

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * KNOWLTON JAMES M			2. Issuer Name and Ticker or Trading Symbol VSE CORP [VSEC]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director _____ 10% Owner _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Executive Vice President		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 09/30/2004			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
VSE CORPORATION, 2550 HUNTINGTON AVENUE			4. If Amendment, Date Original Filed (Month/Day/Year)					
(Street)								
ALEXANDRIA, VA 22303-1499								
(City) (State) (Zip)								

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$.05 per share	09/30/2004		M		10,000	A	\$ 8.03	25,759	D	
Common Stock, par value \$.05 per share	09/30/2004		S		7,500	D	\$ 31.1299	18,259	D	
Common Stock, par value \$.05 per share	09/30/2004		S		1,800	D	\$ 31.20	16,459	D	
Common Stock, par value \$.05 per share	09/30/2004		S		300	D	\$ 31.21	16,159	D	
Common Stock, par value \$.05 per share	09/30/2004		S		400	D	\$ 31.23	15,759	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

	Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.	SEC 1474 (9-02)
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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (right to buy)	\$ 8.03	09/30/2004		M		10,000	(1)	12/31/2004	Common Stock, par value \$.05 per share	10,000	\$ 0	26,500	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KNOWLTON JAMES M VSE CORPORATION 2550 HUNTINGTON AVENUE ALEXANDRIA, VA 22303-1499			Executive Vice President	

Signatures

James M. Knowlton	10/01/2004
<small>Signature of Reporting Person</small>	<small>Date</small>

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The option became exercisable in four equal annual installments beginning on the grant date (1/1/2000).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.