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Description of document: **Office of the Special Inspector General for Iraq Reconstruction (SIGIR) closing memoranda for all investigations closed/completed by SIGIR since 01-October-2005**

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SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

August 28, 2007

RE: Freedom of Information Act Request

Dear _____:

The Office of the Special Inspector General for Iraq Reconstruction (SIGIR) received your request for records pursuant to the Freedom of Information Act (5 U.S.C. §552) for:

- 1. A copy of the Synopsis or Summary Memo or Final Report associated with each SIGIR investigation closed/completed since October 1, 2005.*

Please find enclosed documents responsive to your request. Per your direction we attempted to send these documents to you electronically three times without success; as a result we are sending them in hardcopy format.

Thank you for your interest in our mission. Please contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Kristine Belisle".

Kristine Belisle
Director, Public Affairs
Special Inspector General for Iraq Reconstruction



SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

- BAGHDAD, IRAQ -

US Embassy Annex, M-202 • Old Presidential Palace • Baghdad, Iraq APO AE 09316

Case No. 0001-05-I-SIGIR

June 4, 2005

PROJECT: Iraq Oil Infrastructure

CASE SUMMARY – CLOSED: This project was initiated on October 6, 2004 to document the collection and evaluation of information obtained from contract files and other sources for indicators of fraud in the area of Iraqi oil pipeline and oil infrastructure security.

This action resulted in the initiation of SIGIR investigative case no. 0006-05-I-SIGIR pertaining to award of the second Emergency Response and Pipeline Repair Operation (ERPRO) which was awarded to [REDACTED]; and the referral to the Assistant Inspector General for Audit, SIGIR, of information pertaining to the oil infrastructure security contract awarded to [REDACTED]. Information pertaining to an unaccounted disbursement of \$30 million was resolved.

This action is now closed in the files of this office.

Prepared By: [REDACTED]
Distribution: HQ, SIGIR

Approved by: [REDACTED]

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Office of Investigations

Date: February 8, 2007

To: [REDACTED]

From: [REDACTED]

Subject: Discontinued Investigation Report
[REDACTED]
IQ-06-0076-I

Basis for Investigation:

[REDACTED] is alleged to have paid a \$700,000 bribe to some combination of [REDACTED] through a [REDACTED] in the form of a finders fee, for a 7 million dollar plus un-competed sole source contract, granted by some combination of [REDACTED] and / or [REDACTED] with a 2.9 million dollar advance payment.

Extent of Investigation

The investigation to date has included the following investigative actions:

Witnessed Interviewed:

[REDACTED] CPA 5/14/04
[REDACTED] 5/7/04
[REDACTED] CPA 5/7/04
[REDACTED] 5/3/04
[REDACTED] 5/3/04
[REDACTED] 5/4/04
[REDACTED] CPA 5/3/04
[REDACTED] 4/29/04
[REDACTED] 4/29/04
[REDACTED] CPA 4/27/04
[REDACTED] CPA, 4/20&22/04
[REDACTED] CPA, 4/26/07
[REDACTED] CPA 4/8/04
[REDACTED] CPA 4/8/04
[REDACTED] CPA 4/8/04
[REDACTED] CPA 4/7/04
[REDACTED] CPA, 4/21/04
[REDACTED] 2006

5453

APPR: [REDACTED]

CLASSIFICATION:

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Records Examined:

[REDACTED] 4/11/04
 Letters, documents, e-mails, received from [REDACTED] 4/14/04
 Office Records of [REDACTED] 4/22/04
 E-mail files of [REDACTED] 6/17/04
 Data base records 5/13-14/04 and 5/20/04
 Relevant Photos 5/22/04
 Laptop Hard drives 6/1/04
 Office files of [REDACTED] 6/3/04

Searches Conducted:

Search of [REDACTED] living quarter 21:50-23:15 of 5/4/04

Referrals Made:

[REDACTED] on August 2, 2004

Results of the Investigation

[REDACTED] stated that their firm obtained a contract signed by [REDACTED] for security services, after which he departed Iraq with [REDACTED] 2.9 million cash advance. He did not pay any money to [REDACTED]. Subsequently [REDACTED] contacted [REDACTED] and requested her 10% (\$700,000.00).

[REDACTED] Coalition Provisional Government, stated that normal contracting procedures were circumvented in order to avoid the corrupt practices of Iraqi Officials and in order to expedite the process in order obtain urgently needed security for equipment that was being stolen. He further stated that he delivered the 2.9 million dollar check to [REDACTED] and obtained a receipt for it which he furnished to his office, and that he had not solicited or accepted any bribes. He consented to an access of his bank records and to taking a polygraph.

[REDACTED] Coalition Provisional Government, stated he attended a meeting at the [REDACTED] where there was a discussion about companies being expected to pay a commission for getting business in Iraq and that [REDACTED] and / or someone else would be the contract consultant, for a fee, for any company that wanted to do business in Iraq. He also stated that when ever someone called or came into the Coalition Provisional Authority Ministry of Housing and Construction Office about business in Iraq, [REDACTED] would refer them to [REDACTED] and that the fee for joining their consulting group was \$25,000.00

[REDACTED] Coalition Provisional Government, refused to be interviewed.

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[REDACTED] was contacted by Special Agents, from the Washington D.C. SIGIR Office. No testimony was obtained from her relative to the receipt or disbursement of the alleged \$700,000.00 payment.

Conclusions and Recommendations

A substantial amount of work has been completed on this case including 18 interviews, 8 record examinations, a search, and coordination with [REDACTED], with all relevant work in Baghdad being completed nearly 3 years ago.

The necessary testimony of [REDACTED] was not obtained.

Accordingly, it is recommended that this case be closed, and that information in the case file relative to [REDACTED] be associated with any other available information to determine if there is a sufficient basis for opening a separate criminal investigation on him.

Prepared by: [REDACTED]
DISTR: File

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

Old Case Number 0021-05-I-SIGIR
SIGIR Case # IQ-05-0054-I

May 11, 2006

[REDACTED]

Case Closing:

There are no US citizens or military personnel involved as a subject of this investigation. This investigation is being referred to the Iraqi Ministry of Health, Office of the Inspector General for action they deem appropriate. ///nothing follows///

Prepared by: [REDACTED]

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APPR:

[REDACTED]

CLASSIFICATION:

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Office of Investigations

SIGIR Case Number: IQ-05-0040-1

February 6, 2007

Case Closing:

BACKGROUND:

On 17 March 2005, SIGIR Investigations Baghdad received a referral from [REDACTED] SIGIR/Audit, regarding possible criminal activity by a [REDACTED] a former employee of Coalition Police Assistance Training Team (CPATT). The information alleges that [REDACTED] after participating in the development of a multi-million dollar contract awarded to [REDACTED] was re-hired by [REDACTED] as a Vice President.

[REDACTED] was employed by [REDACTED] on August 28, 2000, as a Security Specialist II. [REDACTED] left [REDACTED] on February 27, 2004, and was hired by the U.S. Department of State (DOS) on June 27, 2004 as a Senior Consultant. [REDACTED] was assigned to the Coalition Provisional Authority (CPA) Ministry of Interior (MOI), Counter Terrorism Special Operations Division (CTSO). [REDACTED] resigned from the DOS, effective September 12, 2004. On September 27, 2004, [REDACTED] was re-hired by [REDACTED]

INVESTIGATION:

On May 21, 2004, while employed by DOS as a Senior Consultant to MOI/CTSO, [REDACTED] wrote a memorandum to [REDACTED] CPA Contracting Officer strongly recommending [REDACTED] be utilized for the training of Iraqi close protection personnel. At the time the memo was written the CPA was considering the award of a new contract for this training. The original \$10,973,173 contract was awarded to [REDACTED] on May 11, 2004, and was amended three (3) times, first on May 21, 2004, then again on May 28, 2004, and again on May 28, 2004. Amendment number two (2) appoints [REDACTED] as the Contracting Officer Representative (COR). The total value of the contract after three amendments was \$57,500,000.

The facts are clear in this case. [REDACTED] was an employee of [REDACTED] who left [REDACTED] to work for the CPA. While employed at the CPA, [REDACTED] participated personally and substantially as a representative of the government in the recommendation and the rendering of advise to award without competition a contract to [REDACTED] prior to his employment at the CPA was an employee of [REDACTED] and subsequent to his employment at the CPA was re-hired at a higher level and with a substantial increase in salary. As a result of [REDACTED] recommendation the contract to [REDACTED] was increased without competition by \$46,526,827.

It is further alleged that [REDACTED] a senior executive with [REDACTED] is a friend of [REDACTED] and was the person who signed as contractor for [REDACTED] was employed with DOS from 27 June to 18 Sept 2004. Nine days after leaving DOS, [REDACTED] returned to [REDACTED]

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APPR: connollyj

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Office of Investigations

[REDACTED] with a substantial increase in salary. Information developed indicates [REDACTED] has left [REDACTED] and is currently employed by [REDACTED] a global security firm with British and U.S. interest. ²

EVIDENCE:

- Contracts for training Iraqi close protection personnel
- Memorandum dated May 21, 2004 from [REDACTED] to [REDACTED] subject Additional training Initiative for Iraqi Dignitary Protection Service
- Memorandum dated May 19, 2004, from [REDACTED] to Administrator [REDACTED] subject Protection of the New Iraqi Government
- [REDACTED] employment records from [REDACTED]
- [REDACTED] employment records from DOS/CPA
- Copy of contract [REDACTED] dated May 11, 2004
- Copy of Amendment of Solicitation/Modification of contract P00001 effective May 21, 2004. This amendment increases the scope of the contract by \$20,500,000
- Copy of the amendment P00002 effective May 28, 2004. This amendment adds an additional \$6,961,160 for the purchase of 18 Toyota Land Cruisers, 7 BMW 545Is, 7 Mercedes Benz E500s and 12 Mitsubishi pick up trucks. This amendment also appoints [REDACTED] as Contracting Officer Representative (COR) and [REDACTED] the Alternate Contracting Officer Representative (ACOR).
- Copy of amendment [REDACTED] signed May 28, 2004. This amendment increases the number of close protection personnel to be trained from 300 to 1,200 and the fixed fee amount to \$37,000,000.

The FinCEN query was negative. Entry/exit travel itinerary data provided by ICE during the period of the investigation was insignificant.

ALLEGED VIOLATIONS:

- 18 USC 208 Conspiracy to Commit a Major Fraud
- 18 USC 1031 Major Fraud Against the United States

INVESTIGATIVE OPINION: AUSA [REDACTED] declined prosecution

This investigation closed pending development of additional information.

Prepared by [REDACTED]
DISTR: File

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Office of Investigations

SIGIR Case Number: IQ-06-0211-1

February 6, 2007

Case Closing:

Between 20 Sep - 18 Oct 06, [REDACTED] made numerous attempts to contact [REDACTED]. [REDACTED] works the night shift as a Police Officer at the United Nations Headquarters, New York City, NY.

About 1030, 18 Oct 06, [REDACTED] telephonically interviewed [REDACTED] and briefed him on the status and scope of this investigation. [REDACTED] stated he was a SFC/E-7 assigned to the 1st Brigade Combat Team, Baghdad, Iraq during Oct 03. [REDACTED] related his primary duties were to manage [REDACTED] L3 Interpreters for the 1st Brigade Combat Team. [REDACTED] stated he did not author or sign the Memorandum regarding the University of Baghdad.

About 0800, 26 Oct 06, [REDACTED] forwarded a scanned copy of the Memorandum to [REDACTED] for review.

About 1030, 2 Nov 02, [REDACTED] telephonically interviewed [REDACTED] who stated he reviewed the Memorandum and determined he did not author or sign the Memorandum. Further, he stated he had no involvement in the University of Baghdad.

About 1040, 2 Nov 06, [REDACTED] briefed [REDACTED] Republic of Iraq, Commission on Public Integrity (CPI), Investigation Department, US Embassy Annex, Baghdad, Iraq and briefed him on investigative findings. No further investigative activity is requested by the CPI.

Investigation closed in the files of this office. [REDACTED] did not author or sign the aforementioned Memorandum. There is no investigative interest for SIGIR on this matter. The CPI has authority and jurisdiction and no further investigative activity is anticipated by SIGIR.

Attachments: None.

Prepared by: [REDACTED] SIGIR-CID, Baghdad
DISTR: File

1751

APPR: [REDACTED]

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Office of Investigations

Date: February 8, 2007

To: [REDACTED] Special Agent in Charge

From: [REDACTED] Special Agent

Subject: Discontinued Investigation Report

[REDACTED]
IQ-06-0076-1

Basis for Investigation:

[REDACTED] is alleged to have paid a \$700,000 bribe to some combination of [REDACTED] and [REDACTED] through a [REDACTED] in the form of a finders fee, for a 7 million dollar plus un-competed sole source contract, granted by some combination of [REDACTED] and / or [REDACTED] with a 2.9 million dollar advance payment.

Extent of Investigation

The investigation to date has included the following investigative actions:

Witnessed Interviewed:

[REDACTED]

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APPR [REDACTED]

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Records Examined:

[REDACTED]
 Letters, documents, e-mails, received from [REDACTED] 4/14/04
 Office Records of [REDACTED] Consultant, MoH, CPA, 4/22/04
 E-mail files of [REDACTED] and [REDACTED] 17/04
 Data base records 5/13-14/04 and 5/20/04
 Relevant Photos 5/22/04
 Laptop Hard drives 6/1/04
 Office files of Ministry of Housing and Construction, 6/3/04

Searches Conducted:

Search of [REDACTED] living quarter 21:50-23:15 of 5/4/04

Referrals Made:

AUSA [REDACTED] Eastern District of Virginia, Alexandria, VA on August 2, 2004

Results of the Investigation

[REDACTED] President/Partner [REDACTED] stated that their firm obtained a contract signed by [REDACTED] and [REDACTED] for security services, after which he departed Iraq with [REDACTED] 2.9 million cash advance. He did not pay any money to [REDACTED] and [REDACTED]. Subsequently [REDACTED] contacted [REDACTED] and requested her 10% (\$700,000.00).

[REDACTED] former Project Manager, Ministry of Housing and Construction, Coalition Provisional Government, stated that normal contracting procedures were circumvented in order to avoid the corrupt practices of Iraqi Officials and in order to expedite the process in order obtain urgently needed security for equipment that was being stolen. He further stated that he delivered the 2.9 million dollar check to [REDACTED] and obtained a receipt for it which he furnished to his office, and that he had not solicited or accepted any bribes. He consented to an access of his bank records and to taking a polygraph.

[REDACTED] Ministry of Housing and Construction, Coalition Provisional Government, stated he attended a meeting at the Capital Hill Club where there was a discussion about companies being expected to pay a commission for getting business in Iraq and that [REDACTED] and /or someone else would be the contract consultant, for a fee, for any company that wanted to do business in Iraq. He also stated that when ever someone called or came into the Coalition Provisional Authority Ministry of Housing and Construction Office about business in Iraq [REDACTED] would refer them to [REDACTED] and that the fee for joining their consulting group was \$25,000.00

[REDACTED] Ministry of Housing and Construction, Coalition Provisional Government, refused to be interviewed.

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[REDACTED] was contacted by Special Agents, from the Washington D.C. SIGIR Office. No testimony was obtained from her relative to the receipt or disbursement of the alleged \$700,000.00 payment.

Conclusions and Recommendations

A substantial amount of work has been completed on this case including 18 interviews, 8 record examinations, a search, and coordination with Assistant U.S. Attorney [REDACTED] Eastern District of Virginia, VA., with all relevant work in Baghdad being completed nearly 3 years ago.

The necessary testimony of [REDACTED] was not obtained.

Accordingly, it is recommended that this case be closed, and that information in the case file relative to [REDACTED] be associated with any other available information to determine if there is a sufficient basis for opening a separate criminal investigation on him.

Prepared by: Special Agent [REDACTED]
DISTR: File

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Office of Investigations

SIGIR Case #: IQ-06-0150-I

February 8, 2007

SUBJECT: Iraq Joint Coordination Center

CASE CLOSING:

BACKGROUND:

On April 15, 2006, SIGIR Investigations received information from Joint Area Support Group Central (JASG C) Real Estate & Property Office. The subject property came to their attention because their records indicated it was owned by the Iraqi Government and it appeared it was occupied by an Iraqi woman. This was suspicious because it was known to JASG C that renovations were conducted to the building under U.S. Government contract in the amount of \$150,600.

The investigation determined that the Multi-National Security Transition Command Iraq (MNSTC-I) working with the Coalition Police Assistance Training Team (CPATT) determined a need for a Personal Security Detachment (PSD) response team in the International Zone (IZ). CPATT and the Iraqi government officials located a vacant residence suitable for this purpose. The facility would be identified as the Iraqi Joint Coordination Center (IJCC). It was determined that the residence was already owned by the Iraqi government. It was recommended that this residence be converted to a (PSD) response building because it was relatively close to areas where Iraqi government officials resided and or worked. The thinking at the time was that they would house both U.S. and Iraqi PSD teams at this location. This would put the PSD in an area in close proximity of the principles under protection.

Four Iraqi companies were provided an opportunity to review the residence and the scope of work with a representative of USACE prior to the submission of a formal Solicitation. [REDACTED] took notes and asked the USACE representative lots of questions about the scope of work. [REDACTED] also impressed the USACE representative by bringing to the government's attention that the generator proposed was not adequate for the intended purpose.

Only three of the four contractors submitted a bid. One of three bids was dismissed as being incomplete. Even though [REDACTED] was slightly higher, the deciding factor was that [REDACTED] had employees with government issued IZ Access Cards. This ready access to the IZ seemed to be the tie breaker. The contract was awarded to [REDACTED] under contract number [REDACTED].

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The contract was awarded on January 13, 2005. Construction started on January 20, 2005 and was completed on May 30, 2005. The project was managed by USACE. The funding was from the 2004 Iraqi Relief and Reconstruction Funds (IRRF). For reasons yet to be determined the IJCC plan was dropped after the renovation was started and or finished.

After the renovation and under the authority of [REDACTED] approval was granted to allow [REDACTED] to occupy this residence. The residence is identified as [REDACTED]. Investigation determined that [REDACTED] had previously occupied a residence on the street one block north and approximately 250 feet east of said residence. Both residences are property of the Iraqi government.

On Friday, January 26, 2007, [REDACTED] accompanied U.S. Army [REDACTED] of the IZ Real Estate & Property Office (IPO) along with an Iraqi linguist to conduct an inspection of the residence. [REDACTED] interviewed [REDACTED] with the assistance of the linguist. [REDACTED] said in substance that she had been living in a residence in close proximity to this residence. Iraqi government officials told her they needed the residence for a high ranking naval military officer. The Iraqi government officials (NFI) advised [REDACTED] she could occupy the subject residence. [REDACTED] was unable to provide additional information.

