



United States Attorney's Office

## Northern District of Florida

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### **Former Employees of Defense Contractor Charged and Plead Guilty to Defrauding the United States**

**PANAMA CITY, FLORIDA** -- John R. Shannonhouse, 60, of Santa Rosa Beach, Florida, and Deborah L. Gibbons, 50, of Lynn Haven, Florida, pled guilty today to conspiracy to defraud the United States, announced Pamela C. Marsh, United States Attorney for the Northern District of Florida.

Shannonhouse and Gibbons were employed by defense contractor ARINC, Inc., in ARINC's Panama City office. In 2007 and 2008, ARINC had a contract with the United States Naval Surface Warfare Center in Panama City to build modules for the Littoral Combat Ship. Shannonhouse was a project manager for the "Littoral Contract," and Gibbons was a financial analyst.

As alleged in the indictment, ARINC provided many of its employees with corporate credit cards to use when making purchases needed for the Littoral Contract. From October 2007 to August 2008, Shannonhouse and Gibbons used ARINC corporate credit cards to buy over 1,000 personal items for themselves from Walmart, Walgreens, CVS, Winn Dixie, Best Buy, West Marine, Books-a - Million, and other stores. Some of the items purchased included stored-value cards from Visa, Starbucks, iTunes, and Applebee's, as well as DVDs, a Blu Ray player, video games, books, a Garmin GPS system, a personal computer, computer software, an X-Box, food, soft drinks and clothing. The cost for these personal purchases totaled \$129,978. As project manager, Shannonhouse approved all charges for payment from the Littoral Contract, and as a result, the United States was charged and paid for these fraudulent personal purchases. Today, both Shannonhouse and Gibbons admitted their guilt in signed statements filed with the court.

As part of their plea agreement with the United States, Shannonhouse and Gibbons have agreed to pay restitution in the amount of \$129,978. In addition to paying restitution, Shannonhouse and Gibbons face a maximum of five years in prison, one year of supervised release and a \$250,000 fine. United States District Judge Richard Smoak set sentencing for Shannonhouse and Gibbons on March 16, 2011.

U.S. Attorney Marsh praised the work of the Naval Criminal Investigative Service (NCIS) for its investigation leading to the charges in this case. "Those who defraud the United States must be held accountable, and prosecuting individuals who steal from taxpayers is a priority of this Office," said Marsh. The case is being prosecuted by Assistant United States Attorney Gayle Littleton.