

Army Sergeant and Associate Convicted on All Counts for Roles in Bribery and Money Laundering Scheme Related to Defense Contracts to Support Iraq War

To Date, 19 Individuals Have Pleaded Guilty or Been Convicted at Trial in Ongoing Corruption Investigation

WASHINGTON – A federal jury in Elkins, W. Va., convicted Richard Evick, a U.S. Army Sergeant First Class and Non-Commissioned Officer in charge of contracting at a U.S. military base in Kuwait, and his associate, Crystal Martin, of all counts with which they were charged in connection with a bribery and money laundering scheme related to defense contracts awarded in support of Operation Iraqi Freedom, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division and U.S. Attorney William J. Ihlenfeld II for the Northern District of West Virginia.

Evick was found guilty yesterday of one count of bribery conspiracy, two counts of bribery, one count of money laundering conspiracy, six counts of money laundering and one count of obstructing an agency proceeding. Martin was found guilty of one count of bribery conspiracy, one count of money laundering conspiracy and four counts of money laundering.

"As the highest ranking enlisted officer in the U.S. Army's contracting office at Camp Arifjan in Kuwait, Mr. Evick had a special duty to strike deals in the best interests of the American people," said Assistant Attorney General Breuer. "Instead, he steered business to dirty contractors in exchange for tens of thousands of dollars in cash and other items. Mr. Evick, Ms. Martin and their co-conspirators defrauded the government they had sworn to serve. To date, our investigation has led to the convictions of 19 individuals, and we will continue aggressively to pursue corruption and procurement fraud wherever we find it."

"The investigation and prosecution of public corruption cases continues to be a top priority for the Department of Justice in West Virginia and throughout the country," said U.S. Attorney Ihlenfeld. "Fortunately the vast majority of our public officials are honest and trustworthy, but those who are not will be held accountable."

Evick served as the U.S. Army's Non-Commission Officer in charge of contracting at Camp Arifjan between 2005 and 2006. In that capacity, Evick had the authority to arrange for the award of valuable contracts to supply the U.S. military with bottled water and catering services, maintain Army barracks and install security barriers, among other things.

Evidence presented at trial demonstrated that Evick and his co-conspirators manipulated the contracting process in several ways, including disclosing confidential information about the U.S. military's plans to procure goods and services and accepting fake bids. In this manner, Evick and two of his fellow contacting officials, former Army Majors James Momon and Chris Murray, steered nearly \$24 million worth of contracting business to certain contractors. In exchange, these contractors paid Evick more than \$170,000 in bribes, a free New Year's Eve trip to Dubai and parties.

Among the persons who paid Evick these bribes was Wajdi Birjas, a civilian U.S. government employee at Camp Arifjan who had a secret interest in a military contractor operating in Kuwait. Birjas testified that he provided phony bids to Evick from purportedly independent contractors who were, in reality, controlled by the same individuals. The evidence showed that Evick used these bids to create the false impression that the contracts were awarded according to Army contracting rules providing for a competitive bidding process. Birjas also testified that he had a hidden safe at his villa where Momon stored more than \$800,000 in bribe money and which Evick used to exchange a large amount of Kuwaiti currency for U.S. dollars.

According to the evidence, Evick gave much of his bribe money to Martin, who had a concession from the Army and Air force Exchange Service to sell merchandise at Camp Arifjan, which was primarily a cash business. Evick and Martin then transferred tens of thousands of dollars worth of Evick's bribe money to the U.S. into the hands of Evick's wife and his girlfriend. The evidence showed that, in order to conceal the fact that this was bribe money, Evick and Martin converted the money into Western Union wires, money orders, cashiers checks and personal checks. Evick and Martin also smuggled cash into the U.S. on their persons, Martin often taking military transport flights to avoid customs screening. Evick used his bribe money, among other things, to purchase and construct a residence on three and one half acres in Parsons, W. Va., and to buy a pickup truck.

The evidence showed that Evick and Martin also participated in a scheme to smuggle \$250,000 of bribe money belonging to Momon into the U.S. Momon testified about a summer 2006 meeting at Kuwait international airport with Evick and Martin, at which Martin described how she was laundering Evick's bribe money and offered to provide the same service for Momon. According to evidence presented at trial, Evick offered to bury Momon's money on Evick's West Virginia property. When law enforcement agents interviewed Evick several months later about corruption at Camp Arifjan, Evick falsely stated that he did not know the contractor from whom evidence showed he had received a \$150,000 bribe, among other things.

"Contingency contracting provides an opportunity for honest contractors to excel but still runs the inherent risk of fraudulent activity that plagues all government contracting," said Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service. "While our service members and defense civilians expect the best from their supporting contracts, we root out the worst and, working alongside our law enforcement partners, continue to aggressively bring those who defraud our nation's warfighters to justice."

"We are very pleased with the guilty verdicts in this case," said Frank Robey, the director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. "It is a warning to anyone, in or out of uniform, who attempts to defraud the Army or the government that we will investigate credible allegations and bring those responsible to justice. Our agents have done a remarkable job investigating this case along with our fellow law enforcement partners and the DOJ."

"The fact that a jury convicted these two individuals on all 11 counts stands as a powerful reminder that those who break the public trust to engage in bribery and money laundering with funds meant for the reconstruction of Iraq will face the full force of the law," said Stuart W. Bowen, Special Inspector General for Iraq Reconstruction (SIGIR). "SIGIR and those who work with us will continue work on those cases still open against those involved in illegal acts."

Evick and Martin face a maximum sentence of five years in prison for bribery conspiracy, 20 years in prison for money laundering conspiracy and 20 years in prison for each count of money laundering. Evick also faces a maximum of 15 years in prison for each count of bribery, five years for obstructing an agency proceeding and the

forfeiture of the proceeds of his bribe scheme, which includes his West Virginia residence. They also face maximum fines of \$250,000 per count. They will be sentenced by Chief U.S. District Judge John Preston Bailey. Their sentencing date has not yet been scheduled.

The case against Evick and Martin arose from a corruption probe focusing on the contracting office at Camp Arifjan, a U.S. military base in Kuwait. As a result of this investigation, 19 individuals, including Evick and Martin, have pleaded guilty or been found guilty at trial for their roles in the scheme. Momon pleaded guilty in August 2009 to receiving approximately \$1.6 million in bribes and agreed to pay \$5.7 million in restitution, and he is awaiting sentencing. Murray pleaded guilty in January 2009 for his role in the scheme and was sentenced in December 2009 to 57 months in prison. Birjas pleaded guilty in September 2010 and he is awaiting sentencing.

The case is being prosecuted by Trial Attorneys Peter C. Sprung and Eric G. Olshan of the Criminal Division's Public Integrity Section, and Assistant U.S. Attorney Andrew R. Cogar of the U.S. Attorney's Office for the Northern District of West Virginia. The case is being investigated by special agents of the Defense Criminal Investigative Service, the Army Criminal Investigation Command Division, Internal Revenue Service-Criminal Investigation, the FBI and SIGIR.