

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 OR 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 8, 2006

VSE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

0-3676 54-0649263
(Commission File Number) (I.R.S. Identification Number)

2550 Huntington Avenue
Alexandria, Virginia 22303-1499
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (703) 960-4600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

VSE CORPORATION

Item 8.01 Other Events

Attached hereto as Exhibit 99.1 is a copy of the Registrant's news release dated June 8, 2006 announcing the increase in the Registrant's annual dividend. The news release also announced that the Registrant's Board of Directors authorized the Registrant to repurchase up to 50,000 shares of VSE Common Stock, par value \$.05 per share, subject to corporate objectives.

Item 9.01 Financial Statements and Exhibits

(C) Exhibits

Exhibit
Number

99.1 News Release, June 8, 2006 entitled "VSE Increases
Dividend and Authorizes Stock Buyback"

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VSE CORPORATION
(Registrant)

Date: June 12, 2006

/s/ C. S. Weber

C. S. Weber
Executive Vice President,
Chief Administrative Officer,
Secretary

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EXHIBIT 99.1

VSE Increases Dividend and Authorizes Stock Buyback

Board Authorizes Repurchase of up to 50,000 Shares

Alexandria, Virginia, June 8, 2006 - VSE Corporation (Nasdaq: VSEC) reported today that at a meeting of the Company's Board of Directors held on June 6, 2006, and on the recommendation of its Finance Committee, the directors declared a quarterly dividend of \$.07 per share, on all outstanding shares excluding Treasury shares, increasing the annual payout rate by 16.7% from \$0.24 to \$0.28 per share.

The \$.07 per share dividend declared on June 6, 2006, will be paid on August 23, 2006, to stockholders of record as of August 2, 2006.

The Board also authorized the Company, on the recommendation of the Finance Committee, to repurchase up to 50,000 shares of VSE Common Stock, par value \$.05 per share, from time to time on the open market, subject to corporate objectives. As of June 7, 2006, the Company had 2,369,049 shares of VSE Common Stock outstanding.

This news release contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements" under federal securities laws. All such statements are intended to be subject to the safe harbor protection provided by applicable securities laws. For discussions identifying some important factors that could cause actual VSE results to differ materially from those anticipated in the forward looking statements in this news release, see VSE's public filings with the Securities and Exchange Commission.

VSE provides diversified services to the engineering, energy and environment, defense, and homeland security markets from more than 20 locations across the United States and around the world. For the three month period ended March 31, 2006, VSE reported consolidated revenues of \$63.3 million and earnings of \$1.5 million (\$0.61 per diluted share). For more information on VSE services and products, please see the Company's web site at www.vsecorp.com or contact Len Goldstein, Director of Business and New Product Development at (703) 317-5202.

News Contact: C. S. Weber, CAO, at (703) 329-4770.

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