



Department of Justice

FOR IMMEDIATE RELEASE
Wednesday, May 6, 2009
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CRM
(202) 514-2007
TDD (202) 514-1888

Civilian Contractor, U.S. Army Major and His Wife Indicted for Alleged Bribe Scheme Involving Contracts at Camp Arifjan in Kuwait

Government Seeks Forfeiture of Commercial Real Estate, Residences and Expensive Automobiles

A 23-count indictment unsealed today alleges that a civilian contractor paid more than \$2.8 million in bribes to a U.S. Army contracting official stationed at Camp Arifjan, an Army base in Kuwait, and the official's wife, and that the three individuals committed honest services fraud and money laundering offenses in connection with the same conduct.

The indictment, returned by a federal grand jury in the Northern District of Alabama, charges Terry Hall, 43, of Snellville, Ga., with one count of conspiracy to commit bribery, one substantive bribery count, eight counts of honest services wire fraud, one count of money laundering conspiracy and one count of engaging in monetary transactions in criminal proceeds.

Hall was originally indicted in the District of Columbia on Nov. 20, 2007, and charged with one count of bribery of a U.S. Army contracting official at Camp Arifjan. On Sept. 4, 2008, Hall was charged in a superseding indictment with one count of conspiracy to commit bribery, two substantive bribery counts and two honest services wire fraud counts. The government will seek dismissal of the D.C. indictments so that Hall can be tried together with his co-conspirators, named in the Alabama indictment unsealed today.

In the Alabama indictment, U.S. Army Major Eddie Pressley, 39, and his wife, Eurica Pressley, 37, both of Harvest, Ala., are charged with conspiracy to commit bribery, one substantive count of bribery, eight counts of honest services wire fraud, one count of money laundering conspiracy and eleven counts of engaging in monetary transactions in criminal proceeds.

The indictment alleges that Hall bribed two Army Majors, Eddie Pressley and James Momon, who served as Army contracting officials at Camp Arifjan between 2004 and 2006. According to the indictment unsealed today, from January 2004 to November 2007, Hall operated several companies that had contracts with the U.S. military in Kuwait, including Freedom Consulting and Catering Co. (FCC), and Total Government Allegiance (TGA). As a result of the bribes, FCC and TGA allegedly received approximately \$21 million from contracts to deliver bottled water and to erect security fencing for the Department of Defense (DoD) in Kuwait and Iraq.

According to the indictment, Eddie Pressley allegedly arranged for a blanket purchase agreement (BPA) for bottled water to be awarded to FCC, and thereafter Eddie Pressley arranged for calls under that BPA. As a result, DoD paid FCC approximately \$9.3 million. BPAs are contracts in which DoD agrees to pay a contractor a specified price for supplies and orders them on an as-need basis. An order under the contract is known as a "call." Eddie Pressley also allegedly arranged for DoD to award a contract to FCC to construct a security fence at Camp Arifjan, for which DoD paid FCC approximately \$750,000.

In exchange for these and other official acts, Eddie and Eurica Pressley are alleged to have received more than \$2.8 million in money and other valuable items from Hall. To receive the bribe payments, Eurica Pressley, at the behest of her husband, arranged for an entity named EGP Business Solutions Inc. (EGP) to be incorporated, opened a bank account in the name of EGP, and opened bank accounts in her name in Dubai, United Arab Emirates and the Cayman Islands. Hall, Eddie Pressley and Eurica Pressley also allegedly prepared and executed purported consulting agreements for the purpose of creating the appearance that Eurica Pressley had legitimately earned consulting fees from Hall. Hall then allegedly funneled bribe payments into the bank accounts controlled by Eurica Pressley.

The indictment also alleges that a second contracting official, former U.S. Army Major James Momon, arranged for calls to TGA under the same bottled water BPA, as a result of which DoD paid Hall approximately \$6.4 million. Hall allegedly paid Momon at least \$200,000 in exchange for these and other official acts. On Aug. 13, 2008, Momon pleaded guilty to receiving bribes from various contracting officers at Camp Arifjan.

"Service members and contractors who place personal gain above taxpayers' interests during periods of war breach the public trust and undermine the legitimacy of public institutions," said Sharon Woods, Director of the Defense Criminal Investigative Service. "Corruption of the nature uncovered throughout the course of this investigation destroys confidence in the Government's ability to act as an effective steward of taxpayer dollars. The Defense Criminal Investigative Service remains committed to working with law enforcement partners and the Department of Justice to prosecute fraud and public corruption to the fullest extent of the law."

"Such alleged activity by Army employees or government contractors who work with the Army will not be tolerated. We will continue to investigate allegations of this nature and do everything in our power to see that persons responsible are held accountable and brought to justice," said Brigadier General Rodney Johnson, the Commanding General of the U.S. Army Criminal Investigation Command (U.S. Army CID).

"These latest arrests are further evidence of SIGIR'S continuing efforts to root out public corruption within the Iraq program," said Stuart W. Bowen Jr., Special Inspector General for Iraq Reconstruction (SIGIR). "This successful investigation was part of cooperative efforts carried out by SIGIR and our partner agencies."

An indictment is merely an accusation and the defendant is presumed innocent until and unless proven guilty at trial beyond a reasonable doubt.

The charge of bribery conspiracy carries a maximum prison sentence of five years per count. Each substantive bribery count and wire fraud count carries a maximum penalty of 15 years in prison. Each count of money laundering conspiracy carries a maximum prison sentence of 20 years and each count of monetary transactions in criminal proceeds carries a maximum penalty of 10 years in prison.

The case is being prosecuted by trial attorneys Peter C. Sprung, Deborah Sue Mayer and Edward J. Loya Jr., of the Criminal Division's Public Integrity Section, headed by Section Chief William Welch. These cases are being investigated by U.S. Army CID and Defense Criminal Investigation Service, FBI, ICE, the Justice Department's Office of the Inspector General, SIGIR and the Internal Revenue Service Criminal Investigation. The investigations are continuing.

In October 2006, the Department of Justice announced the formation of a National Procurement Fraud Task Force designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force, chaired by Assistant Attorney General Breuer, includes the U.S. Attorneys' Offices, the FBI, the U.S. Inspectors General community, and a number of other federal law enforcement agencies. The cases brought by members of the Task Force demonstrate the Department of Justice's commitment to helping ensure the integrity of the government procurement process.