



Department of Justice

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FORMER KBR EMPLOYEE SENTENCED FOR SCHEME TO DEFRAUD THE U.S. DEPARTMENT OF DEFENSE

ALEXANDRIA, VA – Wallace A. Ward, 26, of Spring Lake, N.C., a former Kellogg, Brown & Root (KBR) employee who worked in Afghanistan, was sentenced today in U.S. District Court to 26 months in prison for conspiring to receive bribes, making false statements and filing false claims, announced Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Chuck Rosenberg for the Eastern District of Virginia.

In addition to the 26 month prison sentence, Judge T.S. Ellis III, sentenced the defendant to three years of supervised release and ordered him to pay \$216,000 restitution to the Defense Energy Support Center headquartered at Fort Belvoir. Ward pleaded guilty on Jan. 25, 2008.

According to court documents, KBR had a contract to provide support services to the U.S. Army at Bagram Airfield in Afghanistan, including unloading truckloads of jet fuel delivered by drivers hired by Red Star Enterprises Limited. Between May and September 2006, certain KBR employees conspired to accept payments from drivers, who in fact were selling their fuel to parties outside the airfield, in return for providing the drivers with false documents showing that the truckloads of fuel had been delivered to the airfield. The defendant admitted to joining the conspiracy in August 2006 and receiving bribes from several drivers in return for falsifying the paperwork. According to the indictment, more than 80 truckloads of fuel were diverted for sale outside the airfield between May and September 2006, involving more than 784,000 gallons of fuel valued at more than \$2.1 million.

In October 2006, the National Procurement Fraud Task Force was formed 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 National Procurement Fraud Task Force, chaired by Assistant Attorney General Fisher, includes the U.S. Attorneys' Offices, the FBI, the U.S. Inspectors General community and a number of other federal law

enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrates the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

The case was prosecuted by Assistant U.S. Attorney Jack Hanly and Trial Attorney James J. Graham of the Criminal Division's Fraud Section. Special Agents of the U.S. Army Criminal Investigative Division in Virginia and Afghanistan and the Defense Criminal Investigative Service in Virginia investigated the case.

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