted] will constitute significant evidence of acceptance of responsibility for the purpose of subsection (a). *However, this evidence may be outweighed by conduct of the defendant that is inconsistent with such acceptance of responsibility. A defendant who enters a guilty plea is not entitled to an adjustment under this section as a matter of right.*

(Italics added.) Moreover, "a defendant who falsely denies, or frivolously contests, relevant conduct that the court determines to be true has acted in manner inconsistent with acceptance of responsibility." U.S.S.G § 3E1.1, cmt. n1(A). The Guidelines further make clear that "[t]he sentencing judge is in a unique position to evaluate a defendant's acceptance of responsibility. For this reason, the determination of the sentencing judge is entitled to great deference on review." U.S.S.G. § 3E1.1, cmt. n5.

¹ In paragraph 2(b) of the Plea Agreement, the Government agreed to recommend a 2-level reduction for acceptance of responsibility "if Defendant continues to demonstrate acceptance of responsibility through sentencing."

For the reasons stated in the Government's objection to the Presentence Report, Mariano fails to accept responsibility for his conduct. As delineated in the Government's objection, Mariano now denies the most basic facts of this scheme. He claims that the money he received from Russell Spencer ("Spencer") was just a personal loan from a friend and not stolen government funds. He claims that C&S Technology (Spencer's company) performed legitimate work for the Navy. He claims that there was never a conspiracy and that his co-conspirators entered false pleas. As to his own guilty plea, Mariano now writes that he pled guilty because his former counsel forced him to do so. This Court has sentenced countless defendants over the years who have expressed genuine insight into and remorse for their crimes. Those defendants accepted responsibility and deserved a reduction in their offense level. Mariano has failed to accept responsibility for his conduct and should not receive the three level reduction under U.S.S.G. § 3E1.1.

II. Sentencing Factors Under 18 U.S.C. § 3553

After determining the Guideline range, the Court must consider the sentencing factors delineated in 18 U.S.C. § 3553(a):

- (1) the nature and circumstances of the offense and the history and characteristics of the defendant; and
- (2) the need for the sentence imposed –
 - (A) to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense;
 - (B) to afford adequate deterrence to criminal conduct;
 - (C) to protect the public from further crimes of the defendant; and
 - (D) to provide the defendant with needed educational or vocational training, medical care, or other corrective treatment in the most effective manner.

A review of these factors supports sentencing Mariano to a sentence at the top of the Guidelines range.

a. Nature and Circumstances of the Offense

The first and foremost factor under 18 U.S.C. § 3553 is the nature and seriousness of the offense. There can be little doubt that this factor militates heavily in favor of a very significant sentence for Mariano.

Mariano's criminal conduct lasted for 15 years, beginning in 1996 when he demanded that ASFT's C.E.O. Anjan Dutta-Gupta ("Dutta-Gupta") pay him \$6,000. After Dutta-Gupta made this payment, Mariano demanded further payments from Dutta-Gupta and numerous payments were made to Mariano via ASFT employee Gary Scavoni from 1996-1999. In 1999, Mariano altered the payment scheme by enlisting the assistance of Spencer. At Mariano's direction, Spencer formed fictitious corporate entities and billed ASFT and its subcontractors almost \$18 million for work that was never performed. Spencer then distributed those millions as directed by Mariano.

Mariano's criminal conduct warrants a significant sentence because it: (1) involved an abuse of a position of public trust, (2) involved a leadership role, (3) was motivated by pure greed, and (4) had a devastating impact on the lives of numerous individuals in addition to the loss of millions of dollars in taxpayer funds.

