
SUSPENSIONS AND DEBARMENTS

Since December 2005, the Special Inspector General for Iraq Reconstruction (SIGIR) has worked closely with the Department of Justice (DoJ), U.S. Army Criminal Investigation Command, Defense Criminal Investigative Service, and the Army Legal Service Agency's Procurement Fraud Branch to suspend and debar contractors for fraud or corruption within the Army, including those involving Iraq reconstruction or Army support contracts in Iraq. These cases arise as the result of criminal indictments filed in federal district courts and allegations of contractor irresponsibility that require fact-based examination by the Army's Suspension and Debarment Official.

In June 2003, the Department of Defense designated the Department of the Army as the executive agent for contracting support to the Coalition Provisional Authority (CPA). As a result, the Army's Suspension and Debarment Program leads the effort to ensure the integrity of contractors performing these contracts. The

goal of this program is to ensure that these contracts are awarded to, and performed by, contractors who are honest and ethical and who have the ability to successfully perform this important work. The Procurement Fraud Branch has also taken a leading role within the Army and at joint contracting organizations to train contracting officers to aid in the prevention and early detection of contractor fraud in Iraq reconstruction and support contracts.

Since the last Quarterly Report, the Procurement Fraud Branch has suspended 3 more individuals and companies, based on allegations of fraud and misconduct connected to Iraq reconstruction and contractor fraud bringing the total suspensions to date to 32. In addition, since the last Quarterly Report 2 individuals and companies have been proposed for debarment and 3 have been debarred bringing the total proposed debarments to 30 and the total debarments to 20.

APPENDIX L

Highlights from the fourth quarter of 2007 include two hearings held before the Army Suspension and Debarment Official regarding allegations of misconduct in the award of convoy-security contracts to EOD Technology, Inc., in Iraq. These hearings resulted in the termination of a proposed debarment of a former EOD Technology employee and a determination that suspension or debarment action was not appropriate at this time with regard to the company itself. The Army Procurement Fraud Branch also received assistance from the U.S. Army Europe and 7th Army, Office of the Staff Judge Advocate, in the proposal for debarment of Yuksel Insaat, a Turkish construction contractor accused of submitting false claims as a result of a termination for convenience of a contract for Joint Contracting Command-Iraq/Afghanistan in Taji, Iraq. Finally, one show cause letter was sent to Al Qabandi United Company WLL, a Kuwait-based supplier of construction materials and other services to Coalition forces in Kuwait regarding a failure to provide adequate gravel for construction activities at Camp Arifjan, Kuwait.

Regarding other actions in the fourth quarter of 2007, the Army Suspension and Debarment Official sent a request for information to Kuwait and Gulf Link Transport, a Kuwait-based provider to transportation services to Coalition forces, due to the entry of a default judgment against the company in the United States District Court for the Northern District of Georgia for the wrongful death of LTC Dominic Baragona, Jr., USA. LTC Baragona passed away as a result of a traffic accident involving a HMMWV and a Kuwait and Gulf Link Transport tractor-trailer on May 19, 2003. The default judgment, entered on November 5, 2007, awarded \$4.9 million to LTC Baragona's family. The request for information asked how the company intends to acknowledge this judgment in light of its statement that it is a presently responsible government contractor.

In March 2006, the Army also entered into an Administrative Compliance Agreement with Eagle Global Logistics, a freight forwarder operating in the Middle East. For information on specific actions by the Army Suspension and Debarment Official, see Table L-1.

