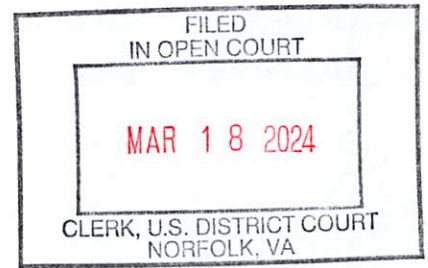


UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Norfolk Division



UNITED STATES OF AMERICA,

v.

DANIEL BISCHOF,

Defendant.

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CRIMINAL NO. 2:24-mj- 45

**STATEMENT OF FACTS**

By signing below, the parties stipulate that the allegations in the Criminal Information and the following facts are true and correct, and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt, by competent and admissible evidence.

**Background Information**

Unless otherwise stated, at all times relevant to the charge outlined in the Criminal Information:

1. DANIEL BISCHOF was employed as a Construction Manager at the Naval Facilities Engineering Systems Command (NAVFAC), Norfolk Naval Shipyard (NNSY). U.S. Navy (USN) records show that BISCHOF has been a civilian USN employee since June 8, 2009. BISCHOF was promoted to his current position on or about June 25, 2016. As a U.S. Government employee, BISCHOF is classified as a "public official" as defined within Title 18 U.S.C. § 201(a)(1). His duties as a construction manager put him in a position to evaluate proposals, make recommendations about how construction tasks should be performed, and recommend to contracting officers what vendors should be awarded contracts.

*LFW, JR*  
*MSH*

2. Company T, located in Norfolk, Virginia, in the Eastern District of Virginia, is engaged in two distinct lines of business. One line works on U.S. Government contracts and generally consists of space-planning and finishing. Company T has been awarded various U.S. government contracts, including USN contracts awarded and supervised by NAVFAC, NNSY.

3. H.R. is the president and sole owner of Company T.

Bischof's Employment with Company T

4. On or about January 29, 2016, H.R. emailed BISCHOF stating, "I would like to discuss with you the possibility of contracting with us until I can get enough momentum...I would like to possibly win one of these suckers and then have you represent us on a contractual basis without you leaving the security of your current cushy job."

5. On or about February 2, 2016, BISCHOF emailed the Ethics Counselor for NAVFAC MIDLANT regarding H.R.'s job proposal to see if he was allowed to do work for H.R. BISCHOF relayed the following:

I have been friends with H.R. for about 8 years and in the last two years she has formed an 8a construction company by the name of [Company T]. She also owns [Company W] of which is how I met her as I am an architect and have worked on other projects prior to my employment with the Government. She has been awarded contracts with the Army Corps of Engineers and Coast Guard and is asking if I can help her by reviewing her construction schedules, QC plans and budgets on these projects as she is struggling with transitioning into the construction world. These items would pertain to already awarded contracts only and I would have no communication with these agencies or her subcontractors. If any Navy contracts came up I told her I would not be comfortable reviewing any of that information unless your direction is otherwise. I am asking for guidance as not to violate our ethics policy. Thank you for your assistance.

6. On February 12, 2016, NAVFAC Counsel responded to BISCHOF's email. In his email, NAVFAC Counsel relayed there was no express prohibition on BISCHOF's proposed conduct based on the facts he provided, specifically:

LHW, JR  
DB BSH

(1) You will not be financially compensated for your assistance. Any assistance will occur while you are off duty.

(2) You will not have any present business or financial interest in [Company T] (e.g., compensated employment, consulting, or independent contacting) nor do you intend to establish such a relationship in the future.

7. NAVFAC Counsel warned that if any of these facts were incorrectly stated than BISCHOF might not be able to rely on his opinion.

8. BISCHOF knew that these facts were untrue, and that Company T planned to compensate him for his time there. As such, should BISCHOF engage in paid employment with Company T, he could not rely on the guidance from NAVFAC counsel.

9. BISCHOF began working at Company T as a paid 1099 contractor on or about March 4, 2016. From on or about March 4, 2016, to March 16, 2018, BISCHOF worked at Company T. During that time BISCHOF was paid \$32,475 by Company T.

10. Around April 1, 2019, H.R. asked BISCHOF for a copy of the letter the NAVFAC Counsel provided him approving his outside employment at Company T. On or about April 1, 2019, BISCHOF emailed H.R., stating "below is the guidance I received from counsel." The email sent by BISCHOF in response was only a portion of the email he received from NAVFAC Counsel and did not contain the information listed in Paragraph 6 from NAVFAC Counsel.