1. Abuse of Trust

As the Court is aware, numerous individuals were active and necessary members of this conspiracy and merit punishment. Mariano, however, falls into a unique category because he and he alone was the government employee. Witness after witness advised the Government that Mariano was a well-respected, even feared, Chief Engineer and that he had obtained a level of deference and trust from his Navy superiors. Through his years of government service, Mariano

amassed knowledge of Navy contracting procedures and the circumstances under which payments to contractors may be audited. He then arranged for millions of dollars to be sent to a subcontractor whom Mariano knew would be unlikely to be audited. Mariano abused the significant trust that was placed in him and, in the process, stole millions of dollars in public funds. He had an unmistakable obligation to safeguard public funds; instead, he stole those funds for no reason other than to support his lifestyle.

2. Mariano's Role in the Offense

Another factor weighing in favor of a significant sentence is the organizational role Mariano had in this conspiracy. Mariano was the clear "mastermind" of this conspiracy as he oversaw every aspect of the flow of funds. He made sure that the Navy kept sending funds to ASFT by sending work to ASFT and by making regular requests that millions of dollars in funds be released to ASFT. He insisted that ASFT make prompt payments to Spencer's companies both by rewarding Dutta-Gupta personally and by threatening ASFT that if it did not make prompt payments to Spencer, Mariano would "terminate their support." Finally, when the funds reached Spencer's accounts, Mariano used a complex system of codes to direct Spencer whom to pay and the amount of the payments. Mariano supervised and managed this entire scheme. He is far and away the most culpable member of the conspiracy because he was the clear ringleader.

3. Motivation for Offense

This is not a case in which financial difficulties contributed to a defendant's poor decision to commit fraud. Mariano was a well-paid government employee who was earning \$155,500 per year by 2011. He is not married and has no children to support. His crimes were not motivated by financial distress; they were motivated by greed. In preparation for what was

believed would be a trial in this case, the Government conducted a detailed analysis of Mariano's bank accounts to determine what he did with the millions of dollars in government funds he stole. This analysis revealed that Mariano spent this money on purely personal expenses, including purchasing over \$100,000 worth of luxury cigars and spending hundreds of thousands of dollars gambling in places like Las Vegas, Florida, Aruba and Mexico. Mariano's one and only motivation for this offense was greed.

4. Victim Impact

The primary victim in this case is, of course, the taxpayer. Mariano and his co-conspirators stole almost \$18 million in public funds, funds to which all taxpayers contributed. As virtually all of these funds were spent by Mariano and others, it is extremely unlikely that the public will ever be made whole.

Beyond the loss of public funds, there were several other indirect victims of Mariano's conduct. This case received tremendous scrutiny within the United States Navy, as Navy officials attempted to comprehend how this much money could have been stolen over such a lengthy period of time. A lengthy and expensive internal investigation led to a temporary loss by the Naval Undersea Warfare Center ("NUWC") in Newport of its contracting authority. Numerous honest and hard-working NUWC employees have had their reputations damaged by Mariano's conduct. At least one individual who relied on Mariano's trustworthiness when approving the sending of funds to ASFT has had his responsibilities diminished. Some of the harm Mariano caused to the United States Navy is detailed in a letter (attached as Exhibit 1) submitted to the Court by Vice-Admiral William Hilarides, Commander of the Naval Sea System

Command. Mariano's criminal conduct wreaked havoc on NUWC as an entity and the many hard working people employed there.

Moreover, Mariano's greed lured his five co-defendants into crimes they most likely would not otherwise have committed and into sentences they will soon receive. Each of these individuals bears responsibility for the choices he or she made to participate in this criminal conspiracy. It was, however, Mariano who appealed to the greed in each of these individuals and rewarded them handsomely for their participation. Because of Mariano, each of these individuals is now a convicted felon.

Last, but certainly not least, over 100 ASFT employees lost their jobs in February 2011 after the charges against Mariano were announced and ASFT shut its doors. These individuals did nothing to deserve this fate; they were honest and hard-working and knew nothing about the criminal conspiracy involving their C.E.O. and Mariano. Many of these former ASFT employees struggled to find replacement jobs in a difficult economy. Many suffered tremendous financial hardships as a direct result of Mariano's conduct and ultimately had to accept entry-level positions in unrelated fields at substantial pay cuts. A group of thirty-six of the former ASFT employees submitted a powerful letter to the Court (attached as Exhibit 2), detailing both the financial and emotional stress they suffered as a result of the conduct of Mariano and his co-conspirators.

