



U. S. Department of Justice

News Release

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GUNNERY SERGEANT PLEADS GUILTY TO SOLICITING BRIBES

Raleigh - United States Attorney Thomas G. Walker announced that in federal court today **JULIO ARREOLA**, 36, of Camp Lejeune, North Carolina, pled guilty before Senior United States District Judge James C. Fox to demanding and seeking a bribe in violations of Title 18, United States Code, Sections 201(b)(2)(A) and (B).

U.S. Attorney Walker stated, "Corruption among staff non-commissioned officers in the military like **ARREOLA'S** undermines our ability to ensure that our service members in the field have the resources they need to fulfill our nation's missions overseas."

According to the Indictment filed on July 17, 2012 and information stated in open court, **ARREOLA** was a Gunnery Sergeant in the United States Marine Corps (USMC). From in or about February, 2008, and continuing to in or about September, 2008, **ARREOLA** was assigned to the I Marine Expeditionary Forces Headquarters Group (I MHG), Engineer Company, at Camp Fallujah,

Iraq. During his deployment to Camp Fallujah, **ARREOLA** served as a non commissioned officer who supervised construction projects. In this capacity he obtained quotes from contractors, initiated purchase orders on behalf of the U.S. Government, and oversaw the delivery of supplies. **ARREOLA** would submit the quotes for approval through the military chain of command.

Sometime in or about June 2008, the exact date unknown, **ARREOLA** solicited a bribe from Davut Construction and Services Company, a company offering engineering, logistics, construction and life support services to the U.S. Government. Specifically, **ARREOLA** told a company representative that he, **ARREOLA**, would recommend to the Department of Defense that various items be purchased from Davut in return for cash payments. **ARREOLA** further told the representative that the cash payments could be generated from the manipulation of the contracting relationship to be established between Davut and the Department of Defense; that is, **ARREOLA** told the representative to generate the bribe money by having Davut inflate the costs in the proposed quote and/or deliver less than the items listed in the quote, and then give him, **ARREOLA**, the difference in price as a bribe.

A sentencing hearing is scheduled for the Court's May 13th term of court. At sentencing, **ARREOLA** faces a total maximum sentence of 15 years imprisonment and/or a \$250,000 fine, and 3 years of supervised release.

Defense Criminal Investigative Service (DCIS) Special Agent in Charge John F. Khin, Southeast Field Office, commented, "It is disheartening when a military member abandons his code of conduct and violates a position of trust for personal enrichment. The DCIS investigates fraud and corruption that undermines the integrity of the Department of Defense. We continue to aggressively investigate violators to preserve precious American taxpayer dollars and better support our Warfighters serving honorably and selflessly in Southwest Asia."

The criminal investigation of this case was conducted by United States Defense Criminal Investigative Service and the United States Naval Criminal Investigative Service. Assistant United States Attorney Banumathi Rangarajan is handling the prosecution on behalf of the Eastern District of North Carolina.

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