11. H.R. again requested an official letter from the USN approving BISCHOF's outside employment. On or about August 19, 2019, BISCHOF forwarded the email from the NAVFAC Counsel to H.R. with the following language removed, "You will not be financially compensated for your assistance. Any assistance will occur while you are off duty."



BISCHOF's Supervision of Company

12. The USN publicly announced a multiple award construction contract solicitation<sup>1</sup>, N40085-14-R-8138, for work at the Norfolk Naval Shipyard (NNSY). The source selection board for the MACC solicitation was convened on or about July 11, 2014, prior to BISCHOF's employment at Company T. BISCHOF was on the source selection board. The board had to evaluate proposals and recommend which contractors should be issued a contract. Company T submitted a proposal for the solicitation. The source selection board rated Company T as having "very low risk" and no deficiencies.

13. Company T was placed on the MACC list along with multiple other companies and issued the MACC number N40085-14-D-8184 on or about September 29, 2014.

14. Between March 2016 through March 2018, during BISCHOF's employment with NAVFAC, Company T was awarded eleven delivery orders from this MACC. BISCHOF managed two such delivery orders in his capacity as a Construction Manager for NAVFAC.

15. These task orders included the building 172 Roof Repair, (N40085-14-D-8184/0004) that was awarded to Company T on or about June 29, 2016. This project was accepted by the Government on or about October 19, 2017.

16. The second task order BISCHOF managed was the Design-Bid-Build, Exterior cleaning, repair, and refinishing historic exterior envelopes of Buildings 22, 23, and 37, and the

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<sup>1</sup> A Multiple Award Construction Contract (MACC) is a type of an Indefinite Quantity Contract awarded pursuant to Federal Acquisition Regulation (FAR) § 16.504. It is a base contract in which if a vendor is selected, they are then eligible to compete for "task orders" that are offered to the small pool of MACC awardees. Each MACC is publicly announced. The announcement defines the scope of the MACC solicitation (i.e., type of construction, dollar limitations of task orders, location, and duration). Contractors are selected for award utilizing source selection procedures outlined in FAR Subpart 15.3

cleaning and refinishing of Building 1475 Norfolk Naval Shipyard, Portsmouth, Virginia (N40085-18-F-4257). This task order was awarded on or about November 26, 2017.

17. On or about March 9, 2018, in his capacity as the Construction Manager for delivery order N4009518F4257, BISCHOF reviewed and submitted for approval Company T's asbestos removal plan. At the time of this approval, BISCHOF was being compensated by Company T.

18. On or about November 6, 2019, delivery order N4009518F4257 for Design-Bid-Build, Exterior cleaning, repair, and refinishing historic exterior envelopes of Buildings 22, 23, and 37, and the cleaning and refinishing of Building 1475 Norfolk Naval Shipyard, Portsmouth, Virginia was completed.

19. The investigation and evidence prove that from on or about March 2016 through March 2018, in the Eastern District of Virginia, the defendant, being an officer and employee of the executive branch of the United States Government, knowingly participated personally and substantially as a Government employee, through decision, approval, disapproval, and otherwise, in a contract, which the defendant had a financial interest.

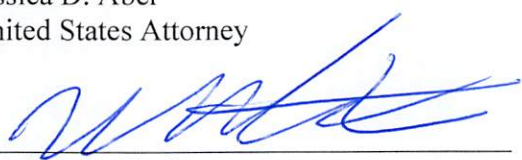
20. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

21. The actions of the defendant, as recounted above, were in all respects knowing deliberate, and intentional, and were not committed by mistake, accident, or other innocent reason.

Respectfully submitted,

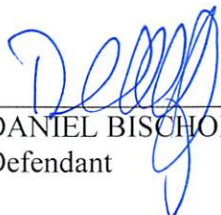
Jessica D. Aber  
United States Attorney

By:


  
Matthew J. Heck  
Assistant United States Attorney

DB LHM, 92  
04/19/24

After consulting with my attorney, I hereby stipulate that the above statement of facts is true and accurate, and that had the matter gone to trial, United States would have proved the same beyond a reasonable doubt.

  
\_\_\_\_\_  
DANIEL BISCHOF  
Defendant

I am the attorney for DANIEL BISCHOF. I have carefully reviewed the above statement of facts with the defendant. To my knowledge, the defendant's decision to stipulate to these facts is informed and a voluntary one.

  
\_\_\_\_\_  
Lawrence Woodward, Esq  
Counsel for Defendant