Incredibly, rather than acknowledge the suffering he caused the former ASFT employees, Mariano blames the government for their misfortune. In a recent document written by Mariano that he copied to the Court, Mariano wrote:

Aside from the devastating impact of their actions upon me and Ms. O'Rourke and our career and most importantly our families, as a direct result of the actions of this USAO and its investigators, ASFT, a company employing 140 individuals was closed, \$100M in contracts cancelled and the Naval Undersea Warfare Center which is a \$1B facility had its contracting authority suspended for a time by Secretary Mabus.

Instead of looking inward and accepting responsibility for the harm he inflicted upon the ASFT employees, Mariano blames the government for arresting him in the first place. Mariano is the reason ASFT closed and its employees were laid off. These hard-working individuals lost their jobs because Mariano chose to use ASFT as vehicle through which to funnel millions of dollars in Navy funds.

b. The Characteristics of the Defendant

Another important factor under 18 U.S.C. § 3553 is the characteristics of the defendant. Three dominant characteristics emerge when considering Mariano. First and foremost is his tremendous greed. For no reason other than to support a lavish lifestyle full of gambling vacations, Mariano concocted a sophisticated scheme to steal millions of dollars in government funds. Over the course of the conspiracy, Mariano took numerous expensive vacations to gambling meccas like Las Vegas, Aruba, Puerto Rico and Cancun. On these trips, Mariano took with him thousands of dollars in cash to spend on gambling, luxury restaurants, strip clubs and cigars. When that money invariably ran out, he would simply call Spencer in Rhode Island and instruct him to deposit more money into his bank account. Mariano took the taxpayers' hard-earned money and burnt it.

Mariano's second dominant characteristic is his tendency to intimidate and threaten others. For this scheme to succeed, Mariano required the assistance of ASFT officials, who had to continually pay Spencer the amount of his bogus invoices and to submit fictitious vouchers for

reimbursement to the Navy. ASFT frequently had to borrow the money it was required to pay Spencer because reimbursement from the Navy was often delayed. In addition, on a number of occasions, ASFT made payments to Spencer without getting reimbursed by the Navy. As a result, Dutta-Gupta and Patrick Nagle ("Nagle") regularly complained to Mariano about his insistence that ASFT make prompt payments to Spencer and his companies. Mariano responded by regularly berating Dutta-Gupta and Nagle and threatening ASFT with severe financial consequences if the payments to Spencer were not made.

While Mariano generally communicated this threatening message verbally, he occasionally did so in writing as well. For example, in an e-mail dated May 12, 2007 (attached hereto as Exhibit 3), Mariano wrote Dutta-Gupta that Mariano's "efforts," including C&S (Spencer's company) and NDC (Joseph Mariano's company) were to be paid every other week in specific amounts listed by Mariano. Mariano further warned that if these and other payments were not made "on time every other week if I or anyone else has to call to inquire about payment *I will be forced to terminate your support. . . . Any further mistakes will result in termination of this work.* I HOPE THAT THIS POINT IS UNDERSTOOD?" (Italics added.)

Mariano also regularly e-mailed ASFT officials to communicate his displeasure at ASFT's failure to make timely payments to Spencer and his companies. For instance, on June 19, 2005, Mariano sent an e-mail to ASFT officials, stating: "I am very annoyed that RS's [Spencer's] bi-weekly was not paid and this was done without at least notifying me. . . . Who else did not receive their payment Friday? RALPH!!" (Exhibit 4) The next day, June 20, 2005, Mariano sent an e-mail to ASFT officials stating; "I still find it unacceptable for ASFT to make a

decision such as payments without my knowledge Again no sympathy [sic] from me!!! I expect RS [Spencer] to get paid today!!” (Exhibit 5)

Mariano’s dominance over ASFT was not limited to payments being made to Spencer and his companies. Mariano kept ASFT under his thumb to such an extent that numerous witnesses advised the Government that ASFT was referred to at NUWC as “RalphCo.” On numerous occasions, Mariano demanded that ASFT fire an employee for no reason other than his personal dislike of that employee. He also on numerous occasions demanded that ASFT hire people of his choice. Although ASFT was a private entity, Dutta-Gupta and Nagle did not dare contravene Mariano’s demands. Mariano regularly reminded them that to do so would severely damage ASFT’s business.