The inspection of the residence determined that the renovations appeared to have been completed and it appeared that the terms of the contract had been met. However, it was also determined that some of the equipment was missing from the site. Notable items missing include one 125 K diesel generator, \$35,000; one Motorola 5000 Base Station (value unknown) although the actual cost of the radio is not a cost associated with the contract it is presumed to have been purchased by IRRF. The installation of the radio was at a cost of \$1,200 and is attributed to the contract. Three out of the four of CCTV system cameras are missing for a loss of approximately \$1,050. It is unclear at this time whether these items were moved to another Iraqi government facility or stolen.

Items paid for under the contract and determined to be missing or stolen was at least \$36,000. These items were not present according to [REDACTED] at the time she moved into the residence.

No prosecutorial merit and no further investigative action is anticipated. This document serves to close the investigation.

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Prepared by: [REDACTED]
DISTR: File

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SIGIR Case Number: IQ-06-0060-1

February 12, 2007

Case Closing:

BACKGROUND

On January 24, 2006, [REDACTED] received information from a contractor located in Basrah, Iraq. The contractor, [REDACTED] at the time an Engineer Technician, with U.S. Army Corps of Engineers, Gulf Region Division South (USACE/GRDS). [REDACTED] has been so employed since March 2005. [REDACTED] made allegations against [REDACTED] and a local Iraqi company identified as [REDACTED] subsequently identified as [REDACTED] regarding alleged bid-rigging. Repeated attempts to travel to Basrah to meet with [REDACTED] failed during this period due to case priorities and elevated threat conditions in the area.

On November 11, 2006, [REDACTED] and [REDACTED] met with [REDACTED] in Basrah, Iraq to discuss the above described allegations of bid rigging. [REDACTED] made the following allegations:

[REDACTED] said [REDACTED] and a local Iraqi contractor [REDACTED] are in collusion with each other to rig the bidding process on contracts in and around Basrah, Iraq. [REDACTED] said because [REDACTED] had a close relationship with USACE/GRDS this positioned [REDACTED] at an advantage to have knowledge about future contracts and when they would be announced for bid. This information according to [REDACTED] was then shared with [REDACTED] is alleged to have several dummy companies existing on paper only. [REDACTED] said there was no indication that USACE/GRDS was aware of the relationship between [REDACTED] and [REDACTED]. The source claims [REDACTED] works with the USACE and ultimately approves the projects to be awarded in the area. The funding for these projects is from GRDS. The source said the owner of [REDACTED] was formerly a taxi driver prior to the war. Now, a few years later is reportedly a multi-millionaire because of his success as a contractor.

The principal allegation relates to [REDACTED] ability to repeatedly be the successful bidder on contracts. It is alleged that [REDACTED] is successful in obtaining these bids because [REDACTED] submits three bids representing false companies but in fact it is actually one company. This is done by creating false letterheads. The submissions of bids on these false letterheads are as if they were in fact separate and legitimate companies. All proposals are drawn up by one [REDACTED] company employee utilizing [REDACTED] engineers to prepare the bids. According to the source the "bidders must be in the box or else they are boxed out". The source identified these companies as:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED] (Not further Identified)

[REDACTED] according to the source has become so large they are able to bid on any contract because they have the ability to obtain the specialties required for almost any contract. [REDACTED] has no specialty but operates as

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APPR [REDACTED]

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CASE CLOSING:

Background Information:

On October 4, 2005, Special Agent [redacted] USAID, Office of Investigations was contacted telephonically by [redacted] contacted [redacted] because [redacted] became aware that [redacted] had previously contacted [redacted] regarding allegations about [redacted], DBA [redacted]. The allegation was that [redacted] was working for the Coalition Provisional Authority (CPA) in Iraq during the same time [redacted] was seeking business for his company [redacted].

[redacted] denied that he was ever an employee of the CPA. [redacted] claimed he was employed by a private company known as [redacted]. [redacted] suggested that it may have appeared that he worked for the CPA because he was co-located with CPA officials. [redacted] said he was a retired military officer and was adamant that he never worked for the U.S. government while obtaining business for his company.

[redacted] said he worked for [redacted] as a Consultant to obtain work for them in the U.S. [redacted] said [redacted] did not pay him all the money he was owed. [redacted] said he introduced [redacted] to a political consultant, [redacted] to help [redacted] get paid by USAID.

On November 9, 2005, SIGIR [redacted] cultivated a confidential source (C/I) who alleged to have information about a retired Army Officer by the name of [redacted]. The C/I alleged that shortly after arriving to Baghdad he/she met [redacted] who claimed he was from Saratoga, NY. The C/I claimed that [redacted] could guarantee C/I contracts if the C/I reimbursed [redacted] 25% of the award amount in cash. The C/I said [redacted] boasted he would make \$500,000 a year.

Based on the C/I's information and other inquiries the following identifying data was established on [redacted].

Name: [redacted]
DBA: [redacted]
SSN: [redacted]
DOB: [redacted]
Height: [redacted]
FL D/L: [redacted] Issue Date: [redacted] Expiration: [redacted]
Spouse: [redacted]
Address: [redacted]

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APPR: [redacted]

CLASSIFICATION:

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On November 25, 2005, an Investigative Lead request was forwarded to SIGIR Arlington for FinCen check. On November 8, 2006 the FinCen check was conducted and determined to be negative.

SIGIR Common PCO-GRD Project Spreadsheets were searched and determined no contracts and no reference to [REDACTED] or [REDACTED] were discovered during the query.

Open source references (Internet web site) show [REDACTED] as Board of Director (2006). [REDACTED] is listed as having retired from the military in 1998. During 2003, [REDACTED] transitioned to Iraq as Deputy Director of Requirements Coordination in Baghdad and then as Chief of Staff Special Projects to the Coalition Provisional Authority, according to the company's web site. [REDACTED] is described on the web site as a privately held company, incorporated in Virginia in October 1998. Its listed goal was to develop the world's first network-enabled security and fire protection system. Additionally [REDACTED] formerly a four star general, is shown as the Chairman of the Board. According to [REDACTED] web site, [REDACTED] assisted in the forming of [REDACTED] after retiring from the military in 1998.

According to an interview conducted by USAID [REDACTED] on 4 October 2005, [REDACTED] was adamant that he never worked for the CPA. [REDACTED] claimed to work for [REDACTED] during May 2003 until May/June 2004.

On February 12, 2007, the Regional Security Office (RSO), Embassy badge office, was consulted to verify employment status. A copy of the RSO Embassy badge, personnel record on [REDACTED] indicating dates of employment were July 21 2004 and expire on August 5, 2005. The record indicates that [REDACTED] was a "Non USG Employee Contract". There was no record of renewal for this applicant. The sponsor for the applicant was [REDACTED] Project and Contracting Office (PCO). [REDACTED] work section is shown as PCO/Logistics. Additional unique identifiers are also provided on the record such as SSN, DOB, bloodtype, etc.

The investigation regarding the allegation that [REDACTED] was soliciting bribes was unsubstantiated during the investigation. Recommend this case be closed due to lack of evidence to substantiate the allegation.

Prepared by: [REDACTED]
DISTR: File

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SIGIR Case#: DC-06-0176-HL

February 22, 2007

SUBJECT: [REDACTED]

Case Closed:

[REDACTED] (aka [REDACTED]) was telephonically interviewed on February 16, 2007 to discuss and expound on the information which he previously provided to SIGIR in his six page document headed "COR Issue Items." As background, [REDACTED] (hereinafter referred to as [REDACTED]) submitted this document following his one year in Iraq as a [REDACTED] contract employee. It contains a collection of sixteen enumerated subjects, relating his observations and recommendations. Among the topics are recommendations to: improve screener training; use "rank" for contractors; standardize data entry measurements. [REDACTED] alleged that "an epidemic" of conflicts of interest existed among soldiers, contractors, and interpreters serving in Iraq. He also stated that fraud, waste, and abuse existed because contractors "billed what they want, and no one was following up."

Much of the document focused on the misconduct of one contract employee with whom [REDACTED] had significant interaction in Iraq. [REDACTED] documented and reported the misconduct to the appropriate authorities. Regarding his allegation that contractors fraudulently overbilled the Government for unworked hours, [REDACTED] stated that he had not read or seen the contracts pertaining to this issue, read any instructions or documents substantiating his allegation, nor did he know anyone who could provide personal, corroborative knowledge of this alleged practice in Iraq.

[REDACTED] had previously contacted the Inspector General (IG), Multi-National Corps-Iraq (MNF-I), who responded to his concerns by letter dated December 17, 2005, wherein [REDACTED] was advised that issues and recommendations raised during the IG's interview of [REDACTED] had been referred to, and reviewed by, the Contracting Officer Representative (COR), MNF-I. The COR also assured [REDACTED] that the Provost Marshal had initiated legal action to remove the aforementioned problem employee.

INVESTIGATIVE OPINION: This particular matter lacks substantive and corroborative potential for further investigation. It is recommended that his case be closed.

PREPARED BY: [REDACTED]

Senior Criminal Investigator
Special Inspector General for Iraq Reconstruction (SIGIR)

2493

APPR [REDACTED]

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Office of Investigations
Arlington, Virginia

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Office of Investigations

SIGIR Case Number IQ-05-0004-HL

March 4, 2007

[REDACTED]

Case Closure and Discontinue Lead Coverage

This matter was initiated in the summer of 2005 based on information provided to SIGIR by a confidential source. The information from the confidential source alleged that [REDACTED] had mis-billed the government on government contracts and that one [REDACTED] employee may have been involved in a conflict of interest. This was a SPITFIRE task force case.

Investigation conducted by SIGIR personnel and other members of the task force was ultimately forwarded to the Public Integrity Section, Criminal Division, U.S. Department of Justice. The Trial Attorney in this matter was [REDACTED] of Public Integrity. In a letter dated February 15, 2007, the Public Integrity Section declined prosecution in this case (a copy of this letter is attached to this 302).

As prosecution has been denied, it is requested that coverage on a lead in this matter dated June 13, 2006 requesting billing invoices from USA Engineering Finance Center, Millington, Tennessee and from DFAS, Rome, NY be discontinued.

Based on the declination of prosecution, no further investigation will be conducted by SIGIR and this matter is being placed in a closed status.

Attachment: Copy of declination letter date stamped February 15, 2007

By: [REDACTED] Criminal Investigator, Baghdad
Distribution: IQ-05-0004-HL

1488

APPR [REDACTED]

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SIGIR CASE NUMBER: DC-06-0162-HL
[REDACTED]

DC-06-0158-I
[REDACTED]

CASE CLOSING: DC-06-0162-HL [REDACTED]

The above referenced matter was initiated subsequent to the receipt of a complaint by the Hotline indicating that [REDACTED] personnel may have been in improper receipt of US Military weapons.

This matter was referred to the Federal Bureau of Investigation, Iraq Contract Corruption Initiative, and by communication dated October 11, 2006, FBIHQ assigned it to FBI Field Office Salt Lake City, Boise Resident Agency for investigation. A copy of the communication has been made part of the file.

[REDACTED] was a subcontractor for [REDACTED] which was also the subject of a complaint which was referred to the FBI. The FBI is addressing the two separate matters as one.

I recommend that [REDACTED] DC-06-0162-HL be closed and merged into DC-06-0158-I [REDACTED]. All serials in the file should be transferred to the [REDACTED] file.

Prepared by: [REDACTED]
Office of Investigations,
Washington, D.C.

DISTR: Hq File

1261

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ -06-0044-I

March 13, 2007

REPORT OF INVESTIGATION

SUBJECT:

Name: [REDACTED] (AKA: [REDACTED])

POB: Palestine (Jerusalem, Israel)

DOB: [REDACTED]

SSN: [REDACTED]

INS Registration Number: [REDACTED]

Date of Naturalization: [REDACTED]

US Passport: [REDACTED]

US Address: [REDACTED]

Employer: [REDACTED]

Security Clearance: Interim Secret Access Date: [REDACTED]

LAW ENFORCEMENT RECORDS CHECKS

10144

APPR [REDACTED]

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Federal and State criminal history record checks were performed and disclosed no prior criminal history for [REDACTED]

STATUE

Title 15 USC Section 78dd(i) - Foreign Corrupt Practices Act

SYNOPSIS

This matter was brought to the attention of SIGIR Investigations as a result of continued representation in Terrorist Enforcement Financial Unit. US Marine Corps [REDACTED] referred USMC [REDACTED] Multi National Forces - Iraq (MNF-I) to SIGIR Investigations who alerted us that Iraqi [REDACTED] at the National Command Center, Baghdad, Iraq was offered a bribe from an American citizen (subsequently identified as [REDACTED] employed as a contract translator for [REDACTED] assigned to the Mutli National Forces - Iraq, National Joint Operation Command. After several consensual monitored telephone conversations wherein [REDACTED] spoke openly to [REDACTED] as to how much he and another Iraqi general would monetarily gain, an undercover operations was initiated and additional bribe overtures were eventually made to a SIGIR undercover special agent posing as a US Army Corp of Engineers Contracting Officer, from the Project and Contracting Office, Baghdad, Iraq. On the basis of the conducted this matter was simultaneously referred to the US Department of Justice Criminal Division Public Integrity Section as well as the US Attorney General's Office for Washington, DC.

In concert with the filing of a criminal complaint, applications for search warrants were pursued for living quarters, computers, and work spaces here at the US Embassy Compound of [REDACTED] Given the international complexities involved and the varying degrees of legal opinions from prosecutorial attorneys assigned to the State Department, no warrants were executed in Iraq. A ruse was created in order to entice [REDACTED] back to the US whereupon entry he was placed under arrest. [REDACTED] retained legal counsel and has made repeated admissions that he did in fact offer a bribe to [REDACTED] as well as a SIGIR undercover agent he knew as [REDACTED]

In addition, [REDACTED] was found in possession of several security badges of local Iraqi nationals granting them access to the International Zone. These badges were stored in [REDACTED] superior's desk, US Army Major [REDACTED] and were taken without his permission. These badges clearly reflect that they are "US Government property" and are accountable items. Presently [REDACTED] through his retained legal counsel has indicated a willingness to negotiate a plea bargain in this matter.

NARRATIVE

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[REDACTED] initially was brought to our attention on 2 Jan 2006, when contact was made by [REDACTED]. He informed SIGIR that [REDACTED] had been approached by [REDACTED] who offered a bribe to [REDACTED] if he would arrange to purchase a map size printer and 1,000 protective vests. According to [REDACTED] was incensed that [REDACTED] offered him a bribe.

[REDACTED] further stated that he knew [REDACTED] to be a translator working at Adnon Place, International Zone, Baghdad, Iraq. [REDACTED] identified [REDACTED] as [REDACTED]. Incident to the consensual monitoring SIGIR was able to fully identify [REDACTED].

Subsequent to the meeting with [REDACTED], a meeting was scheduled for the same day with [REDACTED] and a translator assigned to [REDACTED]. [REDACTED] statements as translated by [REDACTED] reconciled with those of [REDACTED]. In addition, [REDACTED] explained that he was introduced to [REDACTED] by [REDACTED] (not fully identified) who was assigned to the National Joint Operations Center, Adnon Palace, Baghdad, Iraq. [REDACTED] stated that on or about December 12, 2005 [REDACTED] introduced him to [REDACTED] and informed him that [REDACTED] had merchandise to offer and to trust him a lot as this arrangement would benefit them both.

[REDACTED] also stated that [REDACTED] provided him with a brown envelope that contained a manufactures' prospectus for a map quality printer. (The envelope and prospectus are presently being held as evidence by SIGIR Baghdad) [REDACTED] stated that [REDACTED] offered him a gift of \$60,000 if he would arrange for the acquisition of the printer and 1,000 protective vests at a price of \$90,000 for the printer and 1,000 each for the vest. [REDACTED] added that on 2 Jan 2006, he received another call from [REDACTED] who offered that vest for \$800,000 along with the copier for \$90,000, but reduced the gift to \$50,000 for him and [REDACTED].

After some discussion, [REDACTED] agreed to a consensually monitored telephone conversation with [REDACTED] under the guise of obtaining more specific information about the products so that a contract could be generated similar to a legitimate one wherein a request from the Iraqi's could be forwarded to the Civilian Police Assistance Training Team (CPATT) who would determine if funds were available and then forward the request to PCO - GRD to let a contract for the purchase. On 3 Jan 2006, two consensually monitored conversations between [REDACTED] and [REDACTED] were successfully recorded. The conversations were conducted in Arabic and SIGIR had to rely on [REDACTED] to translate. The monitored conversation included referenced to making "gifts" but the amount of the "gifts" were further reduced to \$30,000 each for [REDACTED] and [REDACTED] because of the reduction in price on the vest to \$500 each. As instructed, [REDACTED] inquired to [REDACTED] about a name of the company to use for contracting. As in their previous meetings, [REDACTED] instructed [REDACTED] to reference him as [REDACTED] in any subsequent dealings. [REDACTED] also provided two company names to be used. [REDACTED]

Subsequent to above, sufficient information allowed positive identification of [REDACTED] through the Embassy Badge Issuance Office, and the specific information is referenced elsewhere in this report. On 17 Jan 2006, this matter was formally referred to the US Department of Justice, Criminal Division, Asset Forfeiture and Money Laundering Section, Washington, DC. This matter was then referred to the Public Integrity section of the Department of Justice.

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[REDACTED] Trial Attorney, US Department of Justice, Public Integrity Section, Washington, DC is the attorney of record for this action. A preservation letter was dispatched to Yahoo! to preserve material subsequent to a search warrant for [REDACTED] Yahoo! e-mail account.

Through the utilization of [REDACTED] Yahoo! e-mail address [REDACTED], SIGIR Baghdad, solicited a meeting with [REDACTED] posing a contracting officer for PCO - GRD told [REDACTED] that he would be the contracting officer developing the paperwork to acquire the printer and the vests that he discussed with [REDACTED]. On 6 Feb 2006 and 15 Feb 2006, [REDACTED] met with [REDACTED] while wearing a monitoring device. On each occasion [REDACTED] made overtures to [REDACTED] that he would be provided with funds to ensure that the contract was to be "sole sourced" and fully consummated.