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Powell, Glenn Allen	LOGCAP Contractor Employee	Suspended, 9/17/2005; proposed for debarment, 12/13/2005; debarred, 2/16/2006	Bribery of Government Official	\$113,000	Awarded contract to KBR subcontractor under LOGCAP III contract in exchange for 20% kickback of contract price. Employer unaware of actions. On 8/19/2005, pled guilty to a two-count criminal information charging him with fraud. Case Closed.
DXB International	LOGCAP Subcontractor	Suspended, 7/25/2005; proposed for debarment, 9/29/2005	Allegations of Failure To Perform a Contract	\$41,311,936.00	Failure to perform a contract for the delivery of ice to Army troops in Iraq. Case Closed.
Name Withheld	Employee - DXB International	Suspended, 7/25/2005; proposed for debarment, 7/25/2005	Allegations of Failure To Perform a Contract	See case status	SDO determined that debarment was not appropriate based on lack of substantiation of allegations. Case Closed.
Ludwig, Steven	Employee - DXB International	Suspended, 7/25/2005; proposed for debarment, 9/29/2005	Allegations of Failure To Perform a Contract	See case status for DXB International	Failure to perform a contract for the delivery of ice to Army troops in Iraq. Case Closed.
Jasmine International Trading and Service Company	Contractor - Area Support Group Kuwait	Proposed for debarment, 2/27/2006; debarred, 6/22/2006	Allegations of Bribery of Government Official	No known loss.	Provided payments to Army finance office personnel at Camp Arifjan, Kuwait, for expedition of payments due on Army contracts. Kuwaiti Company—no DOJ action. 9-month debarment. Case Closed.
Salem, Diaa Ahmen Abdul Latif	Director, Jasmine International Trading and Service Company	Proposed for debarment, 2/27/2006; debarred, 6/22/2006	Allegations of Bribery of Government Official	No known loss.	Provided payments to Army finance office personnel at Camp Arifjan, Kuwait, for expedition of payments due on Army contracts. Kuwaiti National—no DOJ action. 9-month debarment. Case Closed.
Eagle Global Logistics, Inc.	Subcontractor - LOGCAP III	Suspended, 2/27/2006; Administrative Compliance Agreement signed, 3/2/2006	Allegations of Violation of the False Claims Act; False Statements	See case status	Claimed surcharges for air-freight forwarding services of transport of U.S. military equipment between Dubai and Baghdad. Administrative compliance agreement signed with Army on 3/2/2006
Cahill, Christopher Joseph	Employee - Eagle Global Logistics, Inc.	Suspended, 2/27/2006; proposed for debarment, 9/15/2006; debarred, 11/9/2006	False Claims Act; False Statements	See case status	Pled guilty to adding an illegal surcharge to government contracts while employed by a shipping company in the Middle East. Sentenced by the U.S. District Court, Central District of Illinois, to 30 months confinement, 2 years supervised release, and a \$10,000 fine. Case Closed.
Global Business Group S.R.L.	Contractor - CPA-SC	Suspended, 11/28/2005; proposed for debarment, 6/26/2007; debarred, 8/8/2007	Money Laundering; Bribery; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$2,982,610	Contractor based in Romania used by Philip H. Bloom to procure fraudulent contracts. Also doing business as Global Business Group Logistics, GBG Holdings, and GBF Logistics Division. Debarred for approximately 7 years and 4 months, ending on 11/28/2014. Case Closed.
Bloom, Philip H.	Owner, Global Business Group S.R.L.	Suspended, 11/28/2005; proposed for debarment, 6/26/2007; debarred, 8/8/2007	Money Laundering; Bribery; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	See case status for Global Business Group S.R.L.	Pled guilty to conspiracy, bribery, and money laundering on 3/10/2006 in U.S. District Court for the District of Columbia. Sentenced 2/16/2007 to 46 months confinement, 24 months supervised release, and (with co-conspirators) forfeiture of \$3,600,000. Debarred for a period of approximately 7 years and 4 months, ending on 11/28/2014. Case Closed.
Merkes, Steven	Former Contracting Officer—SOEUR	Suspended, 1/24/2007; proposed for debarment, 8/15/2007; debarred, 9/27/2007	Acceptance of Illegal Gratuities	\$24,000.00	Accepted position with Global Business Group S.R.L. while a U.S. government employee. Agreed to provide GBG with assistance in receiving SOCOM contracts in Eastern Europe and Iraq. Sentenced 6/1/2007 to 12 months of confinement.
Stein, Robert J., Jr.	CPA-SC Civilian Comptroller and Funding Officer	Suspended, 12/2/2005; proposed for debarment, 7/2/2007; debarred, 8/16/2007	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$431,348 plus \$69,620 worth of weapons	Pled guilty to conspiracy, money laundering, bribery, possession of a machine gun, and aiding/abetting in the U.S. District Court for D.C. Sentenced on 1/29/2007 to 9 years confinement, 36 months supervised release, and (with co-conspirators) forfeiture of \$3,600,000. Debarred for a period of approximately 7 years and 4 months, ending on 12/5/2014. Case Closed.