In the course of the investigation, the United States interviewed witness after witness who told of Mariano’s abusive treatment of both ASFT and NUWC employees. One former ASFT employee, Gary Paquin (“Paquin”), wrote a letter to the Court asking it to impose a lengthy jail sentence on Mariano. This is how Paquin describes Mariano:

When I joined ASFT I knew they had many contacts that were associated with Ralph Mariano. I had worked on Mariano-run projects while I was at Anteon Corporation and had seen him in action, so I only took the ASFT position with assurances that I would not be involved in any programs managed by him. Ralph Mariano is a bully. He managed via threats and intimidation. His verbal threats were full of vulgar language and he was constantly proclaiming how he was ‘(expletive) going to fire that (expletive) a-hole.’ And, he did have a reputation for ‘firing’ people. While as a Government official he did not have direct hiring/firing authority, he could easily reduce a company’s funding or eliminate someone’s tasking, forcing the company to terminate the employee.

Paquin’s description of Mariano is consistent with the description provided by numerous other witnesses interviewed by the Government.

Mariano's third dominant characteristic is his lack of remorse for his criminal conduct. The evidence the government amassed against Mariano was absolutely overwhelming, including the testimony of the witnesses who passed him funds, audiotaped and videotaped conversations that were highly incriminating, hundreds of checks deposited into his own bank accounts, copies of damning e-mails and text messages and numerous controlled deliveries of cash. Nevertheless, for more than two years after the charges were brought in February 2011, Mariano insisted on his innocence and demanded, as is his right, a trial. A mere few weeks before he entered his guilty plea in May 2013, Mariano attended a meeting at the United States Attorney's Office with his former counsel and declared his innocence. After he entered his guilty plea, Mariano filed a complaint against his former counsel and spent months debating whether to move to withdraw his guilty plea. And just recently, as detailed in the Government's objection to the Presentence Report, Mariano claims there was never a conspiracy, that his only mistake was in borrowing money from a friend and that he only pled guilty because his former counsel forced him to do so.

Simply stated, Mariano is a defendant who just doesn't get it. He has demonstrated virtually no understanding of, much less remorse for, his criminal conduct that spanned nearly 15 years.

c. Need to Provide Just Punishment and to Afford Adequate Deterrence

The final factor the Court should consider is the need to provide just punishment and adequate deterrence. This is a high profile case of corruption in which millions of dollars in government funds were stolen and great harm was done to a large number of people. A very significant sentence is needed to send a strong and unequivocal message to the community: this type of behavior will not be tolerated. The public must be assured that a government employee's

brazen and unabashed theft of millions of dollars in taxpayer funds will be met with severe consequences. Individuals who may be contemplating similar acts of corruption or fraud should be put on notice that such conduct will be met with severe consequences. A lengthy sentence of imprisonment is necessary to punish Mariano for his crimes and to deter others who may be considering following his example.

III. Conclusion

A significant sentence of imprisonment is necessary to punish Ralph Mariano and to deter others from committing similar crimes. Mariano was the ring-leader of a lengthy and sophisticated scheme to steal millions of dollars in public funds. He abused the significant trust the Navy placed in him for no reason other than pure greed. And he continues to demonstrate little to no insight, responsibility or remorse for his conduct. A sentence at the top of the Guidelines range is warranted.