During the course of the 6 Feb 2006 meeting [REDACTED] escorted [REDACTED] to a vehicle and presented a copy of the protective vest he was offering for sale. The vest was a CZECH design and manufacturer but did not contain serial numbers (The vest was provided to SIGIR one day after [REDACTED] was taken into custody in the US)

All monitoring both in person and telephonic with [REDACTED] and [REDACTED] digitally to a compact disc and the disc original compact disc were retained in the SIGIR evidence safe Baghdad, Iraq.

EVIDENCE

Evidence Property Custody Documents 001-06, 002-06, 0004-06, 0005-06 and 058-06 were collected and maintained in the SIGIR evidence lockers at the US Embassy Complex, Baghdad, Iraq and Arlington, VA. On February 9, 2007 evidence contained on vouchers 001-06, 002-06 and 0004-06 was shipped to [REDACTED] via Federal Express to [REDACTED] listed address in [REDACTED] (See attached vouchers listing evidence collected for details)

EXHIBITS

1. Standard Form 86 of [REDACTED] 2 September 2004.
2. A copy of the passport photo page of [REDACTED] US passport.
3. Photocopies of [REDACTED] Department of Defense common access card front and back.
4. Scriber information from [REDACTED] Yahoo! e-mail account, 14 March 2006.
5. Notice of Suspension memorandum addressed to [REDACTED] from the Department of the Army Legal Services Agency, 901 North Stuart Street, Arlington, VA 22202, 13 April 2006.

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5. Copies of Evidence Property Custody Documents voucher numbers 001-06, 002-06, 004-06 and 058-06.

6. Copies of the transcripts of [REDACTED] meeting with [REDACTED] on 6 Feb 2006 and 15 Feb 2006.

7. Judgment Document from the US District Court for the District of Columbia, case number 1:06-cr-00157-RJL, dated 7 Feb 2007.

8. Federal Express Air Bills concerning the return delivery of [REDACTED] property, 8 Mar 2007.

STATUS OF INVESTIGATION:

This matter was referred to the US Department of Justice, Washington, DC. [REDACTED] was assigned as the prosecuting attorney for the Government. On August 4, 2006, [REDACTED] pled guilty to one count of violations of the Foreign Corrupt Practices Act. On February 7, 2007, [REDACTED] was sentenced to 36 months at the minimum security federal prison located in Morgantown, West Virginia; upon release [REDACTED] is ordered to serve 24 month supervised probation and 250 hours of community service.

Prepared by: [REDACTED] IGIR Investigations, Arlington

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Office of Investigations

Case Number: IQ-06-0061-I

5 February 2006

CLOSURE MEMORANDUM:

[REDACTED]

Special Agent [REDACTED] contacted [REDACTED] of the Department of Defense Office of Inspector General. The authenticity of the contract awarded to Defense Logistics Services Incorporated, by the US Army Corps of Engineers rather than by the U.S. Army or Defense Logistics Agency, and that it was not an attempt to avoid normal channels or oversight was discussed. Based on this information, it was determined that the investigation in Baghdad should be discontinued.

Prepared by: [REDACTED] SIGIR Investigations Baghdad, Iraq
DISTR: File; Headquarters

716716
APPR:

[REDACTED]
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Office of Investigations

October 3, 2005

Name: [REDACTED]

[REDACTED]
[REDACTED]
Camp Taji, Iraq – Victim

Relevant statutes: 18 USC 201 – Bribery
18 USC 874 – Kickbacks

Case number: IQ-05-003-1

Origin: [REDACTED]

Synopsis: Case administratively closed:

Allegations: On August 19, 2005, [REDACTED]

[REDACTED] advised his company had been awarded contracts to provide Life Support Services to the Iraqi Army training site at Camp Taji, Iraq. The contracts are on a month to month basis, and were issued by the Joint Contracting Command – Iraq (JCC-I). [REDACTED] uses six suppliers to deliver the food needed for the Iraqi Dining Facilities (DFAC). [REDACTED] believes the guards at the Iraqi checkpoint are demanding payments be made by the suppliers if they want their trucks to avoid lengthy waits. Additionally, the suppliers are attempting to double and triple bill [REDACTED] for the amount of food delivered, and [REDACTED] believes a portion of this money is being demanded by the [REDACTED]. [REDACTED] stated that he estimated the loss to his company as of this report was approximately \$300,000.

[REDACTED] stated that he believes there was a possibility the [REDACTED] was also profiting from this scheme. [REDACTED] has an assistant, [REDACTED] who is very close to both [REDACTED] and [REDACTED]. [REDACTED] has demanded an \$8,000 payment be made to him by an [REDACTED] employee or their garbage trucks will be ejected from the base. [REDACTED] as reported this information to [REDACTED] however he believes no action has been taken.

4553

APPR: [REDACTED]

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On August 28, 2005, [REDACTED] Chief Garbage Supervisor for AISG advised [REDACTED] had demanded \$10,000 a month from his company if they wanted to continue to do business at Taji. [REDACTED] stated that he subsequently paid [REDACTED] \$3000, at which time he was informed that this was not enough money because it had to be shared with [REDACTED] and two others.

Investigation conducted: On August 22, 2005, [REDACTED] Intelligence Operations Specialist, Financial Trade Investigations Division, DHS, ICE, was provided with the information available in a DEIDS Report regarding [REDACTED] and requested to check the databases available to her for any asset information relating to [REDACTED]. On August 23, 2005, [REDACTED] advised she ran [REDACTED] identifiers for any financial information and received none. It was also negative when she extended it to the family.

On September 1, 2005, [REDACTED] was contacted at Camp Taji, Iraq. He waived his rights to remain silent and have an attorney present, and elected to be interviewed and to make a voluntary statement. He further consented to a search of his living quarters on Camp Taji by SIGIR Agents. [REDACTED] advised that a search of his living quarters would reveal no evidence of wrong-doing or misconduct. He stated that he had never been given money by any individual on Camp Taji, neither Iraqi nor American. [REDACTED] had never been offered money by [REDACTED] or any other Iraqi counterparts with whom he works. He advised that a search of his quarters would probably reveal less than \$300 in cash. This cash had been obtained by [REDACTED] at the Camp Taji Base Finance Office. A subsequent search of [REDACTED] living quarters revealed no evidentiary material.

On September 15, 2005, a report was prepared detailing the pertinent information concerning the allegations that members of the Iraqi Army and Camp Taji security personnel were demanding payments from the Iraqi suppliers at the base. This information was provided to Commission on Public Integrity Advisor [REDACTED] to forward to the appropriate investigators in that agency for action.

Based on the above information, the proper jurisdiction to address this alleged criminal activity among the Iraqi Nationals appears to be the Iraqi Police or Military. It is therefore recommended this matter be placed in a closed status.

Prepared by: [REDACTED]
DISTR: File # IQ-05-003-1

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Office of Investigations

Case No. IQ-05-0037-1

October 17, 2005

DOB [REDACTED] SSN [REDACTED]

NANA Pacific, AK

Cost Mischarging

CASE SUMMARY-CLOSED

On May 25 2005, this office received information that [REDACTED] was mischarging labor hours on two task orders for contract No. [REDACTED]. This was an Indefinite Delivery Indefinite Quantity (IDIQ) contract for \$75M and involves work at Bashra Airport and Umm Qasr port. [REDACTED] was also allegedly operating his own business, [REDACTED] while working in Iraq. Interviews of Nana Pacific employees disclosed that [REDACTED] had allegedly inappropriately billed the seaport task order for work done on the airport task order. When interviewed, [REDACTED] denied any cost mischarging between the task orders but did admit to charging for up to 100 hours of work while on R & R. [REDACTED] also advised he worked on [REDACTED] Business, but only for short periods of time and often after normal work hours. On June 7, 2005, Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) requested DCAA perform an audit of the contract. After numerous delays, the audit began, and during the review of the task orders, DCAA discovered JCC-I/A had modified the task order on 7 and 10 September. The modifications retroactively changed one of the task orders from a cost-type order to a fixed-price task order. The new price is fixed, resolving all changes and complete adjustment. DCAA cancelled the audit indicating they performed incurred cost audits on cost-type contracts, not fixed. Further, DCAA advised it does not appear there would be a means of recovery of any questioned amounts. Case closed.

Prepared by: [REDACTED]
DISTR: SIGIR/Baghdad FO

1842

APPR: [REDACTED]

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Office of Investigations

Date: October 26, 2005

[REDACTED] Special Agent in Charge
Special Inspector General for Iraq Reconstruction
Criminal Investigations – Baghdad
U.S. Embassy Room 233
Baghdad, Iraq

Subject: [REDACTED] Investigation #IQ-05-0048-1 – Final Report

Basis for Investigation

This matter involves the alleged disclosure of proprietary information of a security service contractor ([REDACTED]) by representatives of the Department of State Diplomatic Security Service (hereinafter DSS) stationed in Iraq to a competitor security service firm ([REDACTED]) in conjunction with the issuing of call orders incident to the award of a blanket purchase agreement on April 15, 2005. [REDACTED] purportedly used this proprietary information as part of the basis for a formal protest of the call order issuances on April 20, 2005 to the U.S. General Accountability Office and the U.S. Army Contract Appeals Division. Please be informed that [REDACTED] had previously been authorized to provide security services at 5 sights in Iraq which, as a result of the instant call order awards, were subsequently granted to [REDACTED]. Copies of [REDACTED] formal protest were provided to SIGIR Criminal Investigations in Baghdad, Iraq and at SIGIR Criminal Investigations Headquarters in Arlington, VA. Both copies of the protest and related documents included [REDACTED] entire statement of work as have been included with [REDACTED] formal protest.

According to the documentation provided, this referral was made by the Joint Contracting Command-Iraq (JCCI) at the behest of [REDACTED]

Additional information was provided through a confidential source regarding [REDACTED] and [REDACTED]. However, this information was non-specific and did not raise any additional allegations. Consequently, it was discounted for purposes of this investigation.

Prepared by [REDACTED] SIGIR-Investigations, Baghdad, Iraq

7383

APPR: [REDACTED]

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Extent and Results of Investigation

The contracting files were secured from JCCI and were thoroughly analyzed. Included in the files was a letter generated by legal counsels for [REDACTED] subsequent to the formal protest insisting that the formal protest only contained the [REDACTED] transition plan that had been provided to them by DSS [REDACTED] Mosul, Iraq and not [REDACTED] entire statement of work. This raised several questions at that time. The first was whether the [REDACTED] statement of work in its entirety constituted proprietary information. The second was whether [REDACTED] transition plan contained in its statement of work could be considered proprietary in that the contents of the plan would have to be shared with competitor [REDACTED] in order to effect a transition of work assignments. In addition to the above, an examination of the criminal statutes that relate to the disclosure of proprietary information are focused on the impropriety of disclosure of such information prior to the awarding of a contract vis-à-vis subsequent to the competitive process as in the instant matter. Consequently, a request for legal opinion was solicited from SIGIR – General Counsel.

On July 28, 2005, [REDACTED] and [REDACTED] SIGIR - Associates General Counsel, provided guidance that if [REDACTED] was provided with [REDACTED] entire statement of work, a violation relating to the disclosure of proprietary information could have occurred. Further, they counseled if the disclosure to [REDACTED] was restricted to just the [REDACTED] transition plan, even though the plan might still be considered proprietary, there would have been a legitimate reason to disclose that information, i.e. in order to implement the transition plan on a timely and effective basis.

On June 2, 2005, I interviewed DSS-Acting [REDACTED] Baghdad, Iraq relative to this matter. [REDACTED] responded to all of my questions and provided the following pertinent information.

1. His electronic notes and retained e mail reflected that he had forwarded [REDACTED] transition plan on April 15, 2005 at 09:17 P.M. to all five of the RSOs at the impacted embassy sights. This would have included [REDACTED] located at Mosul, Iraq. [REDACTED] provided me with a copy of this e mail and the [REDACTED] transition plan that was forwarded to the five RSOs and others including [REDACTED].
2. Prior to taking the above action, he had met with his superior, [REDACTED] and [REDACTED], who were all aware that he would be sharing the transition plan with his counterparts as well as [REDACTED].
3. He obtained the transition plan from the [REDACTED] statement of work and utilized his computer to copy the transition plan solely and forward the same to his peers in the impacted posts of duty by e-mail.
4. He did not directly provide [REDACTED] with the transition plan but felt it had to be shared in order to implement any type of orderly transition.
5. At no time did he ever provide anyone with [REDACTED] entire statement of work or divulge any proprietary information except for the transition plan.

After repeated attempts at retrieving the actual [REDACTED] formal protest with attachments from the General Accountability Office to confirm what specifically had been provided, I was finally able to retrieve copies of these documents through the U.S. Army Contract Appeals Division. This office coordinated the evaluation of the formal protest. [REDACTED] Bid Protests, provided me with a copy of the [REDACTED] formal protest and attachments. The attachment relating to [REDACTED] contained only the [REDACTED] transition plan and nothing more. [REDACTED] stated that [REDACTED] had not specifically referenced solely the transition plan in their protest correspondence. Moreover, [REDACTED] relayed that the "Army lawyers at CAD," seeing that the transition plan was part of the [REDACTED] statement of work.

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assumed that [REDACTED] had been provided the entire statement of work which would have constituted a Procurement Integrity Act violation. After a review of the documents and our discussion, [REDACTED] concluded that he felt the disclosure of the transition plan by DOS to [REDACTED] would have been reasonable under the instant circumstances.

Conclusion & Recommendation

The evidence gathered to date strongly confirms that the [REDACTED] transition plan was obtained from the [REDACTED] statement of work by [REDACTED] who forwarded it to his counterparts in various parts of Iraq. This would have included [REDACTED] in Mosul, Iraq. In that [REDACTED] admits to receiving the transition plan from [REDACTED] it appears to corroborate the source of that information. [REDACTED] is adamant that they were not provided any [REDACTED] proprietary information and legal counsel for the U.S. Army Bid Protest, US Army Appeals Division, confirms this as well.

Based upon the above findings and the lack of any additional substantive allegations, I recommend that this investigation be closed. I further recommend that the Department of State, Office of Inspector General be notified of the outcome of this matter so that the disposition of this matter can be relayed to DSS Special Agent [REDACTED] who is presently assigned to the DSS office in Los Angeles, CA.

[REDACTED] Special Agent
SIGIR – Criminal Investigations – Baghdad

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Office of Investigations

IQ-05-0045-1

October 23, 2005

[REDACTED]
Baghdad, Iraq

Falsification of Public Records (18 USC 2073)

CASE SUMMARY-CLOSED

Case initiated after the Regional Contracting Center (RCC) Taji, Iraq, reported that [REDACTED] had attempted to make delivery and receive payment on a forged government contract for \$834,716 in computer parts. Investigation determined the contracting officer's signature and Point of Contact (POC) are of someone who does not exist, and the requisition number and fund cite are invalid. A [REDACTED] email account was used to conduct all the business with [REDACTED]. [REDACTED] cooperated with the investigation and claims they ordered/paid for the computer parts which were refused by the RCC Taji. The complainant, [REDACTED] vice-president, [REDACTED] was never interviewed. His legal representative, [REDACTED] Managing Director, [REDACTED] was interviewed by [REDACTED] at SIGIR HQ, Arlington, VA. Bond provided a folder, Attachment (1), containing miscellaneous documents regarding the forged contract. SIGIR HQ served a Subpoena to [REDACTED] in an attempt to identify the contracting officer and delivery POC through subscriber information. The [REDACTED] Subscriber Information was probed with negative results. Further research of the Internet Protocol (IP) Addresses determined both came back to a network in Amsterdam. SIGIR HQ retains the official results of the [REDACTED] subpoena. After it was determined this was the only report of this nature received by SIGIR Baghdad and there was no loss to the government SIGIR HQ requested the investigation be closed.

Attachment (1) Envelope containing miscellaneous documents

Prepared by: [REDACTED]
DISTR: SIGIR/Baghdad FO

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APPR [REDACTED]

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Office of Investigations

Date: November 6, 2005

To: [REDACTED] - Baghdad, Criminal Investigations
Office of Special Inspector General for Iraq Reconstruction

Subject: Allegations of Conflict of Interest in Contractual Arrangements by [REDACTED]
[REDACTED]

This informant has requested complete anonymity in this matter. He/She could not be specific in his/her allegations but provided the following information that he/she contends gives rise to his/her suspicions that the conduct of the above targets may be more than just mismanagement.

1. This matter involves activity that occurred within the IMRO – Ministry of Transportation, Department of State, during the years 2004 and 2005 and involved the Iraq Railroad System. The Iraqi Railroad System consists of a single track line and 96 stations throughout the country. Iraq presently operates at most 10 trains per day and Iraqi citizens ride the system free at any time. The Iraqi Railroad System with a single track requires trains to stop on side tracks at various points to ensure that the track is clear (from a train running in the opposite direction) and it is safe to proceed. Historically, this was done telephonically by a train conductor.
2. At the outset of the war, Iraq had approximately 1,500 rail cars capable of carrying equipment and/or material including the use of con-ex boxes. About 1,000 of these railroad cars were lightly sabotaged by insurgents but removing a wheel face plate and then removing the ball bearings. This endeavor effectively blocked the single line tracks and the trains were incapable of running with the blocked tracks. He/She estimated that all of the damaged cars could have been repaired by simply replacing the ball bearings, repacking the race with grease, and reinstalling a face plate at a cost of about \$2,000 a piece (estimated at the highest cost factor). Instead, [REDACTED] under the provisions of the CPA, ordered 240 new flatbed train cars at a cost of about \$20M. The contract was awarded to a Polish firm, [REDACTED] and the cars were delivered in 2005. There was no oversight in this order and he/she questions the need for the acquisition when the simpler repairs would have sufficed and the inventory of railcars would have been sufficient for Iraq's railway system.
3. [REDACTED] also initiated a program with the Iraqi Railroad System entitled "Computer Based Train Control" or CBTC. A CBTC allows more trains to run on a given track by electronically monitoring the movement of all trains. With such a system, every train has a computer on board and a sending capability to a centralized computer which then transmits locations to the 96 stations throughout the country. In addition, every station was equipped with a node to also monitor the railway movement. This system was acquired from [REDACTED] a global company with headquarters in the United States, at a cost of \$23M. Thus far \$23M has been spent and the CBTC system was initiated in April 2005. However, present estimates are that it will cost another \$9M to implement the CBTC fully.
4. He/She cannot understand why CBTC was introduced into the Iraq Railroad System as the present usage cannot use this degree of technology. He/She contended that none of the Arab

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Office of Investigations

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neighbors of Iraq utilize a CBTC system even though their systems have a higher running capacity. In addition, he/she added that in 1944 in the United States one of the railway systems had 30 trains running per day and this was accomplished effectively utilizing hand switches and a telegraph system.