APPENDIX L

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Wheeler, Michael B., LTC, USAR	Civil Affairs Team Leader, 432nd CA BN, USA	Suspended, 12/7/2005	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$100,000	Indicted 2/7/2007 in the U.S. District Court for the District of New Jersey, Awaiting Trial.
Harrison, Debra M., LTC, USAR	Assistant CPA-SC Comptroller and Funding Officer, 358th CA BDE, USA	Suspended, 12/20/2005	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$330,000 plus assorted bribery gifts: weapons, airline tickets and a Cadillac Escalade	Indicted 2/7/2007 in the U.S. District Court for the District of New Jersey, Awaiting Trial.
Hopfengardner, Bruce D., LTC, USAR	Civil Affairs Advisor, Iraqi Police, Al-Hilla Iraq	Suspended, 7/19/2006; proposed for debarment, 8/8/2007; debarred 9/20/2007	Wire Fraud, Money Laundering, Interstate Transport of Stolen Property, Conspiracy, Wrongful Conversion	\$22,400 cash, \$3,121 investments, Harley-Davidson motorcycle, and GMC Yukon Denali	Pled guilty to conspiracy to commit money laundering and wire fraud 6/26/2007. Sentenced to 21 months of confinement, 36 months supervised release, \$144,500 fine, and (with co-conspirators) forfeiture of \$3,600,000. Case Closed.
Salam, Faheem Mousa	Contractor - MNSTC-I	Suspended, 4/13/2006; proposed for debarment, 4/13/2007; debarred, 6/28/2007	Attempted Bribery of Government Official	No known loss.	Accused of offering cash payments to Iraqi police officials in exchange for contracts to supply the Civilian Police Assistance Training Team, Multi-National Security Transition Command-Iraq, with 1,000 protective vests and other equipment. Sentenced 2/7/2007 to 36 months confinement, 24 months supervised release, 250 hours community service, and \$100 special assessment. Case Closed.
Faiq, Alwan	Contractor Employee - GRD Baghdad	Proposed for debarment, 6/20/2006; debarred, 12/28/2006	Allegations of Bribery, False Claims	No known loss.	Alleged attempted bribery of a USAID-GRD contracting officer in exchange for procurement-sensitive information and favorable treatment on future contracts. Case Closed.
Danube Engineering and General Contracting	Contractor - GRD Baghdad	Proposed for debarment, 6/20/2006; debarred, 12/28/2006	Allegations of Bribery, False Claims	No known loss.	Debarred based on unauthorized delegation of contract performance to a subcontractor resulting in attempted bribery of a contracting officer for procurement-sensitive information. Debarred for one year. Case Closed.
Qussay, Abdullah Hady	President, QHA Mechanical and Electrical Works	Proposed for debarment, 3/8/2007; debarred, 6/27/2007	Allegations of Bribery, False Claims	No known loss.	Accused of misrepresenting to USAID-GRD that he was a director of Danube Engineering and General Contracting. Case Closed.
QAH Mechanical and Electrical Works	Subcontractor, Baghdad, Iraq	Proposed for debarment, 3/8/2007; debarred, 6/27/2007	Allegations of Bribery, False Claims	No known loss.	Debarred based on affiliation with Mr. Abdullah H. Qussay. Case Closed.
Zahed, Mohamed Abdel Latif	Contractor Employee (Linguist), Camp Victory, Iraq	Proposed for debarment, 2/9/2007	Allegations of False Claims	No known loss.	Contractor provided reimbursement of \$31,985. Current whereabouts unknown.
Parsons Corporation, d/b/a Parsons Global Service, Inc.	Contractor, Iraq Reconstruction Projects	See case status	See case status	See case status	Show cause letter sent on 3/27/2007 to determine compliance with DFARS 203.7000, based on allegations made by SIGIR during congressional testimony and in audit reports. Response currently under review by SDO.
Moore, Keith, SFC, USA	Major, FOB Union III, Iraq, HUB, 2-77 FA	Proposed for debarment, 3/30/2007	Allegations of Bribery, Theft, Extortion	\$7,360	Allegedly accepted cash payments from contractors at FOB Union III in exchange for cash and personal items. Threatened to have contractors removed from FOB for failure to provide payments demanded. Awaiting court-martial, Ft. Hood, TX.