Respectfully submitted,

PETER F. NERONHA
UNITED STATES ATTORNEY

/s/ Lee H. Vilker
LEE H. VILKER
Assistant U.S. Attorney

TERRENCE P. DONNELLY
Assistant U.S. Attorney

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of October, 2013, I caused the within *Government's Sentencing Memorandum* to be served via the Court's Electronic Filing System on:

John Calcagni, Esq.

/s/Lee H. Vilker

Lee H. Vilker

Assistant U.S. Attorney

United States Attorney's Office

50 Kennedy Plaza, 8th Floor

Providence, RI 02903



DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVENUE SE
WASHINGTON NAVY YARD DC 20376-0001

5800

Ser 00L-02/408

30 Sep 13

The Honorable Mary Lisi
U.S. District Court, District of Rhode Island
Federal Building and Courthouse
One Exchange Terrace
Providence, RI 02903

Subj: VICTIM IMPACT STATEMENT IN THE MATTER OF U.S. V.
RALPH MARIANO

Dear Judge Lisi:

The Department of Navy has been designated a crime victim under 18 U.S.C. § 3771 as a result of the fraud of Ralph Mariano, a former engineer at the Naval Undersea Warfare Center, Newport (NUWC Newport).¹ Mr. Mariano's fraud lasted over a decade and impacted the lives of numerous individuals. His fraud caused not only direct financial loss to the Navy, but harm to the Navy's reputation, and it has cost the Navy substantial resources and time. The purpose of this impact statement is to give the Court a sense of the impact of Mr. Mariano's actions and how those actions have made accomplishment of the Navy's goals more difficult. Because of this impact, we ask that you give Mr. Mariano a substantial prison term and order Mr. Mariano to make full restitution to the Government.

First, the Navy suffered, by Mr. Mariano's own admission, nearly \$18 million in direct damages from his fraud. This is money that would otherwise have been used to fulfill the Navy's vital mission -- training sailors and building better ships to

¹ By way of background, Mr. Mariano was an employee at NUWC Newport, which is a command within the Naval Sea Systems Command (NAVSEA). NAVSEA engineers, builds, buys, and maintains ships, submarines, and combat systems for the Navy. NUWC Newport performs research, development, and testing of submarines and undersea systems for NAVSEA. Although a NUWC Newport employee, Mr. Mariano was assigned to NAVSEA headquarters and was perform headquarters' duties.

fight our wars, deter aggression, and maintain the freedom of the seas. For some perspective on just how large a sum that is and because Mr. Mariano dealt with submarine spare parts, eighteen million dollars is equivalent to eighty-two full shipsets of submarine spare parts. Said another way, the loss from Mr. Mariano's fraud is equal to outfitting eighty-two submarines with spare parts.

Second, related to the lost money, Mr. Mariano's fraud undermined the taxpayer's trust in the Navy as a good financial steward. It is that great trust that allows the Navy to carry out its mission, build its ships, and recruit sailors. Mr. Mariano's widely-reported fraud damaged that vital trust and complicated the Navy's mission.

Third, the Navy spent substantial time and resources in responding to Mr. Mariano's fraud. The Navy created a Special Review Team to review and analyze the Navy's processes and procedures as they related to the fraud allegations and to make recommendations for improvement of those processes. The nine-member team spent more than nine weeks sequestered at the Washington Navy Yard, interviewing and consulting with more than seventy professionals. As a result of the findings from this team, the Navy also established a similar team at NUWC Newport to perform a complete review of all active NUWC Newport contracts. Fifty-two individuals participated in this new team for almost three months. They performed full audits of 130 service contracts as well as a statistical sampling from over a thousand actions. Together, the Special Review Team and the NUWC team diverted significant numbers of employees from their normal duties and resulted in significant lost productivity across NAVSEA. These and other similar efforts (such as the various legal efforts) cost the Navy tens, if not hundreds, of thousands of hours unwinding the fraud and dealing with associated issues.