5. [REDACTED] purportedly initiated the program to utilize the CBTC system but departed Iraq prior to its implementation. [REDACTED] left Iraq in January of 2005 and became a consultant for the Department of State, Matters of Rail, in Washington, D.C. [REDACTED] was rumored to have come to Iraq poor but had left rich. He/She is not aware of [REDACTED] actual residence or state of origin but that he presently is working in Washington, D.C.
6. [REDACTED] was instrumental in hiring his replacement, [REDACTED] who finalized the acquisition of the CBTC with [REDACTED]. He/She contended that there was a great degree of travel, high living, and parties in connection with the CBTC contract as well as the acquisition of the 240 new railroad cars and suggests that [REDACTED] received more than just their State Department salaries in return for their work. He/She further contends that no one at IRMO ever questioned either of these contracts in any way. He/She is unaware of any significant qualifications (such as railway engineer) that would give credence to the supposed expertise of either [REDACTED]. According to his/her information, [REDACTED] position before coming to Iraq was that of an editor for a "train" magazine.
7. He/She alleged that [REDACTED] has a resume on file at [REDACTED] and may be accepting a position with that firm. In addition, he/she suggested that [REDACTED] acquired stock in [REDACTED] prior to the time that the CBTC system acquisition was made public but after learning that [REDACTED] had been awarded the contract.
8. He/She cannot understand why this money was spent on the railway system and where there will be much of a return of the investment made. He/She knows that changes have been made at IRMO-Ministry of Transportation and now the Ambassador approves all such proposals for contracts.
9. Shortly after [REDACTED] was hired for the IRMO - Ministry of Transportation position, announcements were made to hire "train experts" to work with [REDACTED]. However after interviewing with [REDACTED] these "experts" withdrew their applications.
10. He/She feels that [REDACTED] will be in a position to be retained by [REDACTED] as the "CBTC expert in Iraq" after his IRMO-Ministry of Transportation position is completed. He/She suggested that [REDACTED] will attempt to circumvent the rules regarding post government employment.

Based on the above information, I would recommend that this information be forwarded to SIGIR-Audit for whatever action is deemed appropriate and that the allegation concerning "insider trading" be forwarded to the Securities and Exchange Commission for appropriate disposition. I further recommend that no further action be taken by SIGIR-Criminal Investigations due to the lack of specificity of misconduct unless additional information is presented.

[REDACTED] Special Agent, SIGIR - Criminal Investigations - Baghdad

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Office of Investigations

Case Number IQ-05-0044-I

December 14, 2005

[REDACTED]
Baghdad, Iraq

Product Substitution

Case Summary-Closed:

Case initiated on 24 July 2005, after Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) reported they received information from [REDACTED] Baghdad (a primary contractor) that they suspected contract fraud by their subcontractor, [REDACTED] in government contracts for helmets and protective vests. For the helmet subcontract, [REDACTED] provided a product certification letter from [REDACTED] Seoul, Korea certifying compliance with the NIJ Level III A Protection as detailed in the contract. When the product became delinquent, [REDACTED] contacted the Korean company only to find out the company was unaware of [REDACTED] and knew nothing regarding the delivery of helmets in Iraq. Interviews at JCC-I/A determined the government never relied on the certification letter provided by [REDACTED] in the award of the contract and was not concerned about the product being provided by a company from China. An interview of the author of the letter, [REDACTED] Seoul, Korea, by the Naval Criminal Investigative Service, determined the letter was authentic. Two helmets were seized for possible testing. However, the testing was not completed after it was determined the NIJ Level III A Protection level ordered by the government had no standard for testing. Attempts to locate and recover any of the protective vests were unsuccessful. This case is closed.

Prepared by: [REDACTED] SIGIR Investigations, Baghdad, Iraq

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APPR:

[REDACTED]
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Office of Investigations

December 18, 2005

Name: [REDACTED]
[REDACTED]
[REDACTED]

Relevant statutes: 18 USC 201 – Bribery
18 USC 874 – Kickbacks

Case number: 0047-05-I-SIGIR
IQ-05-0025-I

Origin: Confidential Source

Synopsis: Case administratively closed.

Allegations: On July 20, 2005, a confidential source (CS-3), advised s/he had heard that an American company named [REDACTED] was recently awarded an \$800,000 contract to perform unspecified services. The contract number was reported to be [REDACTED]. One of the competing companies, the name of which CS-3 stated s/he did not know, filed an appeal of the award based on contractual errors. CS-3 stated the normal amount of an award regarding a substantiated dispute would be 15% of the contract price. CS-3's source, which s/he declined to name, advised a contracting supervisor who is employed by [REDACTED] named [REDACTED] was the individual in charge of the appeal board. [REDACTED] was alleged to have overturned the 15% award to the non-winning competing company, instead making the award 50%. CS-3 advised he had no further information on this matter.

Investigation conducted: Discussion with other SIGIR investigators determined that [REDACTED] [REDACTED] for the Joint Contracting Command-Iraq (JCC-I). He left this position in approximately May, 2005, and

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currently resides at his residence in [REDACTED]. As the [REDACTED] he was a senior government employee, not a [REDACTED] contractor working for the JCC-I as related by CS-3. A review of the subject contract located at the Pentagon by [REDACTED] Contracting Officer, Pentagon Renovation and Construction Program, determined the actual number to be [REDACTED]. There was no mention of a protest concerning the awardee, [REDACTED] which is an American construction company which has several contracts with the US Government in Iraq.

Contact with [REDACTED] Chief Attorney for protest in the US Army Contract Appeals Division, determined [REDACTED] has not been involved in any protest that has been litigated before the Government Accounting Office (GAO). [REDACTED] advised he has been employed in his current capacity since before the war in Iraq, and that his office defends all protests filed with the GAO regarding contract disputes. He stated this contract number could not be traced to any of the protests handled that came out of Iraq.

On November 30, 2005, [REDACTED] the current legal advisor and procurement fraud advisor in Baghdad for the JCC-I, advised his office had no record of any protests filed concerning this contract or the awardee [REDACTED].

Based on the above, the information provided by CS-3 appears to be incorrect. It is therefore recommended this mater be placed in a closed status.

Prepared by: [REDACTED]
DISTR: File # 0047-05-1-SIGIK
IQ-05-0025-I

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Office of Investigations

December 20, 2005

Name: [REDACTED]

Relevant statutes: 18 USC 641 – Embezzlement

Case number: 0042-05-I-SIGIR
IQ-05-0026-I

Origin: Complaint received on June 21, 2005, from the Joint Contracting Command-Iraq (JCC-I) following a Government Property Management Audit and Inventory Review of captioned company's contractual performance to provide Life Support Services for the Iraqi Army at Camp Taji, Iraq.

Synopsis: Case administratively closed.

Allegations: JCC-I auditors alleged gross negligence by contractor [REDACTED] in their management of Government Property, as well as failure to provide deliverable items at numerous locations throughout the camp. One example of such failure was the establishment and oversight of the Iraqi Army Moral, Welfare and Recreational (MWR) facility at Camp Taji, which was reported to be extremely inadequate based on the funding level.

Investigation conducted: Following the above allegations, SIGIR investigators conducted a site inspection of the services being provided by [REDACTED] to the Iraqi Army at Camp Taji as well as conducted interviews of all available [REDACTED] employees associated with the program. The allegations regarding the condition of the MWR facility and the overall management of Government Property at Camp Taji by [REDACTED] were confirmed and photographically documented. As a result of the JCC-I Audit and Inventory Review and this investigation, the [REDACTED] contract to provide Life Support Services at Camp Taji was terminated at the end of June, 2005. SIGIR investigators subsequently met with [REDACTED], and [REDACTED] and requested an Audit of [REDACTED] be conducted. The purpose of this audit was to identify the potential dollar amount loss to the U.S. Government and request any outstanding funds obligated to [REDACTED] to be withheld pending the results.

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APPR: [REDACTED]

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On December 7, 2005, [REDACTED] Chief, Coalition Military Assistance Training Team (CMATT) Contracts Branch, Contracting Officer, Joint Contracting Command-Iraq/Afghanistan (JCC-I/A), Security and Justice Sector, was contacted regarding the results of the requested audit. [REDACTED] advised his office determined that \$804,748.99 which was claimed by [REDACTED] had not been "earned or verified/justified", and therefore, had not been paid. He stated that this number is the contractor claim amount minus the adjusted amount after the audit. [REDACTED] advised the Government has not lost any money due to the fact that no disputed claims have been paid.

As articulated above, [REDACTED] is a company located in [REDACTED] with no American employees and no longer doing business in Iraq. Inasmuch as there was no loss to the US Government, it is recommended this matter be placed in a closed status.

Prepared by: [REDACTED]
DISTR: File # 0042-05-I-SIGIR
IQ-05-0026-1

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Office of Investigations

IQ-05-0033-1

January 2, 2006

Missing Generator/Possible Theft of Generator

CASE CLOSING:

Relevant Statutes: 18 USC 641 – Theft from Interstate or Foreign Shipments

Origin: Request for investigative assistance received on September 20, 2005, from the Department of State Inspector General regarding a missing Caterpillar Generator.

Synopsis: Case administratively closed.

Allegations: On or about June 13, 2005, a \$376,000 Caterpillar Generator, S/N BPD00982, Model # XQ2000E was reported missing and presumed stolen while in transit from the Jordanian International Police Training Center (JIPTC), Amman, Jordan to Adnan Palace, Baghdad, Iraq.

Investigation conducted: On September 26, 2005, SIGIR investigators conducted an interview with [REDACTED] Baghdad, Iraq. [REDACTED] said that in early June 2005, [REDACTED] discovered the urgent need for an electrical generator at Adnan Palace. The Coalition Police Assistance Training Team (CPATT) and Iraq Reconstruction Management Office/Ministry of Interior (IRMO/MOI) are co-located at Adnan Palace, Baghdad, Iraq. [REDACTED] notified [REDACTED] by email of the requirement for an electrical generator. Without a replacement generator Adnan Palace was without sufficient electrical power for basic necessities such as lights and cooling air during a period when the outside temperature exceeded 115 degrees. [REDACTED] was in Amman, Jordan and was familiar with JIPTC and most of its available assets. [REDACTED] was aware that JIPTC had an additional generator that was not currently being used at the time. [REDACTED] advised [REDACTED] that this generator had the capacity to fill the short term needs at Adnan Palace. The generator was described as a Caterpillar, 400v, 50 Hz, 1750 kva, which was self contained and on its own trailer. [REDACTED] requested JIPTC to send this generator to Adnan Palace as a temporary solution for its electrical requirements. [REDACTED] received authority and approval from its Washington headquarters and agreed to send the generator to Adnan Palace.

On June 11, 2005, [REDACTED] finalized arrangements for the shipment of the generator with [REDACTED]. The driver and tractor to pull the trailer/generator was identified and selected by [REDACTED]. The [REDACTED] driver, [REDACTED] arrived at JIPTC and details of the delivery destination was provided to [REDACTED]. [REDACTED] seemed surprised to learn that the delivery destination was Baghdad and expressed his concerns about taking the shipment into Iraq. [REDACTED] said he was not impressed with [REDACTED] his dress, appearance or demeanor. [REDACTED] also said the overall mechanical condition of the tractor [REDACTED] was driving looked unfit for the trip. [REDACTED] said he was

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concerned the tractor would not pass the vehicle inspection conducted by the U.S. military to determine if it was in sound mechanical condition for the convoy into Baghdad. ██████ said he recommended to ██████ against using ██████ and suggested that ██████ provide another driver. ██████ said ██████ representatives who were on site, offered additional money and convinced ██████ to take the shipment to Baghdad.

██████ said he had previously planned to go to the Jordanian border to visit friends and also do some shopping at the duty free shop at the border crossing. Additionally, he wanted to be available to assist the ██████ driver if needed in getting the generator through Customs at the border. ██████ said he was accompanied to the border by his girlfriend ██████ who he planned to use as an interpreter and ██████ friend. ██████ a contractor who is employed at the American Embassy Amman. ██████ and ██████ had developed contacts with personnel at the border crossing.

██████ and friends left JIPTC ahead of the truck and proceeded to the Jordanian border crossing. ██████ said it is about a five hour drive to the border for the tractor/trailer rig and about three hours in a sedan. ██████ said while enroute to the border ██████ had ██████ called the driver at least two times to check on the progress to the border. On the last call at approximately 10:30 PM the driver told ██████ that he wanted to stop and spend the night along the route to the border. ██████ provided instructions reaffirming to the driver that it was imperative that the shipment meet the military escort convoy the following morning for the vehicle inspection required for the vehicle to join the military convoy into Baghdad. ██████ agreed to continue on to the border.

██████ and his friends waited at the border for the truck until approximately 11:00 PM. ██████ and friends did not locate the truck and they began the return trip to Amman. ██████ said on the return trip he and his friends thought they saw the truck driving towards the border and it was about an hour away from the border. ██████ said it was approximately 3:30 AM when they arrived back in Amman.

On June 12, 2005, ██████ said he received a telephone call from ██████ the Jordanian Border Commander who advised ██████ the truck with the generator never arrived and did not leave with the 7:00 AM military convoy. ██████ requested that ██████ search the immediate area to determine if the truck was in the area. ██████ said several hours later ██████ called back to advise he had found the truck and driver. ██████ told ██████ that the driver had failed to report to the convoy commander for the truck inspection. ██████ told ██████ that the driver was missing several important documents that were required to transit the border. ██████ said he contacted ██████ and arranged for ██████ to fax the documents direct to the border officials. ██████ said the truck was scheduled to depart the border in the next convoy which would be June 13, 2005, at 7:00 AM.

On June 13, 2005, ██████ said he received a telephone call from ██████ from the border who reported a switch in the truck drivers. The original driver reportedly said he didn't want to drive to Baghdad. The information received indicated that the original driver ██████ had recruited a friend to take the shipment into Baghdad. The new driver was identified as ██████ a Jordanian national. ██████ advised ██████ they were not aware of any change and further did not authorize any change in drivers. Several hours later ██████ said he received a telephone call from the U.S. military who said the truck and generator were missing. ██████ said an all points alert was issued regarding the missing generator. Later this date ██████ said he informed all concerned agencies of the missing tractor/trailer with generator.

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On June 14, 2005, [redacted] said he received several telephone calls from unidentified U.S. military sources who said the generator had been located. [redacted] said, it was later determined that these calls were unrelated to the missing generator.

On October 27, 2005, SIGIR investigators interviewed [redacted] in Amman, Jordan. [redacted] is the girl-friend of [redacted] who accompanied [redacted] and [redacted] to the Jordanian border on June 11, 2005. [redacted] related to investigators the events essentially the same as those described above by her friend [redacted] said she had known [redacted] Jordanian Border official since around 1999.

On October 27, 2005, in Amman, Jordan, SIGIR investigators interviewed [redacted] Country Manager, [redacted] Amman, Jordan. [redacted] said on June 11, 2005 [redacted] received an email request from [redacted] requesting one tractor to pull a 35 ton generator from JIPTC in Amman to Baghdad, Iraq under military escort. Insurance for the shipment was quoted to [redacted] but insurance was declined. [redacted] identified and provided the driver and tractor for the trip. [redacted] said the driver, [redacted] initially balked at driving the shipment into Iraq but was convinced by [redacted] representatives to take the shipment.

The shipment was picked up at JIPTC and arrived at the border and staged for link-up with the military convoy. The following day [redacted] received word that the driver had refused to go with the military convoy. [redacted] said later they learned the drivers had been switched in "no mans land" the area described as the land between the two borders that neither country claim. [redacted] said this change of drivers was not authorized by [redacted] The truck continued in the line-up towards the Iraqi border and the military inspection yard. The truck stopped short of the gate and claimed the truck had broken down and was unable to move and needed a water-pump. [redacted] was assured that the truck was in a secure area this was later verified by representatives of [redacted]

[redacted] said [redacted] representative on scene received a telephone call from the owner of the tractor trailer who said he had brought a replacement part to the border but was denied access by Jordian border officials. [redacted] met with the owner and picked-up the replacement part for the truck. [redacted] returned to the area where the truck was previously parked and discovered it was missing. A search of the area was made with negative results.

[redacted] said the owner of the truck that was used to transport the generator to the Jordanian border is suing driver, [redacted] for abandoning the shipment at the border. [redacted] said the other driver identified as [redacted] claimed he was badly beaten after he was highjacked with the generator. [redacted] was arrested by the Public Service Directorate (PSD) and reportedly turned over to the General Intelligence Directorate for investigation. Details of that investigation were not released to [redacted] [redacted] said he suspects the owner of the tractor/trailer unit conspired with the driver's of the truck to steal the generator.

Based on the results of the investigation it is clear that the generator made it to the Jordanian Border and into the Jordanian/Iraqi border area known as "No Mans Land". The generator remains missing and is presumed stolen. The generator is believed to be in Iraq. It is recommended that this investigation be placed in a closed status until additional information is developed.

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Prepared by: [REDACTED]
DISTR: File # IQ-05-0033-I

? Attachments

1. First Attachment
2. Second Attachment

Prepared by: [REDACTED]
DISTR: File

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Case No. IQ-05-0013-HL

January 7, 2006

[REDACTED]

Inflated Costs and Bid Rigging

CASE CLOSING:

In May 2005, the Special Inspector General for Iraq Reconstruction (SIGIR), Hotline, made a referral to the SIGIR, Office of Investigations, Baghdad, Iraq, of an anonymous complaint that alleged billing irregularities involving [REDACTED]. The complaint alleged that [REDACTED] was showing favoritism to the [REDACTED] on a U.S. Government contract. The complaint related that Holly improperly permitted [REDACTED] to increase the amount charged for services, up to double the original amount, and to receive no bid contracts. The complaint did not identify the charges that were allegedly doubled. The complaint also alleged that [REDACTED] had a conflict of interest with the leadership of [REDACTED]. The complaint did not identify the nature of the conflict.

As a result of the complaint, the SIGIR, Office of Investigations, Baghdad, Iraq, initiated a preliminary investigation. In May 2005, SIGIR Special Agent [REDACTED] met with SIGIR Audit Manager [REDACTED] regarding the allegations. Subsequently, [REDACTED] identified a contract for [REDACTED] that was funded by the Iraq Relief and Reconstruction Fund. According to an email from [REDACTED] issued the contract under the Buildings, Education and Health Sector. The contract contained seven open delivery orders the most significant of which involved transportation and convoy security in the amount of \$42 million. [REDACTED] requested the SIGIR Audit Division to provide assistance in reviewing the contract for inflated costs and cost report issues. Due to the complaint's lack of specificity concerning the nature of the doubled charges, the SIGIR Audit Division declined to initiate an audit.

