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Former Army Contractor Sentenced to 39 Months in Prison for Role in Bribery and Money Laundering

Scheme Related to DoD Contracts

To Date, 17 Individuals Have Pleaded Guilty or Been Convicted at Trial in Ongoing Corruption Investigation

WASHINGTON –Terry Hall, 45, was sentenced today in Birmingham, Ala., to 39 months in prison for his participation in a bribery and money laundering scheme related to bribes paid for contracts awarded in support of the Iraq war, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division.

U.S. District Court Judge Virginia Emerson Hopkins for the Northern District of Alabama also ordered Hall to serve one year of supervised release following the prison term. Hall has agreed to forfeit \$15,757,000 as well as real estate and a Harley Davidson motorcycle.

Hall pleaded guilty on Feb. 18, 2010, to bribery conspiracy and money laundering and agreed to testify against his co-defendants, former U.S. Army Major Eddie Pressley and his wife, Eurica Pressley. The Pressleys were convicted on March 1, 2011, of bribery, conspiracy to commit bribery, honest services fraud, money laundering conspiracy and engaging in monetary transactions with criminal proceeds.

The case against Hall and the Pressleys arose from a corruption probe focusing on Camp Arifjan, a U.S. military base in Kuwait. As a result of this investigation, 17 individuals, including Hall, have pleaded guilty or been found guilty at trial for their roles in the scheme.

According to evidence presented at the Pressleys' trial, from spring 2004 through fall 2007, Hall operated and had an interest in several companies, including Freedom Consulting and Catering Co. and Total Government Allegiance. The companies received more than \$20 million from contracts and blanket purchase agreements (BPAs) – a contract that allows the U.S. Department of Defense (DoD) to order supplies on an as-needed basis at a pre-negotiated price – to deliver bottled water and erect security fences for the U.S. military in Kuwait and Iraq.

Hall testified that, to obtain the contracting business and facilitate unlawful payments by other contractors, he made more than \$3 million in unlawful payments and provided other valuable items and services to U.S. Army contracting officials stationed at Camp Arifjan, including to Eddie Pressley and former U.S. Army Majors John Cockerham, James Momon, Christopher Murray and Derrick Shoemake.

According to Hall's testimony and other evidence presented at the Pressley trial, Eddie Pressley demanded a \$50,000 bribe before he would issue bottled water orders or "calls" to Hall. Hall testified that in April 2005, he and his associates arranged for Pressley to receive the money in a bank account established in the name of a shell company, EGP Business Solutions Inc., which was controlled by Eurica Pressley.

Hall testified that soon after the \$50,000 bribe was paid, Pressley and Cockerham, another U.S. Army contracting official, increased the bribe demand to \$1.6 million, which consisted of \$800,000 for Pressley and \$800,000 for Cockerham. After Hall and others agreed to pay the money, Pressley and Cockerham issued calls for bottled water and fencing, arranged for Hall to receive a fence contract and modified Hall's agreement to remove the upper limit of the money Hall could receive from the DoD under the bottled water BPA.

Evidence at trial also showed that Eddie Pressley enlisted the help of his wife, Eurica, to receive the bribes. Eurica Pressley traveled to Dubai with Hall in May 2005 and to the Cayman Islands in June 2005 to open bank accounts to receive the bribe money. Hall testified that he and the Pressleys attempted to conceal the true nature of their corrupt scheme by having Eurica Pressley execute bogus "consulting agreements." They also prepared false invoices that were designed to justify the bribe payments as payment for non-existent "consulting services."

Hall testified that, in total, he transferred approximately \$2.9 million in bribe payments to the Pressleys, approximately \$1.6 million of which consisted of payments from other contractors that Hall facilitated for Eddie Pressley. Bank statements, wire transfer reports and other records presented at trial showed that the Hall and Eddie Pressley used approximately \$2.9 million of the money to purchase commercial real estate in Muscle Shoals, Ala.

In addition, Hall testified that, after Eddie Pressley and Cockerham left Kuwait, he paid Momon more than \$300,000, approximately \$100,000 of which consisted of unlawful payments from another corrupt military contractor, which Hall facilitated by routing the money through bank accounts in Kuwait controlled on Hall's behalf. In exchange, Momon issued calls under Hall's bottled water BPA worth more than \$6.4 million. Hall also testified that he paid Murray approximately \$30,000 in exchange for official acts that benefited Hall and his companies.

On Jan. 5, 2012, Eddie Pressley was sentenced to 144 months in prison, and on Feb. 23, 2012, Eurica Pressley was sentenced to 72 months in prison.

On Aug. 13, 2009, Momon pleaded guilty to receiving approximately \$1.6 million in bribes and agreed to pay \$5.7 million in restitution. Momon's sentencing has not yet been scheduled. On Jan. 8, 2009, Murray pleaded guilty to charges of bribery and making a false statement. He was sentenced on Dec. 17, 2009, to 57 months in prison and ordered to pay \$245,000 in restitution. On Jan. 31, 2008, Cockerham pleaded guilty to participating in a bribery and money laundering scheme at Camp Arifjan. He was sentenced on Dec. 2, 2009, to 210 months in prison and ordered to pay \$9.6 million in restitution. On June 9, 2011, Shoemake pleaded guilty to two counts of bribery, including receiving \$215,000 from Hall. He is scheduled to be sentenced on April 18, 2012.

The case is being prosecuted by Trial Attorneys Peter C. Sprung and Edward J. Loya Jr. of the Criminal Division's Public Integrity Section. Assistance was also provided by the Criminal Division's Office of International Affairs. The cases are being investigated by the U.S. Army Criminal Investigation Command, Defense Criminal Investigative Service, U.S. Immigration and Customs Enforcement, FBI, Internal Revenue Service - Criminal Investigation, Special Inspector General for Iraq Reconstruction and the International Contract Corruption Task Force (ICCTF). The ICCTF is a joint law enforcement agency task force that seeks to detect, investigate and dismantle corruption and contract fraud resulting from U.S. Overseas Contingency Operations worldwide, including in Kuwait, Afghanistan and Iraq.