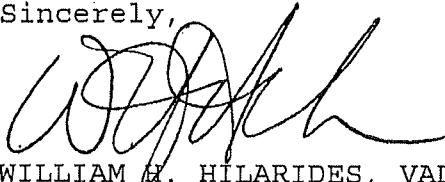
Fourth, in addition to the time the Navy invested in these teams, Mr. Mariano's fraud significantly disrupted the Navy's operations at NAVSEA and NUWC Newport. To ensure against further adverse effects and to implement necessary changes at NUWC, the Navy suspended NUWC Newport's contracting warrant on April 22, 2011, and did not fully restore that authority for

more than six months. During that time, NAVSEA headquarters reviewed more than a thousand procurement actions and contractual documents that otherwise would have been handled by NUWC Newport. These contract actions were worth more than \$300 million. The suspension of NUWC Newport's contracting warrant led to measurable and significant delays in awarding contracts. It also led to a significantly higher workload at NAVSEA. Many dedicated employees worked a significant number of hours -- as much as 72 hours a week -- just to keep up with the work. That, in turn, adversely affected morale, both at NAVSEA, which was in charge of reviewing the extra contracting actions, and at NUWC Newport, which had to submit to a new level of review before contract actions could be completed. All of this caused significant delays throughout the command that lingered for many months. In addition, the Navy spent significant time unwinding the various contractual dealings with ASFT and dealing with the resulting bankruptcy proceedings concerning the company. The efforts to recover Navy-owned inventory and preserve corporate documents located at both the ASFT facility in Georgia and the facility in Newport took several months, included numerous filings with the Bankruptcy Court, and extensive negotiations with the appointed Bankruptcy Trustee. The effort to identify, document, transport and preserve the Navy-owned assets and ASFT corporate records involved hundreds of hours over a five month period from lawyers, engineers and contract personnel. Thus, on a very personal level, Mr. Mariano's fraud adversely affected scores of hard-working Navy employees.

As detailed above, the actions of Mr. Mariano had far-reaching consequences for the United States, its employees, and the taxpayer. The Navy therefore respectfully requests that the Court consider a substantial sentence of imprisonment. In addition, while it is unlikely that Mr. Mariano has the ability to pay back the amount of the fraud in full, the Navy believes Mr. Mariano bears a significant level of fiscal responsibility

for his actions, particularly in these austere times, and that full restitution be imposed on him to emphasize his responsibility in the loss.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Hilarides', with a stylized flourish at the end.

WILLIAM H. HILARIDES, VADM USN
Commander
Naval Sea Systems Command

The Honorable Chief Judge Mary M. Lisi
U.S. District Court of Rhode Island
Federal Building and Courthouse
One Exchange Terrace
Providence, RI 02903

RECEIVED

OCT 22 2013

**U.S. DISTRICT COURT
DISTRICT OF R.I.**

RE: 1:12-cr-00061-ML-LDA: Mariano and O'Rourke
1:11-cr-00063-ML-LDA: Dutta-Gupta
1:11-cr-00140-ML-LDA: Nagle
1:11-cr-00100-ML-LDA: Spencer

Dear Chief Judge Lisi,

I am writing to you representing a group of 36 former employees of Advanced Solutions For Tomorrow (ASFT) in regards to the sentencing of conspirators that damaged the lives of innocent honest hardworking people of ASFT and Rhode Island. The severe lack of integrity, morals, and outrageous amount of greed as shown through their actions is nothing less than appalling.

We would like to take a moment and describe what happened to the employees since this began. On February 10, 2011 we were notified in an email from our COO Wayne King about the allegations against our then President Anjan Dutta-Gupta. Who was at that time stepping down and the company was trying to secure buyers to keep the doors open to ASFT, unfortunately we had already learned about the allegations through the news networks days prior. Then on February 14, 2011 Valentine's Day we again received an email from Wayne King that the company failed to acquire a buyer which forced the closing and all employees would be laid off as of noon that day.