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Balis, Anthony O., SSG, USA	Provost, FOB Union III, Iraq, HHB, 2-77 FA	Proposed for debarment, 3/30/2007	Allegations of Bribery, Theft, Extortion	Unknown	Allegedly accepted cash payments from contractors at FOB Union III in exchange for cash and personal items. Threatened to have contractors removed from FOB for failure to provide payments demanded. Awaiting court-martial, Ft. Hood, TX.
Whiteford, Curtis G., COL (Retired) USA	Chief of Staff and Deputy Regional Advisor, CPA-SC, Al-Hilah, Iraq	Suspended, 3/30/2007	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	Nissan 350z sports car, cash, airline tickets, jewelry, tactical gear, and an offer of employment with co-conspirator's company	Indicted 2/7/2007 in the U.S. District Court for the District of New Jersey. Awaiting Trial.
Pappen, Gheevarghese	Contracting Officer - ASG Kuwait	Suspended, 3/30/2006; proposed for debarment, 5/1/2007; debarred, 6/28/2007	Bribery of Government Official; Racketeering	Approx. \$28,900 in cash	Allegedly received approximately \$28,900 and attempted to receive an additional payment of approximately \$19,000 from a Kuwaiti national for contracts to provide apartments in Kuwait City for Army personnel. Case Closed.
Seamans, Stephen Lowell	Employee, LOGCAP III Contractor	Suspended, 4/27/2006; proposed for debarment, 5/1/2007; debarred, 7/27/2007	Wire Fraud, Money Laundering	\$380, 130	Sentenced 12/1/2006 to 12 months and 1 day confinement, 3 years supervised release, \$380, 130 restitution, \$200 special assessment. Case Closed.
Name Withheld	Contractor, Camp Arifjan, KU	Proposed for debarment, 12/1/2006; proposed debarment terminated, 5/18/2007	Allegations of False Claims, False Statements	No known loss.	SDO determined that debarment was not appropriate based on lack of substantiation of allegations. Case Closed.
Green Valley Company	Contractor, Camp Arifjan, KU	Proposed for debarment, 12/1/2006; debarred, 5/18/2007	Allegations of False Claims, False Statements	Allegations of \$1,367,891 in false claims.	Fact-based debarment action based on substantiated allegations that contractor willfully caused the submission of false claims related to the removal of black/gray water from Camp Arifjan, Kuwait. Case Closed.
Name Withheld	Active Duty Army Officer	Suspended, 9/5/2006	Allegations of offering to disclose contractor bid, proposal, and source selection information and soliciting contractors for illegal gratuities.	\$27,103	Arrested 8/18/2006. Died 9/5/2006. Suspension terminated. Case Closed.
Barnes, Thomas Nelson	Contractor Employee, MNSTC-I	Suspended, 11/4/2005; proposed for debarment, 11/16/2006; debarred, 1/24/2007	Theft	Loss valued at less than \$1,000	Pled guilty to one count of theft of public property for improperly issuing badges to contractor employees resulting in unauthorized access to the International Zone, Baghdad. Sentenced 5/11/2006 to 30 days home confinement, 1 year supervised probation, and \$25 special assessment. Debarred for 4 years. Case Closed.
Lee Dynamics International	MNSTC-I Contractor	Suspended, 7/9/2007	Allegations of Bribery of Government Official and Money Laundering	Between \$11,400,000 and \$25,000,000 in government contracts	Fact-based suspension action based on information received from the International Contract Corruption Task Force. Alleged to have made payments to two contracting officers in exchange for the award of warehouse management contracts in support of the Iraqi police and armed forces.
Lee Defense Services Corporation	Subcontractor and affiliated company, Lee Dynamics International	Suspended, 7/9/2007	Allegations of Bribery of Government Official and Money Laundering	No known loss.	Fact-based suspension action based on information received from the International Contract Corruption Task Force. Suspended as an affiliated company of Lee Dynamics International and Justin W. Lee.
George H. Lee	CEO and Chairman, Lee Dynamics International	Suspended, 7/9/2007	Allegations of Bribery of Government Official and Money Laundering	See entry for Lee Dynamics International	Fact-based suspension action based on information received from the International Contract Corruption Task Force.