On June 27, 2005, [REDACTED] made an inquiry with [REDACTED] from the Defense Contract Audit Agency (DCAA) in Baghdad, Iraq, to determine if the DCAA had any ongoing issues involving [REDACTED]. [REDACTED] advised [REDACTED] that the DCAA was conducting an audit of the [REDACTED] on issues that did not involve cost reports. On June 28, 2005, [REDACTED] provided a copy of the SIGIR Hotline complaint to [REDACTED] for consideration of expanding the DCAA audit to include cost report issues. [REDACTED]

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APPR: [REDACTED]

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requested [redacted] to advise him if the DCAA developed any information on [redacted] relevant to the complaint.

Subsequently, the SIGIR, Office of Investigations, Baghdad, Iraq, initiated a computerized case management system and documented the allegations against [redacted] under a formal investigation that was assigned to SIGIR [redacted]. That investigation did not develop any additional information concerning the specifics of the inflated costs, the bid rigging, or the identity of the anonymous source. Likewise, the DCAA has not contacted the SIGIR concerning the development of any additional information. As a result, the investigation is being closed. The investigation will be reopened if more specific allegations are received or the identity of the anonymous source becomes known.

Prepared by: [redacted] SIGIR-Investigations, Baghdad, Iraq

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Office of Investigations

January 09, 2006

Name: [REDACTED]

Relevant statutes: Possible theft of Iraqi Government property

Case number: IQ-05-0009-HL

Origin: Hotline complaint by [REDACTED]

Synopsis: Case administratively closed.

Allegations: On September 11, 2005, an investigation was opened resulting from information provided by [REDACTED] who stated he discovered six to eight P-51 type fighter aircraft disassembled on a lot he was inspecting. All aircraft displayed Iraqi Air Force markings. [REDACTED] stated [REDACTED] employees told him that an unnamed Iraqi General had given them the aircraft and they intended to ship the aircraft to the U.S. The [REDACTED] employees stated the subject aircraft were operational before the recent war.

Investigation conducted: [REDACTED] was contacted and the grid coordinates of the [REDACTED] lot where the aircraft were located were obtained. The site was visited at which time it was determined the aircraft were not North American P-51 Mustang fighter planes, but rather Brazilian-made Embraer Tucano 312 turbo-prop two seater military trainers. The Air Force Directory reports that as of 1999, the Iraqi Air Force owned forty Tucano 312 aircraft.

Contact with [REDACTED] revealed her office was made aware of this matter in April, 2005. She stated her investigation determined the Iraqi Ministry of Defense (MOD) was aware of this situation and stated the aircraft were sold to [REDACTED] by someone claiming to be in charge of the Baghdad Flying Club as surplus flying club aircraft. When the Iraqi General was challenged, he explained the planes were not sold to [REDACTED] but [REDACTED] was being paid to maintain them until he could hand them over to the Air Force. She stated the Iraqi Air Force wants their aircraft back and the Iraqi MOD wants their own investigators to investigate the General.

FBI Baghdad contacted [REDACTED] which is a special group of investigators under the Iraqi Reconstruction

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APPR: [REDACTED]

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Management Office (IRMO). The CPI's mission is to investigate matters of fraud within the various Iraqi Ministries. [REDACTED] stated that the CPI was very interested in the case and requested all information. FBI Baghdad facilitated CPI's direct communication with the military on this matter and advised they had closed their investigation.

Based on the above information, it appears the CPI is best situated to resolve this investigation which involves Iraqi Government assets and a member of the Iraqi military. It is therefore recommended this case be placed in a closed status.

Prepared by: [REDACTED]
DISTR: File # IQ-05-0009-HL

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Office of Investigations

Case No. IQ-05-0020-I

January 9, 2006

Theft of Funds

CASE CLOSING:

On September 17, 2005, the Special Inspector General for Iraq Reconstruction, Office of Investigations, Baghdad, Iraq (SIGIR), initiated an investigation into a non-specific allegation that former employees of [REDACTED] and [REDACTED] embezzled funds from a contract funded by the Iraq Relief and Reconstruction Fund (IRRF). During the investigation, SIGIR special agents conducted interviews of [REDACTED] and [REDACTED] and performed consent searches on two housing units under the control of [REDACTED]. Although the agents did not uncover evidence to support the allegation, both employees later resigned from [REDACTED] due to other issues.

Immediately thereafter, [REDACTED] hired a replacement for [REDACTED]. The replacement, [REDACTED], then made a more specific allegation against [REDACTED]. [REDACTED] claimed that [REDACTED] submitted a false bill to [REDACTED] for eventual reimbursement by the U.S. Government. The bill, in the amount of \$184,253, was for work done by an Iraqi sub-contractor named the [REDACTED]. [REDACTED] alleged that [REDACTED] submitted an invoice to [REDACTED] showing a value of \$18,223 and that [REDACTED] embezzled the difference. The work pertained to U.S. Government contract [REDACTED] Task Order 23. [REDACTED] made the allegation after an employee of the [REDACTED] provided [REDACTED] with a MS Excel spreadsheet that ostensibly showed the [REDACTED] issued [REDACTED] an invoice for \$18,223.

On October 31, 2005, SIGIR agents interviewed representatives of the [REDACTED]. During the interview, the agents determined that [REDACTED] an engineer doing work for the [REDACTED], provided the copy of the MS Excel spreadsheet to [REDACTED]. However, [REDACTED] advised the agents that he had mistakenly provided [REDACTED] with the wrong MS Excel spreadsheet which actually pertained to work done on a different contract. The manager of the [REDACTED], who was also present at the interview, concurred with [REDACTED] assertion and provided the agents with a copy of the actual invoice. The invoice showed that the [REDACTED] billed [REDACTED] for \$184,253. [REDACTED] confirmed that he received payment in the amount of \$184,253, in the form of a wire transfer, from [REDACTED] for the invoice.

Since the investigation did not develop evidence to support the allegation, the investigation is closed pending receipt of additional information.

Prepared by: [REDACTED]
DISTR: File

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APPR: [REDACTED]

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Office of Investigations

Case No. 0038-05-I-SIGIR

January 10, 2006

[REDACTED] DOB: [REDACTED] SSN: [REDACTED]

Conflict of Interest

CASE CLOSING:

On May 22, 2005, the Special Inspector General for Iraq Reconstruction (SIGIR) received a complaint of a conflict of interest involving an individual purported to be an U.S. Government employee. The allegation originated from a confidential source. The subject of the allegation, [REDACTED] hereinafter known as [REDACTED], is a former employee of the Iraq Project and Contracting Office (PCO), a U.S. Government office.

The investigation established through interviews that [REDACTED] was employed by CACI as a contractor and assigned to work with the U.S. Government from May 2004 to January 2005. Immediately thereafter [REDACTED] went to work for a vendor named [REDACTED] as a vice president for sales.

Since [REDACTED] was employed with the U.S. Government as a contractor, the investigation is being closed as an administrative matter for the Joint Contracting Command-Iraq/Afghanistan.

Prepared by: [REDACTED]
DISTR: File

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APPR: [REDACTED]

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Office of Investigations.

IQ-05-0015-I

January 10, 2006

CASE CLOSING:

On September 11, 2005, SIGIR Office of Investigations was provided information by [REDACTED] PCO Billeting Manager, Baghdad, Iraq. [REDACTED] told SIGIR [REDACTED] and [REDACTED] about subject [REDACTED], a British national, who is alleged to be obtaining life support services and living quarters provided by the U.S. government without a current contract. [REDACTED] was originally employed by [REDACTED] under a former logistics contract. The logistics contract expired in July 2005. [REDACTED] employment with [REDACTED] expired with the contract. [REDACTED] is believed to be unemployed but remains in the International Zone using [REDACTED] in order to further [REDACTED] own business development. [REDACTED] provided a copy of [REDACTED] letter that identifies [REDACTED] as no longer an employee of [REDACTED]. The letter was signed by [REDACTED] Project Manager, [REDACTED].

Investigation by SIGIR determined while there were probably issues regarding theft of services it was determined that it did not warrant SIGIR investigative resources.

On September 11, 2005, the details of this investigation were referred to [REDACTED] Embassy Baghdad Regional Security Office, for whatever action that office deems appropriate.

Prepared by: [REDACTED]
DISTR: File

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Office of Investigations

Old Case # 0023-05-I-SIGIR
New Case # IQ-05-0049-I

January 11, 2006

[REDACTED] DOB: [REDACTED] SSN: [REDACTED]

Sherman Anti-Trust Act Violation (Bid Rigging)

CLOSING REPORT:

The Special Inspector General for Iraq Reconstruction (SIGIR), Office of Investigations, initiated this investigation based upon an anonymous complaint of bid rigging on a contract to purchase kitchen equipment for the Iraqi special police commandos. The source claimed that the bids originated from three Iraqi companies, which were owned by Iraqi officers from the Iraqi special police commandos.

The investigation confirmed that three Iraqi companies belonging to members of the Iraqi special police bid on the contract. [REDACTED] from the Multi National Security Transition Command-Iraq (MNSTCI), opined that the bids were placed by the companies belonging to Iraqi special police commandos for security reasons. The investigation identified [REDACTED] as the point of contact between MNSTCI and the company that was awarded the contract. An interview of [REDACTED] did not engender any evidence that [REDACTED] received anything of value from the Iraqi special police commandos to facilitate the contracts.

The investigation verified the information in the complaint, but did not establish violative conduct by U.S. nationals, and as such is closed.

Prepared by: [REDACTED]
DISTR: File

1531

APPR [REDACTED]

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Office of Investigations

IQ-06-0001-1

January 12, 2006

CASE CLOSING:

On September 22, 2005, [REDACTED] and [REDACTED] received information during an interview with [REDACTED]. The information relates to their former employee and Country Program Director for CSMI-Iraq, [REDACTED] and [REDACTED] alleged that former employee [REDACTED] formed and developed his own business at the expense of [REDACTED] while in Iraq. [REDACTED] company name is [REDACTED]. Additionally, it is alleged that [REDACTED] used [REDACTED] past performance data and experience from prime contractor [REDACTED] in his recently submitted Proposal for Solicitation # [REDACTED]. [REDACTED] and [REDACTED] said [REDACTED] was awarded the above described contract based on false information submitted by [REDACTED]. [REDACTED] was awarded the contract on September 23, 2005. [REDACTED] did not compete for this contract.

On October 12, 2005, [REDACTED] interviewed [REDACTED] Contracting Officer, Joint Contracting Command (JCCI), Baghdad, Iraq. [REDACTED] was interviewed regarding details of contract solicitation # [REDACTED] and subsequent awarded contract # [REDACTED] all in reference to [REDACTED]. [REDACTED] said there were a total of three bids on this solicitation for a "Tailorable Integrated Security System (TISS). The following companies bid on the proposal: [REDACTED] in the amount of \$700,000; [REDACTED] \$1,033,289.85; [REDACTED] \$1,170,565.

[REDACTED] said [REDACTED] was not considered because [REDACTED] only submitted a single page proposal. [REDACTED] said [REDACTED] was the highest bid and therefore [REDACTED] was awarded the contract. [REDACTED] said he notified [REDACTED] and advised [REDACTED] that [REDACTED] had been selected and awarded the contract. [REDACTED] said that when [REDACTED] arrived at JCCI to accept the contract [REDACTED] asked [REDACTED] if he would discount the [REDACTED] proposed \$1,033,289.85 by \$700,000. [REDACTED] said [REDACTED] agreed to the discount and the contract was awarded at \$60,000 less. [REDACTED] questioned [REDACTED] about his solicitation of [REDACTED] to discount the previously bid price. [REDACTED] said that it was his responsibility to attempt to obtain the best possible price from contractors.

On October 13, 2005, [REDACTED] and [REDACTED] conducted an interview with [REDACTED] at SIGIR office of Investigations. [REDACTED] said he and his wife formed the company in February 2005. [REDACTED] has a U.S. Army, Special Forces, military background and attained the rank of CW3. [REDACTED] said he obtained an MBA at University of North Carolina. [REDACTED] identified the only two other [REDACTED] employees as [REDACTED] and [REDACTED].

[REDACTED] said he found the solicitation for the proposal on the Iraqna PCO website in September 2005. [REDACTED] said he only had approximately twelve days to submit the [REDACTED] bid. [REDACTED] said he submitted the proposal to [REDACTED] of JCCI by email. [REDACTED] said he was notified later by [REDACTED] that [REDACTED] was the successful bidder on the contract.

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[redacted] confronted [redacted] about the proposal he submitted to JCCI and more specifically the area regarding "Past Performance". [redacted] said he submitted three examples of "Past Performance". [redacted] presented a copy of the [redacted] proposal for reference. [redacted] pointed out in each reference to past performance he always illustrated in the "Vendor" portion that [redacted] (as Vendor) would be shown as "(Program Management)" "[redacted]". [redacted] said this was his way of indicating that he was responsible as Program Manager and that [redacted] was the Vendor for this solicitation.

[redacted] explanation regarding his role as "Vendor" in the solicitation is plausible. The investigation determined no "False Claim" regarding the solicitation proposal made by [redacted]. This document serves to close the [redacted] investigation.

Prepared by: [redacted]
DISTR: File

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Office of Investigations

IQ-05-0041-1

January 18, 2006

[REDACTED]

False Claims

CASE SUMMARY-CLOSED

Case was initiated 12 May 2005, and assigned to [REDACTED] after the Defense Criminal Investigative Service (DCIS), Chesterfield, VA referred information to SIGIR regarding possible fraud involving [REDACTED]

The complainant, [REDACTED] CACI International, Joint Contracting Command Iraq/Afghanistan (JCC-I/A), Baghdad, Iraq, was telephonically interviewed by DCIS on 16 February 2005. He alleged [REDACTED] was submitting invoices to JCCI for full amount of construction costs prior to completion and submitting invoices for life support services prior to the facility's construction. The alleged false invoices related to fixed price contract number [REDACTED] for approximately \$26 million, for the construction and life support services for two Iraqi Police training facilities in Al Hilla, Iraq. DCIS referred the case after [REDACTED] failed to follow up with a copy of the contract, invoices, and associated communications with [REDACTED] to assist in determining if an investigation was warranted. SIGIR investigation revealed JCCI issued a cure notices on 3 December 2004, for an equitable adjustment for future payments on the contract between [REDACTED] and PCO Baghdad. Ultimately the contract was amended with the government recouping \$1,738,000 from [REDACTED] and settling the disagreement with JCCI and [REDACTED] over the invoices. [REDACTED] interviewed [REDACTED] and developed no additional pertinent information. The current Contract Administrator, [REDACTED] JCC-I/A, who replaced [REDACTED] was interviewed and advised there had been additional corrective actions regarding the contract and in his opinion, nothing of a possible criminal nature has occurred. The contract with [REDACTED] will end on 31 January 2006 and they are competing for additional [REDACTED] contracts. As of this report the government has brought no additional allegations concerning [REDACTED] and considers their work acceptable. This case is closed.

Prepared by: [REDACTED]
DISTR: SIGIRHQ/Baghdad FO

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Office of Investigations

IQ-06-0011-I

20 January 2006

SSN: [REDACTED]
DOB: [REDACTED]

Larceny of Government Funds

CASE CLOSED-SUMMARY

Case was initiated 17 November 2005, after JCC-I/A, Baghdad, Iraq, reported [REDACTED] was suspected of larceny of government funds. The theft involved the erroneous payment of \$71,250 to [REDACTED] Baghdad. On 16 April 2005, [REDACTED] was issued for the [REDACTED] radar electric upgrade. Within weeks, the contractor, [REDACTED] was kidnapped and could not perform the work. The contract was reissued to [REDACTED] without a modification order changing the contract number. After [REDACTED] submitted a partial invoice for \$71,250 for work completed, payment was processed. The processing office did not notice the vendor change and issued the check to [REDACTED] In early August 2005, [REDACTED] who had been released and left Iraq- was contacted by PCO Finance via email to pickup a check. On 15 August 2005, [REDACTED] picked up the check, using a letter of authorization authored by [REDACTED]. [REDACTED] immediately negotiated the check at PCO-Finance, Baghdad. [REDACTED] which was never award another contract by JCC-I/A, was now defunct and it appeared the collection of this money by [REDACTED] equaled larceny of Iraqi Relief and Reconstructions Funds. After attempts by JCC-I/A to contact [REDACTED] and [REDACTED] were unsuccessful, SIGIR was contacted. SIGIR establishes email contact with [REDACTED] who stated after his kidnap and release, he left Iraq without returning to the work site. He authorized [REDACTED] a friend in Baghdad, to accept delivery of the money he thought was due him. [REDACTED] advised subsequent emails and phone calls to [REDACTED] in Baghdad went unanswered and he never received any of the money. After a month of searching the US/International Zone / Red Zone, [REDACTED] was located and interviewed. He denied any wrong doing and stated that he collected the money from PCO Finance after instructed to do so by the government. [REDACTED] subsequently returned \$65,000 in one hundred dollar bills. [REDACTED] stated he spent \$6,250 on personal travel and [REDACTED] business expenses while waiting for [REDACTED] to contact him. The seized cash was returned to PCO Finance and credited to the JCC-I/A line account for [REDACTED]. This case is closed.

Recovery Value: \$65,000

Prepared by: [REDACTED] SIGIR-Investigations, Baghdad, Iraq
Distribution: Headquarters, SIGIR-Investigations, Washington D.C.

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Office of Investigations

January 28, 2006

[REDACTED]
Office of Special Inspector General for Iraq Reconstruction, Criminal Investigations
Baghdad, Iraq

Re: [REDACTED] #IQ-05-0030-I [REDACTED]
[REDACTED] #IQ-05-0031-I
CLOSING REPORT

The following narrative relates to the closing of the two criminal investigations entitled above with a recommendation that the matter be discontinued and closed. This conclusion was made after relaying the facts and circumstances to the U.S. Department of Justice, Asset Forfeiture & Money Laundering Section, [REDACTED] wherein he felt there was no evidence of misconduct that was prosecutable.

Basis for Investigation

During the month of June 2005, a transition was made relative to the position of the [REDACTED] a former executive with the Drug Enforcement Administration, was [REDACTED] until he was succeeded by [REDACTED] had been the subject of several allegations of fraud involving the acquisition of fine furniture for his office with Iraqi funds, the excessive use of personal security detail (PSD) teams to travel in and around the International Zone in up-armored vehicles, and the alleged sequestering of \$13M in foreign bank accounts in South America (the latter allegation was actually made against the name [REDACTED] as Chief Advisor, IRMO-MOI at a time when [REDACTED] held that position). These allegations resulted in an investigation being initiated by SIGIR-CI which culminated without uncovering any indicia of wrong doing.