With far more questions than possible answers, all the employees were left in the cold without a final paycheck that should have included the work for the two weeks prior and all unused vacation time totaling \$464,937 dollars. As ASFT assets were frozen, the company fell to pieces and went into Chapter 7 bankruptcy, at that point our hopes of getting a paycheck were quickly dashed and financial hardship was not only a fear but now a harsh reality.

Without outside guidance or "official leadership" about exactly how to deal with this situation, we employees banded together and began the laborious process of properly closing our financial accounts, employee benefits systems, facilities in different states, electronic accounting systems, and even returning U.S. government equipment that had been part of myriad Dept. of Defense contracts. Several employees tirelessly volunteered to take care of many necessary tasks, including provide guidance to the dozens of newly unemployed workers and trying to find answers to their questions by contacting appropriate state and federal agencies.

Then comes the stigma and fear, the U.S. Navy had frozen all contracts and associated work with ASFT as roughly 100 employees flood the contract market during a period of record high unemployment. All of the other local contracting companies at the time had very little work available or the desire to employ high risk people. In addition, Government employees of the Naval Undersea Warfare Center (NUWC) were directed by management not to hire former ASFT employees who had moved to another company to perform the same work. As a contractual fear was and is still in place to this day that it would give another company an unfair advantage when competing for new work. So it took months before the Naval contracting office would begin releasing new work or modifications to existing contracts creating new jobs and for some, this delay meant taking entry-level positions in unrelated fields at substantial pay cuts.

The actions and deception of Mariano, O'Rourke, Spencer, Dutta-Gupta and Nagle have caused significant suffering to the former employees in the form of financial distress and emotional health. In some cases, this betrayal compounded the difficulties of physical health with one employee, for example, having just been diagnosed with cancer at the time of the closing. Within a matter of a few weeks, this particular employee, after working for ASFT for many years, found himself suddenly out of a job, facing a severe health crisis and without the employment benefits at his moment of need.

I have never worked with finer, more responsible people, who when faced with a situation that was not foreseeable, worked hundreds of hours without pay in order to do the right thing. Our attitude during this difficult time was to always do what was needed to make the situation better. Obviously, this was not the prevailing attitude of the conspirators, who over the course of many years of their schemes placed their own enrichment above the welfare of the employees.

Collectively we are waiting for the day justice will be served and so we can finally close this chapter of our lives.

We the former employees of ASFT respectfully request from the court that the Maximum punishment should be imposed on all who have pled guilty for the deceit, financial damage, and emotional grief that has been caused.

All of the undersigned names are former ASFT employees, are in agreement, and requested to electronically sign this letter to you.

Respectfully,

1. Patrick Clement	2. Tracy Hamilton	3. Normand Thiboutot
4. Debbie Cabecieras	5. Jeffery McCra	6. Gary Paquin
7. Rick Kulesh	8. Rick Gartmayer	9. Kara Pettigrew
10. Joy Collum	11. Krista Chase	12. Karen Buonvino
13. Jennifer Hall	14. Ted Burns	15. Krista Chase
16. Robert Price	17. Leo Thiboutot	18. Stacie Nunes
19. Joanne Soules	20. Josh Olsen	21. Jeannie Miller
22. Scott Horler	23. Mark Adcock	24. Mary Anne Seward
25. David Willburn	26. Jeff Banks	27. Paul Shenosky
28. Harry Nace	29. Phyllis-Terri Coristine	30. Daniel Bulpett
31. Robert Bates	32. Bonnie Thibeault	33. William Cipolla
34. Rayvon Miller	35. Paul Schmidt	36. Jennifer Christy

From: Ralph Mariano <marianorm@mac.com>
Sent: Saturday, May 12, 2007 4:53 AM
To: Anjan Dutta-Gupta <aduttagupta@asft.net>; Patrick Nagle <pnagle@asft.net>;
Wayne King <WKing@asft.net>; Jerry <jbramblett@asftus.com>
Subject: Meeting Hilites!

