Fayetteville Woman Sentenced to Nine Years in Prison for Multi-Million Dollar Contract Fraud Schemes - GSA Office of Inspector General

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Department of Justice
U.S. Attorney's Office
Eastern District of North Carolina
March 23, 2022

RALEIGH, N.C. – A Fayetteville woman was sentenced today to 108 months in prison. On September 30, 2021, Stephanie Dianna Elliott pleaded guilty in federal court to charges of wire fraud and money laundering arising out of schemes to defraud the United States Department of Defense (DoD) and businesses in the Eastern District of North Carolina.

According to court documents, from 2011 to 2020, Stephanie Dianna Elliott, aka "Stephanie Wilson," aka "Stephanie Moore," aka "Stephanie Russell," aka "Stephanie Hanchett," aka "Vicki Marsh," aka "Monica Allen," aka "Melissa Standford," aka "Jennifer Taylor," aka "Heidi Litchford," aka "Sandy Morehead," aka "Randy Morehead" aka "Katie Jones," aka "Sharon Mitchell," aka "Sharon Miller," aka "Sarah James," and aka "Janet Harrington," 45, used aliases and more than a dozen business entities to obtain more than 1,000 federal defense contracts valued at more than $2.2 million. According to the allegations in the indictment, Elliott defrauded the Department of Defense by obtaining contract payments after falsely certifying that she had shipped supplies to the U.S. military, when, in fact, the goods were not shipped. It is alleged that Elliott and/or businesses under her control were debarred from federal contracting on four occasions. Elliott circumvented the terms of her debarments by using aliases and various business names to continue bidding on federal contracts.

Elliott also executed fraud schemes in connection with contracts with the State of North Carolina and other state governments. Elliott bid on contracts to supply food products and other goods. After winning the contracts, Elliott defrauded third party vendors by inducing them to deliver the goods to the state in satisfaction of Elliott's contractual obligations. In so doing, Elliott obtained payment from state governments for these contracts but failed to pay the victim vendors.

"We are committed to protecting our business community and military from unscrupulous contractors. We will vigorously pursue anyone who seeks to victimize the fine men and women of the United States Armed Forces," said United States Attorney Michael Easley, Jr.

Special Agent in Charge of the General Service Administration Office of Inspector General Floyd Martinez stated, "Individuals are expected to be honest in their dealings with the government. GSA OIG and our investigative partners are committed to holding accountable those who misrepresent themselves in order to obtain federal contracts."

"Stephanie Elliot spent over a decade defrauding the Department of Defense. She evaded safeguards designed to ensure our warfighters receive the high-quality products and services they depend on to effectively meet their global mission," said Special Agent in Charge Christopher Dillard, Department of Defense Office of Inspector General, Defense Criminal Investigative Service (DCIS), Mid-Atlantic Field Office. "This outcome demonstrates the results of strategic coordination between DCIS and our partners to investigate corruption and bring those who commit fraud against the Government to justice."

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Michael Easley, United States Attorney for the Eastern District of North Carolina made the announcement. The Department of Defense Office of Inspector General, Defense Criminal Investigative Service and the General Services Administration, Office of Inspector General are investigated the case and Assistant U.S. Attorney Toby Lathan is prosecuted the case.

Related court documents and information can be found on the website of the U.S. District Court for the Eastern District of North Carolina or on PACER by searching for Case No. 5:21-cr-00142-D.

Source: U.S. Attorney's Office press release