During the last week of June 2005, [REDACTED] through [REDACTED] and [REDACTED] expressed concern that he had been informed by [REDACTED] that there was approximately \$4.1M in U.S. currency stored in a safe in his office that was being used to pay for overhead expenditures for the Adnan Palace in Baghdad, Iraq. When he questioned how the money was acquired and how such an arrangement came to be, [REDACTED] informed him that [REDACTED] former Budget Director for IRMO-MOI, was responsible for acquiring the funds from the Iraqis. [REDACTED] was adamant that, although he had several meetings with [REDACTED] prior to his departure from the Chief Advisor position, no mention was ever made of the existence of the currency or that IRMO-MOI staff unilaterally assumed responsibilities for the procurement and payment of overhead and repair expenses of Adnan Palace.

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Investigative Steps

In probing further, [REDACTED] confirmed that no Iraqi representative was assigned to assist with the oversight of the expenditure of these funds. In addition, when he questioned his current Iraqi counterparts about the funds, neither the present Minister of the Interior [REDACTED] nor the Financial Minister for the Ministry of the Interior [REDACTED] contended that they had any knowledge that such funds were in the hands of the Americans or were being utilized to pay overhead or any other expense circumstances.

On the basis of this information, an investigation was launched that resulted in the securing of \$4,008,910 in DFI (Development Fund for Iraq) funds by SIGIR – Criminal Investigations in early July 2005. Interviews were conducted with involved personnel and contractual and payment files were retained and inventoried. In addition to the DFI funds taken, \$8,662 in proceeds from the operation of an entity known as the “Baghdad Country Club” were secured. At that time, information suggested that the “Baghdad Country Club” was a bar being operated by [REDACTED] in a building adjacent to Adnan Palace and that issues involving drunken behavior, indiscriminate gun fire, physical altercations, etc., had surfaced. [REDACTED] expressing discomfort with possession of the currency and the circumstances described above, requested that SIGIR CI take possession of the funds and investigate the matter further.

During the interviews with [REDACTED] and [REDACTED] [REDACTED] I learned that they purportedly retained documentation for the expenditure of over \$90M in DFI funds expended during the time frame 2003 to the then present. Both employees contended that the contracts involving the \$8.5M in currency were “let” by [REDACTED] and that appropriate controls were in place when dealing with the currency. They explained that not one person had both parts of the safe combination and, therefore, it took two to enter the safe, extract currency, and make payments. They further claimed that persons receiving currency payments were required to sign for the payments.

A subsequent review of the expenditure records demonstrated that there were circumstances where payments made had partial or no documentation to properly substantiate the acquisitions made and, it did not appear that appropriate contracting procedures had been followed. There was no indication that [REDACTED] or any of his constituents had any contracting officer experience or authorizations. Furthermore, allegations were suggested from third parties contending that there may have been potential for double billing with respect to these funds claiming that one of the primary contractors working on the maintenance of the Adnan Palace was also working as a sub-contractor through [REDACTED] in constructing law enforcement training facilities adjacent to the Adnan Palace. [REDACTED] representatives specifically suggested that there was potential for double billing by [REDACTED] owned by [REDACTED] an Iraqi-American citizen from Virginia, offering a variety of services for the Iraq Reconstruction effort ranging from construction contracting to procurement of “wi-fi” services. [REDACTED] through his company, [REDACTED] was the recipient of the majority of the maintenance, construction, and improvement contracts “let” by [REDACTED] through IRMO-MOI.

Once the currency and the above described financial records had been secured, efforts from IRMO-MOI specifically [REDACTED], U.S. Treasury [REDACTED], and Department of State Assistant Chief of Mission’s Office encouraged SIGIR-CI to return the currency to

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Office of Investigations

IRMO-MOI representatives. This was not deemed appropriate especially after an interview with the Interior Minister's representative. [REDACTED] wherein she disavowed any knowledge of the currency being in possession of IRMO-MOI personnel or the bank account from which it emanated at [REDACTED] in Baghdad, Iraq. After conferring with SIGIR in-house counsel, it was decided that SIGIR-CI would return the funds directly to the Iraqis, specifically the Minister of Interior or his designee, and to allow the Iraqis the opportunity to disburse the funds as they saw fit. On July 31, 2005, a letter was generated to [REDACTED] offering to return the funds to him or his designee. The actual return of the funds was accomplished on December 13, 2005 in coordination with [REDACTED] and the Department of State. The delay primarily related to the reticence of [REDACTED] to accept the funds.

The following is a compilation of information concerning the persons designated as targets of this investigation and/or persons who are primary witnesses in this matter.

[REDACTED] is a former [REDACTED] who became the [REDACTED]. He was considered by many to be a very hands on person and devoted most of his time to meeting and dealing with the Minister of Interior. [REDACTED] has a residence in Virginia adjacent to the Washington, D.C. area but is alleged to have property in South America. (No further information concerning property ownership in South America has surfaced.) His spouse is purportedly from South America. He is further alleged to have \$13M in a South American bank account. (No further information concerning South American financial activities has surfaced.) The interviews with various IRMO-MOI employees disclosed that [REDACTED] was aware of the currency being retained in his office and its purpose, but that he took no active role in the contractual process, the oversight of the work progress, or the payments made for services rendered. [REDACTED] was aware of what was being constructed and maintained. He also was aware that the [REDACTED] was being operated by [REDACTED] and that he [REDACTED] interposed no objection to this endeavor. Also, information was received that [REDACTED] was instrumental in encouraging the Minister of Interior to deal with a Cyprian firm known as [REDACTED] in the acquisition of 10,000 AK-47 rifles and 1,000 PKM Machine Guns in 2005. This transaction resulted in issues found disturbing to [REDACTED] in that the weapons ordered was supposed to be new and the weapons delivered were "battle used." Payment was not forthcoming due to [REDACTED] insistence of obtaining new equipment as specified. Suggestions were made that [REDACTED] may have received something in return for this contract. Information was provided by [REDACTED] that, even after [REDACTED] had departed his position from IRMO-MOI, he still was contacting Iraqi Ministry personnel to encourage payments to [REDACTED] for the weapons acquisition.

[REDACTED] self proclaimed "contracting officer" for IRMO-MOI. In his capacity he not only assisted the Ministry of Interior with budgetary issues but also assumed responsibilities, purportedly with the concurrence of the Minister of Interior, to perform needed maintenance and upgrades to the Adnan Palace. [REDACTED] age 27, had no prior experience in this field before being selected for the position. [REDACTED] admitted having no training in the contracting field and chose to bypass normal contracting procedures because of the self described difficulty to make routine and timely payments to the contractors through the Procurement & Contracting Office (PCO). [REDACTED] contended that he had full concurrence of his superior, [REDACTED] and as well as the then Minister of

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Interior [REDACTED] to handle the Iraqi affairs in this manner. [REDACTED] initially disavowed involvement in a contract established with his father, [REDACTED] in conjunction with the procurement and placement of gym equipment in a newly constructed facility that [REDACTED] had contracted. He subsequently acquiesced that, after securing his father's services, he allowed others to sign the contractual paperwork in his stead. The contract amount was for \$38,750 and in accordance with the specific terms of the contract, his father was overpaid by approximately \$14,000. No effort has ever been made to collect the overpayment from the senior [REDACTED] by anyone at IRMO-MOI. [REDACTED] departed IRMO-MOI just prior to SIGIR-CI's taking possession of the cash funds and became the director of a lobbying group [REDACTED] for the personal security detail companies operating in Iraq. In addition, [REDACTED] has established a liquor store in the International Zone and it is suggested that he has re-opened [REDACTED]. Regarding the use of DFI funds, [REDACTED] did not see anything wrong in constructing an Olympic style swimming pool, a gymnasium, a VIP quarters, catering food for IRMO-MOI group meetings, modernizing a restaurant (owned by [REDACTED] and outfitting a bar with liquor, glassware, furniture, and entertainment equipment all at Iraqi expense. [REDACTED] contended that all of this was to be turned over to the Iraqis so he did not see anything wrong with what was done. [REDACTED] even established his own web site [REDACTED] wherein he referred to the [REDACTED] as "his bar."

[REDACTED] was hired subsequent to the letting of some of the contracts by [REDACTED] with the DFI funds. He did participate on a committee to review statements of work submitted for some contract announcements. He oversaw the day to day construction and maintenance activities, and handled emergency repairs and purchases. He owned and operated his own construction business in the Washington, D.C.-Annapolis, Maryland area but he has no government contracting experience and saw no harm in how [REDACTED] operated. He expressed concern over the method in which [REDACTED] handled the contract with his father, [REDACTED] and thought that the payments to [REDACTED] father should have been adjusted to conform to the contract provisions. He saw no issues with utilizing DFI funds to cater food for IRMO-MOI individuals who were attending a meeting on their "off" day or with the improvements made to Adnan Palace. In addition, he expressed displeasure with the fact that SIGIR CI had secured the DFI currency and refused to allow its further use by IRMO-MOI personnel to make payments to the contractors. He was equally displeased with SIGIR CI for returning the currency directly to the Minister of the Interior as he felt the Minister would not honor the contracts due to their (Iraqi) lack of involvement in the contracting process. It is interesting to note that he stated that he had encouraged [REDACTED] to include an Iraqi in the decision making processing for the contracts but this never transpired.

[REDACTED] IRMO-MOI, was retained for work primarily after all of the contracts had been established by [REDACTED] et. al. She was instrumental in assembling money and records so that contractors could be paid. She was instructed by [REDACTED] on what to do and what payments to make. She thought it was strange that the contractors must be paid in cash but she did not have any prior contractual experience and only recently had graduated from college and worked briefly for [REDACTED]. [REDACTED] did assist in obtaining access to the currency and also provided access to all of the records reflecting expenditures of DFI funds from 2003 forward.

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Interviews were conducted with other IRMO-MOI personnel, other law enforcement, state department personnel who have corroborated the statements obtained from the above identified individuals.

[REDACTED] personnel provided invoices and other documentation of work performed by [REDACTED] on the build out of the police training camp at Adnan Palace. An analysis of these records did not reveal any indicia of double billing.

Potential Additional Investigative Steps

I have expressed a desire to obtain an interview with [REDACTED] and to date have not been able to encourage him to speak with me.

In addition, I have secured State Department e-mails on [REDACTED] and have not found anything of particular substance that would contribute to this case. I have secured the hard drives from the computers of [REDACTED]. These were voluntarily provided to me by [REDACTED]

[REDACTED] and [REDACTED]. Although the hard drives were provided "voluntarily," i.e. at my request, I have not taken steps to have them analyzed. I have sought advice of counsel to preserve the integrity of any potential evidence that may exist on them. However, based upon counsel's opinion of the evidence to date, I question the worth of further scrutiny unless tangible evidence surfaces that any of the targets involved benefited financially on a personal level from their conduct.

I am awaiting the following information from SIGIR-CI Headquarters regarding this matter.

1. I was informed that [REDACTED] was involved in wire transfers according to [REDACTED]. I am awaiting the results of a subpoena purportedly issued for the wire transfers.
2. I have requested a financial profile by Immigration Customs Enforcement (DHS) on [REDACTED] and am awaiting the results. This includes requests for CTRs, FBRS, property acquisitions, and vehicle acquisitions.
3. I have requested the financial statements prepared by [REDACTED] incident to his employment with IRMO-MOI that are usually filed on an annual basis by employees in high level positions.
4. I have requested wire transfer information on [REDACTED] located in Cyprus to potentially uncover any transfers of funds regarding [REDACTED] in that he was instrumental in encouraging the Ministry of Interior to transact with this company for the weapons acquisition.

Conclusion

Even though there is anticipated information that could be forthcoming, I am still making a recommendation that this matter be closed given the results obtained to date and the prosecutorial opinion of the assigned attorney [REDACTED]. However, should subsequent information present

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circumstances that warrant further scrutiny, this matter can be re-opened so that such issues can be pursued.

[REDACTED] Special Agent

Concurrence:

[REDACTED]

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Office of Investigations

IQ-05-0012-1

February 9, 2006

INTERVIEW OF HASANEN LUTFE AHMED:

On 7 February 2006, Special Agent [REDACTED] conducted an interview of [REDACTED], the subject of this investigation. The interview was conducted at his place of employment, Project and Contracting Office (PCO) Baghdad, Iraq. During the course of the interview [REDACTED] observed that the original information/complaint received identified the subject as [REDACTED]. The name obtained from [REDACTED] and verified by the PCO badge is as follows: [REDACTED]. [REDACTED] obtained bio data from [REDACTED] which was not verified by any documents. [REDACTED] said he was 31 years of age, born in Baghdad, Iraq [REDACTED] and currently lives with his parents at [REDACTED]. [REDACTED] said he and his family are from the [REDACTED]. [REDACTED] said he is known by his associates as [REDACTED].

[REDACTED] and has been so employed since June 2004. [REDACTED] said he managed approximately 110 fire station projects not including one fire station headquarters building. Of those 110 projects, 83 were scheduled for renovation of existing fire stations. [REDACTED] summarized his duties as monitoring the construction/renovation projects of the fire stations all of which are located in the Red Zone in the Baghdad area and the surrounding provinces. The Iraq Ministry of Interior (MOI) is in charge of fire station projects. The new building sites were selected/identified by the Iraqi MOI civil defense office. All fire station construction sites require GPS coordinates to properly identify the location as a requirement by the U.S. military. As part of [REDACTED] duties he was required to accompany MOI officials to each of the construction sites to obtain GPS readings. [REDACTED] said this procedure was complicated due to delays by MOI in selecting sites for the fire stations. [REDACTED] said he was primarily responsible for the following: Time Line; Quality Control Specifications of Contract; Determine if Delays are real or fabricated; Co-operate and coordinate with MOI. [REDACTED] said he had weekly meetings every Thursday with [REDACTED] the prime contractor for the fire station projects. These meetings were attended by representatives of MOI, Army Corp of Engineers/Gulf Region Division and [REDACTED].

[REDACTED] asked [REDACTED] if PCO had fire station projects in Wassit Province. [REDACTED] referred to PCO's fire station project list and found six projects in Wassit Province. [REDACTED] said all were renovation projects with no new construction projects. [REDACTED] said he never visited any of the sites because they were small renovation projects and were not cost effective for him to visit them. [REDACTED] said he had never been in Wassit Province. [REDACTED] said he recalled the entire scope of the project in Wassit to be approximately \$250,000. [REDACTED] said the funds for the fire station projects were DFI funds.

[REDACTED] asked [REDACTED] if he knew or was aware of anyone by the name of [REDACTED]. Initially, [REDACTED] said "No". [REDACTED] asked [REDACTED] why the interest in [REDACTED]. [REDACTED] explained to [REDACTED]

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APPR: [REDACTED]

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the allegation identifying [REDACTED] of buying contracts for 20% of the value of the contract. [REDACTED] said he was aware of a company by a name very similar to the one discussed. [REDACTED] said the name he knew was [REDACTED] a sub-contractor of [REDACTED]. [REDACTED] asked if [REDACTED] ever had any business relationship with [REDACTED]. [REDACTED] said "No". [REDACTED] asked [REDACTED] if [REDACTED] had any fire station projects in Wassit. [REDACTED] said "No". [REDACTED] said [REDACTED] did have fire station contracts in the Baghdad area. [REDACTED] said [REDACTED] was fired by [REDACTED] eight months ago. [REDACTED] said [REDACTED] was fired because of repeated poor quality construction and low quality construction materials. [REDACTED] asked [REDACTED] if he ever received any compensation as a result of his position with PCO. [REDACTED] said "No" and explained that his employment was completely removed from that process. [REDACTED] said he was not in a position to assist any contractor in obtaining bids. [REDACTED] asked [REDACTED] if he ever received any money from contractors. [REDACTED] said "No". [REDACTED] asked [REDACTED] if he was aware of anyone that was illegally taking DFI funds from construction projects. [REDACTED] said "No".

Based on the above described information [REDACTED] has concluded that [REDACTED] an Iraqi citizen and working directly with Iraqi sub-contractors is probably not a good candidate for SIGIR to pursue at this time. Until additional information is obtained regarding sales of fire station contracts by PCO this investigation is closed.

Prepared by: SIGIR Special Agent [REDACTED]
DISTR: File

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Office of Investigations

Case Number: IQ-06-0059-1

11 February 2006

Ministry of Interior Warehouse

Theft of Weapons and Ammunition

CASE CLOSURE:

It was determined that ammunition and weapons missing from the warehouse at the Iraq Ministry of Interior were purchased under the US Department of State, International Narcotics and Law Enforcement Division, for use at the Baghdad Police College under the Civilian Police (CIVPOL) Training Program, a program funded using money from the Iraq Reconstruction and Relief Fund. However, an investigation conducted by the Major Crimes Unit of the Iraqi Police, under the direction of the Internal Affairs Team, a division of the Civilian Police Assistance Training Team (CPATT), of the Multi-National Security Transition Command – Iraq, revealed that there were no US citizens involved with the theft. Therefore, because the Special Inspector General for Iraq Reconstruction does not have the jurisdiction to prosecute citizens of Iraq, continued investigation is unjustifiable.

The information learned during this investigation has been provided to the Chief of the Internal Affairs Team for CPATT, and referred to the Commission on Public Integrity even though the sources indicated that they would not speak with any Iraqis regarding this, or any other matter. Additionally, The Tactical HUMINT Team 633 was provided with the name, e-mail address and telephone number for the Chief of the Internal Affairs Team for coordination.

Prepared by: [REDACTED] SIGIR Investigations Baghdad, Iraq
DISTR: File; Headquarters

1586

APPR: [REDACTED]

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Office of Investigations

Case Number: IQ-05-0022-I

13 February 2006

[REDACTED]
False Claims

CLOSURE MEMORANDUM:

Without the missing invoices, it is impossible to ascertain if [REDACTED] knowingly made false statements and claims that the Al Sumelat Water Network Project was 100% completed. Without these invoices, the actual number of meters and type of pipe installed, and billed to the US government, cannot be determined. Furthermore, the fact that the U.S. Army Corps of Engineers (USACE), Gulf Region Division (GRD) terminated the contract for the convenience of the government and accepted a settlement negates any civil actions.