All,

The following is a monetary snapshot of our meeting:

1. The balance forward for all of my efforts is 1,093,000.00 which is on the Code 25 vehicle. The 427K which should have been the balance on the ASC vehicle and the 150K advance from the code 25 vehicle has been written off as a lost.

2. The weekly NTE's are as follows:

A....CORE LABORE.....17K/WEEK
B...DEPOT.....8K/WEEK INCLUDES THE LEASE
C..RFID.....7.5K/WEEK NO G&A ALLOWED
D..NDC.....3K/WEEK
E..INQUEST.....4K/WEEK
F..PLUS-UP.....13K/WEEK
G..CS.....24K/WEEK (MAYBE PARAMONT
CAN START PAYING THIS)
H..PARAMONT.....13K/WEEK
I...TO.....3.3K/WEEK

TOTAL WEEKLY NTE: 92.8K/WEEK,

3. THE 1,093,000.00 WILL COVER FOR 12 WEEKS THROUGH JULY 31ST!

Pease read and comment, this will be my starting point. Let me re-iterate my last point. Since I have eaten approximately 600K I expect that all of my efforts are PAID on time every other week if I or anyone else has to call to inquire about payment I will be forced to terminate your support. I also expect each of you to be more considerate and professional to all of the vendors. Any further mistakes will result in termination of this work. I HOPE THAT THIS POINT IS UNDERSTOOD?

R

From: asftadg@aol.com
Sent: Sunday, June 19, 2005 4:05 PM
To: marianorm@mac.com; pnagle@asft.net; jbramblett@asft.net
Cc: aduttagupta@asft.net
Subject: Re: Payments

Jerry,

Is it true that RS did not get paid on Friday? If so, why wa I not informed? In this case even I am in the dark. How come? We have to take care of this first thing on Monday and please keep me in the loop if this decisions are taken. Maybe, I can find a solution.

Anjan

-----Original Message-----

From: Ralph Mariano <marianorm@mac.com>
To: pnagle@asft.net; jbramblett@asft.net
Cc: Anjan Dutta-Gupta <aduttagupta@asft.net>
Sent: Sun, 19 Jun 2005 11:27:17 -0400
Subject: Payments

Good Morning,
Jerry,

I have no problem waiting until the BAE paper work is resolved to Pay Inquest, but I am very annoyed that RS's bi-weekly was not paid and that this was done without at least notifying me. As I have stated in the past when you and/or someone makes a decision not to pay someone as a professional courteous I want to be in on that decision! Who else did not receive their payment friday?

RALPH!!!

PS..Since you guy's are so worried about the money, I'll assume that BAE has "all the paper work" in hand that they requested!!

From: Ralph Mariano <marianorm@mac.com>
Sent: Monday, June 20, 2005 9:09 AM
To: Jerry Bramblett <jbramblett@asft.net>; pnagle@asft.net
Cc: Anjan Dutta-Gupta (E-mail) <aduttagupta@asft.net>
Subject: RE: Payments

Jerry,
I understand but as the PM, I still find it unacceptable for ASFT to make a decision such as payments without my knowledge. And To be honest since ASFT waited 4 weeks to notify me of the BAE issue with respect to payments I have very little sympathy for you. Last point since getting paid was so very important for ASFT and you knew that the paper work needed to be modified last tuesday I find it insulting that you still have not sent it to BAE!! Again no sympathy from me!! I expect RS to get paid today!!

On Monday, June 20, 2005, at 08:48AM, Jerry Bramblett <jbramblett@asft.net> wrote:

>Good Morning Ralph,
>RS's and Inquest did not get paid last week, I have 11 weeks of funds that
>BAE is setting on. What am I going to pay them with? Pat is working on the
>paper work.
>Jerry

>
>-----Original Message-----

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>Sent: Sunday, June 19, 2005 11:27 AM
>To: pnagle@asft.net; jbramblett@asft.net
>Cc: Anjan Dutta-Gupta
>Subject: Payments

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