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NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Justin W. Lee	Consultant and Former Marketing Manager, Lee Dynamics International	Suspended, 7/9/2007	Allegations of Bribery of Government Official and Money Laundering	See entry for Lee Dynamics International	Fact-based suspension action based on information received from the International Contract Corruption Task Force.
Oai Lee	Agent, Lee Dynamics International	Suspended, 7/9/2007	Allegations of Bribery of Government Official and Money Laundering	See entry for Lee Dynamics International	Fact-based suspension action based on information received from the International Contract Corruption Task Force.
Rivard, John Allen, MAJ, USAR	Contracting Officer, LSA Anaconda, Iraq	Suspended, 8/10/2007; proposed for debarment, 11/27/2007; debarred, 1/14/2008	Allegations of Conflicts of Interest, Bribery Bid-Rigging and False Official Statements	Unknown	Allegedly awarded \$8,000,000 in contracts for gratuities at LSA Anaconda in return for gratuities from contractors.
Raqgio, Robert A., Dept of the Army Civilian	Former Finance Manager, Joint ASG, Baghdad, Iraq and President, RMI	Proposed for debarment, 9/10/2007	Allegations of Conflicts of Interest	Unknown	Fact-based proposal for debarment resulting from allegations that post-government employment restrictions for federal employees may have been violated.
Reviewer Management International Limited (RMI)	Contractor, JCC-I/A, Baghdad, Iraq	Proposed for debarment, 9/10/2007	Allegations of Conflicts of Interest	Allegedly awarded contracts valued at \$1,025,000	Fact-based proposal for debarment resulting from allegations that RMI received a government contract as a result of a violation of restrictions on post-government employment of federal employees.
Key, Austin, CPT, USA	COR, 10th Mountain Division, Victory Base Complex Regional Contracting Center, Iraq	Suspended, 8/27/2007	Allegations of Bribery	Accepted \$50,000 payment from CI - Seized by DCIS immediately after receipt. No loss to government.	Allegedly requested a \$125,000 payment from a contractor in return for safeguarding the company's interests. Accepted a \$50,000 payment from an informant in exchange for a promise of procurement-sensitive information. Taken into custody in New York, NY.
Cockerham, John L., MAJ, USA	Former Contracting Officer, Camp Arifjan, Kuwait	Suspended, 8/15/2007	Allegations of Bribery, Wire Fraud and Money Laundering	Approx. \$15,000,000.00 in payments from contractors in Kuwait	Indicted in WD TX on 7/27/2007 on allegations of bribery, money laundering, and wire fraud based on the award of multiple contracts for goods and services while deployed to Kuwait.
Cockerham, Melissa	Spouse, MAJ John Cockerham	Suspended, 8/15/2007	Allegations of Wire Fraud and Money Laundering	Unknown	Indicted in WD TX on 7/27/2007 on charges of money laundering and wire fraud. Allegedly received and concealed payments from contractors in Kuwait made as a result of the fraudulent contracts awarded by MAJ Cockerham.
Blake, Carolyn	Sister, MAJ John Cockerham	Suspended, 8/15/2007	Allegations of Wire Fraud and Money Laundering	Unknown	Indicted in WD TX on 7/27/2007 on charges of money laundering and wire fraud. Allegedly received and concealed payments from contractors in Kuwait made as a result of the fraudulent contracts awarded by MAJ Cockerham.
Name Withheld	Contractor Employee, IZ, Baghdad	Proposed for debarment, 9/14/2007; proposal for debarment terminated, 12/19/2007	Allegations of violations of the Procurement Integrity Act	Unknown	Accused of obtaining information in violation of the Procurement Integrity Act to influence the award of convoy-security delivery orders. Determined to be presently responsible by Suspension and Debarment Official of materials submitted for consideration in writing and at an oral hearing.
EOD Technology, Inc.	Private Military and Explosive Ordnance Disposal Contractor, MNSTC-I and JCC-I/A	See case status	See case status	See case status	Show cause letter sent on 9/14/2007 regarding allegations that the company received convoy security delivery orders as a result of misconduct by an employee of the company. On 1/16/2008 the Army Suspension and Debarment Official determined that the company is presently responsible and did not intend to take suspension and debarment action in this matter.

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Ward, Wallace	Employee, LOGCAP III Contractor	Suspended, 10/11/2007	Allegations of false claims	Unknown	Allegations of preparing fraudulent DD 250 forms for contractors supplying fuel to Bagram AB, Afghanistan.
Sellman, James. N.	Employee, LOGCAP III Contractor	Suspended, 10/11/2007	Allegations of false claims	Unknown	Allegations of preparing fraudulent DD 250 forms for contractors supplying fuel to Bagram AB, Afghanistan.
Crenshaw, Joseph, CW2, USA	COR, 10th Mountain Division, Victory Base Complex Regional Contracting Center, Iraq	Suspended, 12/3/2007	Allegations of larceny and bribery	Unknown	Allegedly received cash payments in return for escorting contractor fuel tankers into Camp Victory, Iraq, for the purpose of stealing the fuel.
Al Qabandi United Company WLL	Construction Materials Supplier, Camp Arifjan, Kuwait	See case status	See case status	See case status	Show cause letter sent on 12/31/2007 in response to allegations that the company delivered gravel to Camp Arifjan in inadequate amounts that failed to meet contract requirements.
Insaat, Yuksel	JCC-I/A Prime Contractor and LOGCAP III Subcontractor	Proposed for debarment, 11/8/2007	Allegations of false claims	See case status	Contractor for construction of a barracks in Taji, Iraq, valued at \$19,800,000. After contract was terminated, contractor was accused of submitting numerous claims to the government in the amount of \$2,598,941, of which it is alleged that \$2,497,440 were false. Proposed for debarment by USAREUR Suspension and Debarment Official.

TABLE L-1