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# Department of Justice

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## **TWO DEFENDANTS ARRESTED IN BRIBERY, MONEY LAUNDERING CASE RELATED TO DEPARTMENT OF DEFENSE CONTRACTS IN IRAQ AND KUWAIT**

WASHINGTON A major in the U.S. Army has been charged with bribery, money laundering and conspiracy arising out of his service as an Army contracting officer in Kuwait in 2004 and 2005, Assistant Attorney General Alice S. Fisher of the Criminal Division and Assistant Attorney General Thomas O. Barnett of the Antitrust Division announced today.

John L. Cockerham, 41, a resident of Fort Sam Houston Army Base in San Antonio, Texas, was arrested by federal agents Sunday night and charged by criminal complaint filed in the U.S. District Court in the Western District of Texas, San Antonio Division. Cockerham's wife, Melissa Cockerham, 40, was also arrested and charged with money laundering and conspiracy. An initial appearance for the defendants was held today before U.S. Magistrate Judge Pamela Mathy, and a detention hearing is set for Wednesday, July 25, 2007.

According to the affidavit filed in support of the arrest and search warrants, beginning in 2005, Major Cockerham began accepting millions of dollars in bribes from contractors who had Department of Defense contracts in Iraq and Kuwait that Major Cockerham either awarded to the contractors or controlled himself. Under the direction of Major Cockerham, Melissa Cockerham allegedly received millions of dollars in U.S. and foreign currency from these contractors and deposited the money in bank accounts and safe deposit boxes in Kuwait and Dubai. Records obtained in the case indicate that Cockerham may have received up to \$9.6 million in bribe payments from at least eight contractors and he anticipated receiving as much as \$5.4 million more.

Both defendants face up to 20 years in prison and a fine of \$500,000 for the charge of money laundering. The charge of bribery carries a maximum penalty of 15 years in prison and a fine of \$250,000. The conspiracy charge carries a maximum penalty of five years in prison and a fine of \$250,000.

This case is being prosecuted by Trial Attorneys Ann C. Brickley and Richard B. Evans of the Public Integrity Section, which is headed by Chief William M. Welch II, and Trial Attorneys Mark Pletcher and Emily Allen of the National Criminal Enforcement Section of the Antitrust Division, which is headed by Chief Lisa Phelan.

The case is being investigated by special agents of the Special Inspector General for Iraq Reconstruction; the Army Criminal Investigation Division, Defense Criminal Investigative Service; U.S. Immigration and Customs Enforcement at the Department of Homeland Security; the Federal Bureau of Investigation; and the Internal Revenue Service - Criminal Investigation Division.

Today's charge is an example of the Department of Justice's commitment to protect U.S. taxpayers from public procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

Anyone with information concerning bid rigging, bribery or other criminal conduct regarding DOD contracts is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694, or the Public Integrity Section of the Criminal Division at 202-514-2000.

A complaint is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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