Additionally, according to [REDACTED] and [REDACTED] has many contracts with the USACE GRD, and they have performed far better than most of their other local contractors. [REDACTED] stated that the Al Sumelat Water Network Project was the exception, rather than the rule for [REDACTED] work.

[REDACTED] is a Lebanese company with no ties to the United States. This limits the jurisdiction of the Special Inspector General for Iraq Reconstruction to seek criminal prosecution. Although the missing invoices could be obtained directly from [REDACTED] the reality is that there is little chance for criminal or civil remedies. Moreover, [REDACTED] performance in its other contracts with the GRD would make it unwise to seek suspension or disbarment. Therefore, the continued handling of this investigation is being terminated.

Prepared by: [REDACTED] SIGIR, Iraq
DISTR: File; Headquarters

1604

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: DC-06-0045-I

11 April 2006

SUBJECT: ██████████ - Smuggling of U.S. Currency
ICE Northern KY, Request For Assistance

CASE SUMMARY - CLOSED

██████████ was arrested on December 3, 2005 by ICE Northern KY as he entered the U.S. from Iraq with \$40,500 of undeclared U.S. Currency. ██████████ claims the currency is his share of the proceeds from the sale of a family residence in Baghdad, Iraq. ██████████ is a Naturalized U.S. citizen born in Iraq. He served as an interpreter for the U.S. Military. ICE requests SIGIR assistance in authenticating ██████████ story or determining the true origin of the currency.

██████████ offered three letters of commendation / recommendation from U.S. Military Officers. ICE also requested assistance in locating these officers. The officers were located and appear to have returned to the U.S. On 10 January 2006, contact telephone numbers were provided to ICE so they could conduct the interviews.

On 17 January 2006 a lead was sent to SIGIR Investigations Baghdad requesting assistance in authenticating the real estate transaction. The lead was sent as an "Immediate" request as the AUSA in KY is awaiting the results of SIGIR investigations to make his final prosecution decision.

On 9 February 2006 ██████████ provided a preliminary report. ██████████ advised that the documents presented by ██████████ were shown to an Iraqi American who works at the U.S. Embassy. This individual was skeptical as to the authenticity of the documents. Additional information was requested from ██████████ defense attorneys. This information, (██████████ brother name, the realtor's name as well as contact numbers) was received and forwarded to ██████████. The plan was to have these individuals interviewed in the Green Zone. Due to a lack of interpreters and recent curfews these interviews have been delayed.

On 27 March 2006, a request for an update was sent to ██████████, SIGIR - CI Baghdad. ██████████ is standing in for ██████████. This request was based on a request for an update from ██████████ ICE Northern KY. The AUSA in Northern KY has a status conference on 3 April 2006.

On 30 March 2006, ██████████ Army MI asked for and received an update regarding this case. Army MI has oversight responsibility for the interpreters hired to work with the U.S. Military. ██████████ was apprised of this meeting..

11 April 2006 Update & Closing

On 3 April 2006 ██████████, SIGIR - CI Baghdad, submitted a Memorandum of Interview of ██████████ brother, ██████████. At the interview ██████████ provided original real estate documents which were reviewed by a SIGIR translator who is familiar with financial and real estate records. The translator advised that the

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documents appeared legitimate. [REDACTED] information supported [REDACTED] original explanation that [REDACTED] obtained the currency from the sale of a family residence in Iraq. The real estate agent resides in a high risk area of the red zone, thus precluding a personal interview, and he could not be reached by telephone.

[REDACTED] e-mail and attached Memorandum of Interview were immediately forwarded to [REDACTED] ICE Northern KY and [REDACTED]. I also advised [REDACTED] Army CI, and [REDACTED] DCIS- JTF Jacksonville FL.

Further investigative activity is not warranted at this time.

Prepared by: [REDACTED] SIGIR - CI, Arlington
DISTR: Hq File

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

CPA0027-04-I (SIGIR CASE NUMBER IQ-06-0118-I)

24 April 2006

CASE CLOSURE: CPA-IG Hotline file CPA 404-86, dated 30 April 2004, was referred to investigations in the Baghdad, Iraq Field Office. The normal process of hotline referral at the time mandated that the information prior to investigative case initiation was the information was forwarded to the CPA-IG office in Arlington for review and disposition. Case numbers for investigative actions in Iraq were assigned from Arlington at the time. Case number CPA0022-04-I, was assigned to this case for investigative follow-up.

It should be noted that CPA-IG investigations received that same information on 1 May 2004, from DCIS Special Agent [REDACTED] which was shared with hotline who assigned their number CPA 405-91. Investigations was not aware of the pending previous referral sent to Arlington for review, essentially with the same information from another source. This was a direct coordination initiated by investigations which was assigned case number CPA0027-04-I, which demonstrated this action was a tracking action in that the case was being maintained by DCIS.

Case number CPA0027-04-I, is administratively closed and crossed referenced to CPA0022-04-I, (IQ-06-0113-I). No further investigative action is anticipated on this action as it was referred to DCIS under their number 200301064Z-29-May-2003-60DC-EO.

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Prepared by: [REDACTED]

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

CPA0022-04-I (SIGIR CASE NUMBER IQ-06-0113-I)

24 April 2006

CASE CLOSURE: CPA-IG Hotline file CPA 404-86, dated 30 April 2004, was referred to investigations in the Baghdad, Iraq Field Office. The normal process of hotline referral at the time mandated that the information prior to investigative case initiation was the information was forwarded to the CPA-IG office in Arlington for review and disposition. Case numbers for investigative actions in Iraq were assigned from Arlington at the time. Case number CPA0022-04-I, was assigned to this case for investigative follow-up.

It should be noted that CPA-IG investigations received that same information on 1 May 2004, from DCIS Special Agent [REDACTED]. This was a direct coordination initiated by investigations which was assigned case number CPA0027-04-I, which demonstrated this action was a tracking action in that the case was being maintained by DCIS.

Case number CPA0022-04-I, is administratively closed and crossed referenced to CPA0027-04-I, (IQ-06-0113-I). No further investigative action is anticipated on this action.

Prepared by: [REDACTED]

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APPR: [REDACTED]

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Office of Investigations

Case Number: IQ-06-0149-I

02 May 2006

[REDACTED]

CASE INITIATION:

On 02 May 2006, Special Agent [REDACTED] reviewed a letter from [REDACTED], an advisor to the Republic of Iraq Commission on Public Integrity. The letter indicated that a US Army officer, only identified as [REDACTED], was overstepping his authority by demanding that an Iraqi prisoner be released into his custody.

[REDACTED] determined that this was not within the investigative purview of the Special Inspector General for Iraq Reconstruction and referred to case the US Army Criminal Investigation Command.

Prepared by: [REDACTED] SIGIR Investigations Baghdad, Iraq
DISTR: File; Headquarters

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Office of Investigations

May 8, 2006

[REDACTED]
Special Inspector General for Iraq Reconstruction – Criminal Investigations
U.S. Embassy Iraq – Rm. M-233

Subject: Case #IQ-06-0040-1 MNSTC-I Internal Audit Report, Reconciliation of the Iraqi Armed Forces (IAF) – Seized Assets Fund

Basis for Investigation

This report relates to an Internal Audit Report received from MNSTC-I, Baghdad, Iraq relating to their offices attempted reconciliation of the Iraqi Armed Forces (IAF) Seized assets fund. A prior U.S. Army Audit Agency (USAAA) Audit Report, dated September 30, 2005, recommended that the Multi-National Security Transition Command-Iraq(MNSTC-I), reconcile the Development Fund Iraq (DFI), Commander's Emergency Response Program (CERP) Fund, and the Iraqi Armed Forces (IAF) Seized Assets Fund. After MNSTC-I conducted their audit of the combined DFI, CERP and IAF Seized Assets Fund they determined that there were still issues in the report that required further audit and/or investigation that is beyond the capacity of their auditors. Based on this, they forwarded the report to SIGIR Audit and Investigations for further evaluation and possible investigation. They estimated a potential shortfall of funds of (\$920,477.00). The reconciliation report was deemed by their audit team as not being reliable and is necessarily qualified as a result of numerous problems.

Extend & Results of Investigation

In coordination with SIGIR Audit, Baghdad, Iraq, the objectives were to determine whether (1) sufficient documentation existed to complete the MNSTC-I reconciliation of the IAF Seized Assets Fund, and (2) any acts by responsible internal or external certifying officials, pay agents, vendors and contractors could be identified that warranted further investigation.

The review of the IAF Seized Assets Fund contract and financial documentation provided to SIGIR confirmed MNSTC-I's internal review conclusion that the records were too incomplete and unreliable to be audited and that a valid reconciliation could not be achieved. Overall, there was little apparent oversight during the time frame covered by the documents reviewed. There were numerous weaknesses in management and financial controls, including: (1) spreadsheets were used in lieu of bank statements, which were not available to confirm deposits; (2) questionable payments were made without supporting documentation; and (3) numerous shortcomings in financial record keeping and accountability in the IAF Seized Assets Fund financial records. It was discovered that MNSTC-I failed to provide certain official records to the contracting office. As such, the Joint Contracting Command –Iraq, Afghanistan (JCCI) made contracting actions without the benefit of pertinent contract information contained in the records.

During the course of the MNSTC-I's internal audit their auditors met with Special Agent [REDACTED] SIGIR-CI, Arlington, VA and provided the names of several pay agents and disbursing agents that they

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Office of Investigations

felt merited closer examination. These individuals are now located in CONUS. Special Agent [REDACTED] consequently opened several investigations on these individuals and they are still active. SIGIR CI and Audit, Baghdad, Iraq have provided assistance to Special Agent [REDACTED] in the form of conducting searches on identified pay agent accounts and transactions and prepared spreadsheets with the results obtained. In addition, spreadsheets were prepared on specific contractors, [REDACTED].

Conclusions & Recommendations

SIGIR Audit has prepared their audit report and they concurred with MNSTC-I's internal audit conclusion that the records were incomplete and too unreliable to be auditable and that a valid reconciliation could not be achieved. There were no individuals that were identified during the course of the audit/investigation that are still in Iraq that have fraud potential. There are, however, several on going investigations in the United States. Consequently, I recommend that this matter be closed to the SIGIR- Investigation files.

[REDACTED] Special Agent
Special Inspector General for Iraq Reconstruction-Criminal Investigations.

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Office of Investigations

SIGIR Case # DC-06-0139-HL

17 April 2006

Hotline Action - [REDACTED]

Fraud / Larceny

Case Closed

Since there is no apparent criminal conduct, this information is submitted for referral to SIGIR -Audit or other appropriate section for any action deemed warranted.

Prepared by: [REDACTED] Criminal Investigations, Washington, D.C.
DISTR: Hq File

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APPR: [REDACTED]

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Office of Investigations

IQ-05-0011-HL

May 8, 2006

CASE CLOSING DOCUMENT:

On 1 January 2006, during a case review it was determined that the allegations set forth in Hotline Complaint were more appropriate for the U.S. Army Criminal Investigation Command (CID).

On 8 February 2006, during a meeting with Special Agent in Charge, [REDACTED] the above described Hotline Complaint was provided to U.S. Army CID for investigation. [REDACTED] advised the case would be assigned to [REDACTED]

Recommend this case be closed pending additional information relating to fraudulent activity.

Prepared by: Special Agent [REDACTED]
DISTR: File

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APPR [REDACTED]

Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

Old Case Number 0010-05-SIGIR
SIGIR Case # IQ-05-0032-I

May 11, 2006

[REDACTED]

Case Closing:

There are no US citizens or military personnel involved as a subject of this investigation. This investigation is being referred to the Iraqi Ministry of Health, Office of the Inspector General for action they deem appropriate. ///nothing follows///

Prepared by: [REDACTED]

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APPR: [REDACTED]

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

SIGIR CASE NUMBER DC-06-0152-I

May 9, 2006

Case Closed:

On May 2, 2006, [REDACTED] Special Inspector General Iraq Reconstruction (SIGIR), Washington, DC contacted [REDACTED], formerly employed as a contract engineer with [REDACTED] assigned to Northern Iraq in support of the operation Restore Iraqi Oil (RIO) /Task Force Shield, concerning an allegation of corruption in regards to Task Force Shield.

[REDACTED] stated that he was involved with Task Force Shield while he worked in Iraq from its initiation. He related that there were numerous foreign owned commercial companies that were contracted by the Department of State and the Iraqi Reconstruction Management Office (IRMO) that were unable to complete the contract mission. [REDACTED] specifically mentioned that [REDACTED] was not qualified to provide pipeline security; [REDACTED] failed to provide any evidence to support this allegation. He stated that IRMO failed to abide by contracting regulations and allowed foreign companies with little to no contracting experience to be granted multi-million dollar contracts for pipeline security. [REDACTED] stated that he could not provide any specific instances of criminal acts committed by foreign contract companies but he believed that the companies did not have the prerequisite experience to manage contracts of that magnitude.

[REDACTED] suggested that US Government employed contracting officers were complicit by allowing companies with no security or pipeline experience have a multi-million dollar contract for pipeline security. When ask to provide specifics details concerning his allegations [REDACTED] stated "that he was an engineer not a cop". He then referred to the SIGIR report on Task Force Shield and the expenditure of \$147 million as an indicator of theft and fraud.

On May 9, 2006, [REDACTED] dispatched an e-mail to [REDACTED] wherein specific information concerning corruption involved with Task Force Shield was requested. [REDACTED] could not give any specific details concerning corruption. [REDACTED] could not provide any details that were not already listed in the SIGIR Audit report. (See attached e-mail response from [REDACTED] for details)///nothing follows///

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Prepared by: [REDACTED]

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Office of Investigations

IQ-05-0036-I

May 11, 2006

[REDACTED]

CASE CLOSING DOCUMENT:

The allegations concerning [REDACTED] involvement in the theft of \$715,000 in cash disbursements are unsubstantiated. [REDACTED] was interviewed and denied culpability. [REDACTED] provided information which lead to the recovery of \$527,456 in DFI funds. An additional \$75,000 in disbursements were located with [REDACTED] assistance. The total recovered amount is \$602,456. This investigation was held open due to the relationship with [REDACTED] and [REDACTED] investigation. Disclosures made by [REDACTED] and [REDACTED] as a result of plea agreements pending sentencing have resulted in negative results.

Recommend this case be closed pending additional information.

Prepared by: [REDACTED]
DISTR: File

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APPR: [REDACTED]

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Office of Investigations

May 11, 2006

[REDACTED] Special Agent in Charge – Criminal Investigations
Special Inspector General for Iraq Reconstruction
Baghdad, Iraq

Re: Allegation of False Billing – [REDACTED] IQ-05-0016-I
FINAL REPORT

Basis for Investigation

On August 16, 2005, I met with [REDACTED] and [REDACTED] Contracting Officer, all of Joint Contracting Command-Iraq (JCCI), who provided information concerning a billing that had been made for barber shop and laundry services that were allegedly never provided by [REDACTED]. [REDACTED] based in Cyprus, is the market leading support services division of [REDACTED] a publicly traded international firm, specializing primarily in food services worldwide. [REDACTED] has divisions in the United Kingdom as well as in the United States. The payments made incident to the Forms DD 250 submitted by [REDACTED] for services provided for in this investigation were directed to [REDACTED]. The services in question were supposed to have been performed in 2004 and 2005 and invoiced through various billings during that time frame.

[REDACTED] performed a variety of services at various locations throughout the Iraq Theater for the armed forces (Coalition & Iraqi) with monetary ranges from \$13M to \$50M.

The specifics of the services billed but not provided were primarily directed at a camp (Rustimiyah) housed by Iraqi soldiers and detailed as follows.

1. Barber services – [REDACTED] billed for barber services for the months of December 2004 through April 2005 at a rate of \$1,277 per month for a total of \$6,385.
2. Laundry services – [REDACTED] billed for laundry services for the months of July 2004 through October 2004 at a rate of \$30,040.00 per month for a total of \$120,160.00.

In addition to the above, [REDACTED] stated that [REDACTED] was to provide 20-30 signs also at Rustimiyah for which billings totaling approximately \$300,000 was submitted. [REDACTED] contended that these signs were never “put up” and the price per sign appeared excessive.

[REDACTED] explanation of these circumstances came from [REDACTED]. Both contend that the above discrepancies related to honest mistakes and not submitted with any intent to defraud. [REDACTED] statements were contained in a letter to [REDACTED] dated June 1, 2005.

In addition to [REDACTED] response concerning the lack of services provided, I attempted to further corroborate how this information had been elevated to [REDACTED] and what documentation existed to verify that the

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services were not rendered and if [REDACTED] was placed on notice about the service. [REDACTED] stated that he had discovered this information from "SITREP" reports wherein verbiage existed that the services were not performed. Unfortunately, the person (purportedly an Iraqi National) who wrote the SITREP report (a contracted employee of a sub contractor) no longer was employed in that capacity. I also inquired if there was one person or a group of persons responsible for the [REDACTED] billings. He stated that all billing information originated from the [REDACTED] Office in Kuwait. Please be informed that the JCCI personnel including [REDACTED] were twice removed from the personnel staffing JCCI at the time all of these contracts were drawn up. [REDACTED] felt that the contracts were poorly drafted and did not necessarily provide for the U.S. Government's best interests.

At that point, I felt that the allegations were insufficient to warrant a criminal investigation given the magnitude of the contracts' dollar values (\$50M) and the dollar amount of the over billed expenses (approximately \$500K). There were also adjustments to these contracts that were in dispute some of which were in favor of the U.S. Government and others that were in favor of [REDACTED]. Moreover, the verbiage in the SITREP report relative to the mounting of the signs indicates that the signs were ordered but not received and that installation was committed to be performed upon arrival of the signs.

On August 24, 2005, [REDACTED] again contacted me and said he had just discovered another issue with [REDACTED] contract and the billed amounts. This time it related to the acquisition and delivery of bulk gasoline. [REDACTED] reviewed the contract for the deliverable of services to the outpost at Numaniyah. [REDACTED] had agreed to deliver fuel to the military on a basis of a cost amount on a per liter basis. The provisions of the contract allowed [REDACTED] to bill for administrative costs such as delivery, pumping etc. under other accounting codes so that the fuel cost amount should have just reflected the actual cost of gasoline and nothing more. According to [REDACTED] he suspected that [REDACTED] was billing the U.S. Government at a rate of up to .72 per liter for bulk fuel purchases. [REDACTED] also was analyzing another section of the contract for transporting and eliminating sewage water. This portion of the contract was based upon a percentage of cost basis and he had requested that [REDACTED] provide him with the costs of equipment, materials, labor, etc. Amongst the documentation provided were invoices for gasoline purchased at the rate of \$.12 per liter that were acquired in the same time frame as the bulk fuel purchases. [REDACTED] subsequently requested documentation from [REDACTED] to substantiate the cost basis for the fuel acquisitions for the bulk deliveries to Numaniyah. [REDACTED] estimated that the over billing could amount in excess of \$14M. [REDACTED] stated that if [REDACTED] applied the same practice to all of the military bases for which that firm retains a contract, the impact would be in the \$10's of millions of dollars. On the basis of this information, a criminal investigation was initiated.

Extent and Results of Investigation

[REDACTED] shortly after making the referral departed theater (as well as [REDACTED]) and was replaced by [REDACTED] who was assigned as the contracting officer to handle the [REDACTED] account. On September 13, 2005, I contacted [REDACTED] who explained that he was just assigned the [REDACTED] account as well as other pressing matters and had very little knowledge of the [REDACTED] circumstances. [REDACTED] requested significant time to familiarize himself with the issues in this matter. The file at this point consisted of three five inch thick binders. [REDACTED] also said PCO was in the process of relocating and that the relocation would take the better portion of several weeks. [REDACTED]

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[REDACTED] stated that he would contact me when the documentation from [REDACTED] requested by [REDACTED] was delivered.

After the first of the year, I contacted [REDACTED] who stated that he had reviewed the files and was in the process of trying to settle the contract through the JCCI legal counsel. Both he and [REDACTED] (successor to [REDACTED]) had reviewed the facts and circumstances and felt comfortable that the issues concerning the non deliverance of goods/services was not due to fraud. They requested some additional time to review the files for data concerning the alleged discrepancy in the fuel acquisitions.

After several weeks, an additional appointment was made with [REDACTED]. In discussing the fuel acquisition with [REDACTED] he informed me that the bulk costs of fuel began to escalate in 2004 and the prices did climb and eventually reached .72 per liter. However, [REDACTED] provided me with [REDACTED] invoices that were dated around the same time frame as the [REDACTED] cost basis information for sewage removal that reflected that the exact same per liter fuel price was utilized, i.e. .12 per liter. [REDACTED] also provided an excel worksheet that reflected the escalating cost for fuel acquired at a cost plus basis from [REDACTED] and the time frames of those increases. In addition, [REDACTED] provided me with copies of Forms DD 250 documenting that the [REDACTED] invoices that included bulk fuel purchases were paid at the rate of .12 per liter.

Conclusion & Recommendation

Given the documentation that was provided by [REDACTED] regarding the fuel acquisition, this matter appears to have no criminal prosecution potential regarding the fuel purchase issue. As previously stated the other issues in this matter do not appear sufficient in terms of dollar amounts, repetition of conduct, and/or ability to establish responsibility of the part of specific ESS employees to warrant any further investigative probe.

Consequently, I recommend that this investigation be closed with no further action taken.

[REDACTED] Special Agent

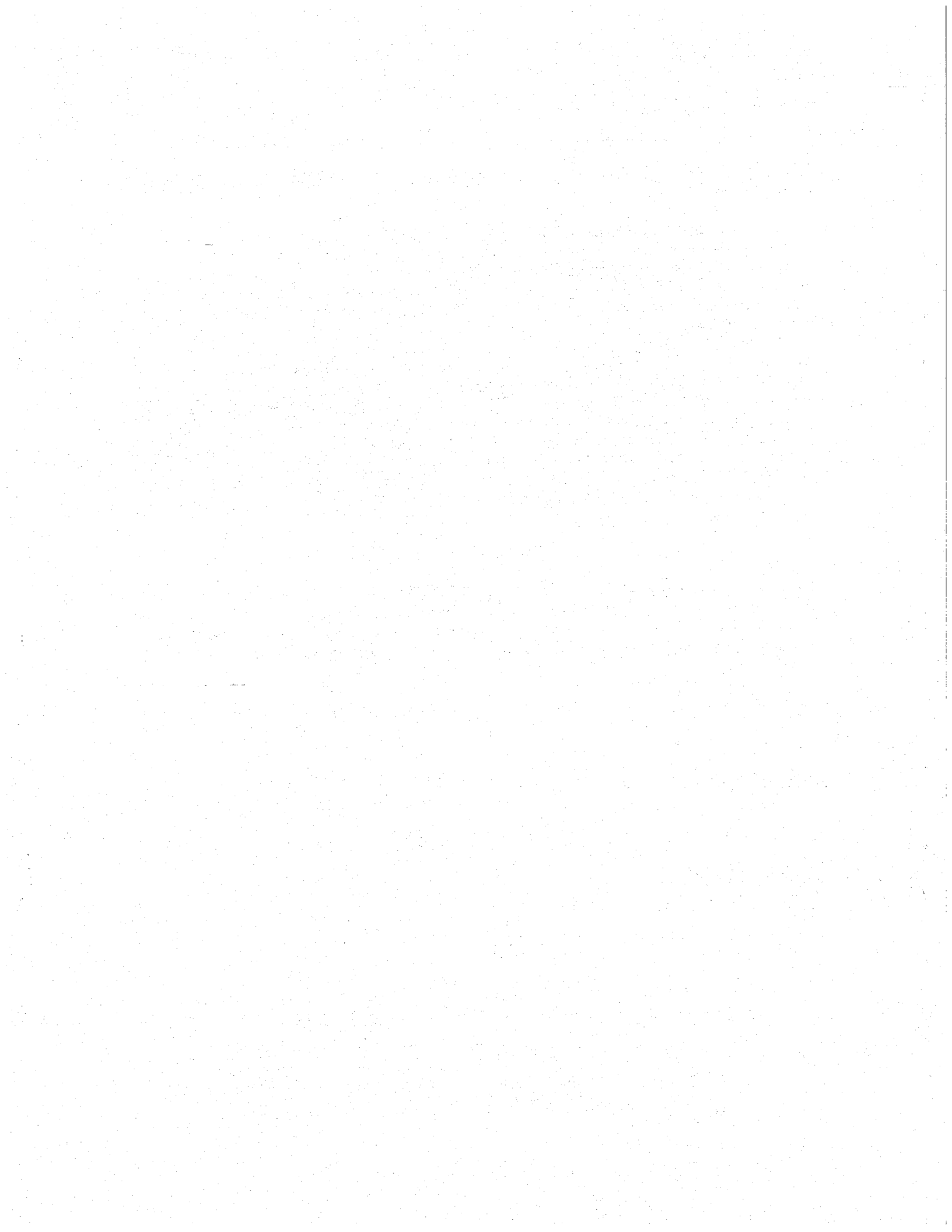
[REDACTED] Special Agent
SIGIR- Investigations

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Office of Investigations

Case Number IQ-06-0003-I

May 27, 2006

Discontinued Investigation

[REDACTED]

Basis for Investigation:

[REDACTED] is alleged to have worked on a contract that was investigated by the Special Inspector General for Iraq Reconstruction under the case number IQ-05-0003-I.

Extent of Investigation

The investigation included the following actions:

1. Review of the investigative case file for case IQ-05-0003-I which the Special Inspector General for Iraq Reconstruction investigated relative to [REDACTED]
2. Discussion with Special Agent [REDACTED] the investigating agent for Case IQ-05-0003-I.
3. Identification of all contracts on which [REDACTED] worked.
4. Review of the most relevant contracts on which [REDACTED] worked.
5. Interview of [REDACTED] Security and Justice Sector, relative to [REDACTED] contract work.
6. Research of the vendors associated with contracts which involved participation by [REDACTED]
7. Interview of [REDACTED] the only Contracting Officer remaining in Iraq for contracts on which [REDACTED] worked
8. Review of FINCIN records for any Currency Transaction Reports and / or any Suspicious Activity Reports relative to [REDACTED]

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Results of Investigation

The Investigation disclosed the following:

1. A review of the case investigated by Special Inspector General for Iraq Reconstruction relative to [REDACTED] IQ-05-0003-1, disclosed no reference to [REDACTED] nor did it disclose any reference to [REDACTED] involvement in the contract being investigated.
2. A discussion with Special Agent [REDACTED] the investigating agent for the aforementioned case disclosed that [REDACTED] name had not surfaced relative to any irregularity in the scope of that investigation.
3. [REDACTED] Deputy Principal Assistant Responsible for Contracts-Reconstruction at JCC-1/A, identified the following 17 contracts as those worked on by [REDACTED]

<u>Contract #</u>	<u>Location</u>	<u>Vendor</u>
[REDACTED]	Tadji	[REDACTED]
[REDACTED]	Tadji	[REDACTED]
[REDACTED]	Tadji	[REDACTED]
[REDACTED]	Area 4/NAMAB	[REDACTED]
[REDACTED]	Tal Afar	[REDACTED]
[REDACTED]	Phoenix Base	[REDACTED]
[REDACTED]	Phoenix Base	[REDACTED]
[REDACTED]	An Numaniyah ESS	[REDACTED]
[REDACTED]	Al Kasik	[REDACTED]
[REDACTED]	Al Kasik	[REDACTED]
[REDACTED]	Blickenstaff/Mosul	[REDACTED]
[REDACTED]	Habbaniyah	[REDACTED]
[REDACTED]	Rustamiyah	[REDACTED]
[REDACTED]	Rustamiyah	[REDACTED]
[REDACTED]	Basra	[REDACTED]
[REDACTED]	Tadji	[REDACTED]
[REDACTED]	Tadji	[REDACTED]

4. After reviewing the list of contracts that had been identified as having [REDACTED] involvement, [REDACTED] and his staff determined that the following 7 contract would likely have the greatest amount of involvement by [REDACTED]

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<u>Contract Number</u>	<u>Location</u>	<u>Vendor</u>	<u>Contract Officers</u>
[REDACTED] (Security)	Tadji	[REDACTED]	[REDACTED]
[REDACTED] (Life Support)	Rustamiya	[REDACTED]	[REDACTED]
[REDACTED] (Life Support)	Rustamiya	[REDACTED]	[REDACTED]
[REDACTED] (Convoy Security)	Tadji	[REDACTED]	[REDACTED]
[REDACTED] (Logistics & Transport)	Taji	[REDACTED]	[REDACTED]
[REDACTED] (Life Support)	Area 4 Nam	[REDACTED]	[REDACTED]
[REDACTED] (MRE's)	Various	[REDACTED]	[REDACTED]

A review of the aforementioned contracts disclosed that they generally had proposals, evaluations, awards, and award justifications that did not appear to have any major irregularities. The one exception is Contract [REDACTED] which involved less than \$500,000.00 and did not require such documentation.

[REDACTED] name did not appear anywhere in 4 of the aforementioned contract files. His name did appear in [REDACTED] as a Point of Contact, [REDACTED] as Contract Administrator, [REDACTED] as Contract Administrator, and [REDACTED] as Contract Administrator and erroneously as Contract Officer.

- Interview of [REDACTED] Contracts Branch, JCCI, Security and Justice Sector, disclosed that [REDACTED] departed post in December, 2005 and has not returned. The last e-mail received from him was on January 24, 2006 when [REDACTED] said that he was looking forward to returning but did not provide a return date. [REDACTED] has not responded to e-mails since then and his whereabouts in not known to JCCI.

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[REDACTED] subsequently reported that [REDACTED] would be returning March 2, 2006 to work in a different section of JCCI.

- 6. A research of vendors associated with contracts which involved participation by [REDACTED] disclosed the following:

[REDACTED]
The company has a website which indicates that it is 2 years old and has Department of State contracts

[REDACTED]
The Company has a website which indicates that it has been in business since 1979 and was formed by 3 prior Secret Service Agents, one of which is the current CEO, and that it has Department of State Contracts.

[REDACTED]
The company has a website which indicates that it is in construction and civil engineering and constructed 1000 living quarters in 11 base camps in Iraq. Head office is in Switzerland and it also has offices in Kuwait, Germany, Italy, Greece, Turkey, and Bulgaria.

[REDACTED]
A website was not located for the company, but there was a website that referred to it. This website indicates that there have been Filipinos kidnapped from [REDACTED] a company that supplies the Iraqi Army and others with food supplies.

- 7. Interview of [REDACTED], the only Contracting Officer remaining in Iraq for contracts on which [REDACTED] worked, disclosed that: [REDACTED] was the contracting officer for the following contracts which involved participation by [REDACTED]

<u>Contract</u>	<u>Location</u>	<u>Vendor</u>	<u>Product / Service</u>
[REDACTED]	Tadji Rüstamiya	[REDACTED]	Security Life Support

During his work with [REDACTED] he has not seen or heard anything that would lead him to believe that [REDACTED] had at anytime done anything that was illegal, fraudulent, or in violation of any of the rules or regulations. He had not observed any suspicious coincidences or other activities that would lead him to have ethical concerns about [REDACTED]

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8. Special Agent [REDACTED] completed the FINCEN check and reported that there was no record of any Currency Transaction Report activity nor any Suspicious Activity Report activity.

Conclusions and Recommendations

Based on the aforementioned investigative actions there were no apparent indications of criminal violations. In the absence of any further specific allegations, it is recommended that this investigation be closed

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

SIGIR CASE NUMBER DC-06-0166-I (HL000471-06)

1 June 2006

Hotline Action - [REDACTED]

CASE CLOSURE:

This referral from Hotline is being referred to SIGIR case DC-06-0151-I as the same allegations are made. This action is considered closed.

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Prepared by SA [REDACTED]

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Office of Investigations

IQ-06-0134-I

June 6, 2006

CASE CLOSING DOCUMENT:

[REDACTED]

Investigation opened to document the transmittal of information received from [REDACTED] a U.S. government C2X contractor regarding an email he received from [REDACTED] on April 26, 2006, from the computer of [REDACTED]

The information relates to an allegation which identified several companies as "fake companies". One of the companies is that of [REDACTED]. The significant portion of the information relates to these "fake companies" were funding the "Iraqi Militia".

This information was provided to USMC [REDACTED] on April 4, 2006. [REDACTED] is the SIGIR POC for the Terrorist Exploitation and Financial Unit. The investigation determined that all allegations regarding the companies were owned by Iraqi nationals.

This investigation closed

Prepared by: Special Agent [REDACTED]
DISTR: File

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Office of Investigations

Date: June 11, 2006

To: [REDACTED]

From: [REDACTED]

Subject: Discontinued Investigation
[REDACTED] 00-0043-I

Basis for Investigation:

Information received from the Resident Agent in Charge of the Baltimore office of the Defense Criminal Investigative Service disclosed that [REDACTED] a contract administrator for [REDACTED] had filed a Qui Tam action on June 27, 2005 under the false claims act Title 31 USC section 3729 with the United States District Court for the District of Columbia, alleging bid rigging, back dated contracts, and claims for duplicate purchases, relative to the construction and provisioning of laundry services. In addition he alleged payments to shell companies for the drilling of well water. All allegations related to [REDACTED] contract [REDACTED]

Extent of Investigation

The investigation included the following actions:

1. Researched Procurement Contact Office and Joint Contract Command Iraq data bases for contract [REDACTED]
2. Contacted the Office of Defense Contracting Audit Agency.
3. Contacted Office of the Defense Contracting Management Agency.
4. Contacted the budget office of the Iraq Reconstruction Management Office.

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Results of Investigation

The Investigation disclosed the following:

1. Contract [REDACTED] is not available from the data bases of the Procurement Contract Office or the Joint Contract Command Iraq.
2. The Defense Audit Agency advised that the contract [REDACTED] is funded 60% by the Department of Defense and 40% by the Department of State. The funding comes from the operating budget appropriations of both departments and that detailed funding information is available from the Defense Contract Management Agency
3. The Defense Contracting Management Agency provided contract administration data that contained Accounting and Appropriations Data, which disclosed that the funding for this contract was funded by the Department of Army, but that some amounts had been received through the Military Interdepartmental Procurement Request Procedure.
4. The budget office of the Iraq Reconstruction Management Office determined that IRRF funds had not been used for any reimbursables through the Military Interdepartmental Procurement Request Procedure. They furnished Military Interdepartmental Purchase Request Form, Acceptance of MIPR form, and the Detailed Report for Project Work Item relative to Task order 59, which disclosed that this task order had received \$195, 866.00 through this process, but that no IRRF funds had been expended. It appears that the MIPR was done by mistake, because Contract [REDACTED] should be funded by operations funding from the Department of the Army and the Department of State.

Conclusions and Recommendations

Based on the aforementioned investigative actions there are no indications of any IRRF funding. Accordingly, it is recommended that this investigation be closed for lack of jurisdiction and referred back to office of the Defense Criminal Investigative Service's Baltimore office for whatever action they deem appropriate.

Prepared by: [REDACTED] SIGIR Investigations, Baghdad, Iraq

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Office of Investigations

SIGIR CASE Number IQ-06-0129-I

June 13, 2006

Case Closing:

[REDACTED] contacted the Special Inspector General for Iraq Reconstruction (SIGIR) concerning a possible "kickback scheme" dealing with the potential sale of [REDACTED] in Iraq.

Several telephone conversations were conducted with [REDACTED] during which time he advised that [REDACTED] was asked to drop its price \$11.00 per unit for a total of \$110,000 to "pay...people on the ground in order to get this contract signed".

[REDACTED] met with [REDACTED] Special Agent, SIGIR in Iraq where in they discussed [REDACTED] role in Iraq, the potential sale of weapons and his conversations dealing with a possible kickback scheme. [REDACTED] reported that [REDACTED] are not being bought by the Iraqi's as they are only buying [REDACTED].

Currently there is no evidence of any fraud dealing with the purchase of [REDACTED] or any kickback schemes. Therefore this matter is being closed.

Prepared by: [REDACTED] SIGIR Investigations, Arlington Field Office

APPR:

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

SIGIR Case Number DC-06-0156-HL (HL000488-06)

June 20, 2006

Case Closing:

On June 16, 2006, [REDACTED], Special Inspector General Iraq Reconstruction (SIGIR), Washington, DC completed a SIGIR HOTLINE COMPLETION REPORT (HCR) relating to above hotline and case #'s.

SIGIR received a Hotline complaint under #HL 000488-06, subject — [REDACTED]. A review of the information disclosed that there are clear indications of Contracting Officer and Contractor issues regarding compliance issues. The allegations are that the contractor failed to comply with a Statement of Work (SOW). With that allegation, a cure notice would normally be issued to place the contractor on notice. The Contracting Officer has a process whereby a clause allows the Contracting Officer to terminate the contract for failure to comply with the SOW. There are indicators that all information was not fully provided to the SIGIR Hotline.

A review by the Reporting Agent (RA) indicates that this complaint would be best monitored and completed by the Inspections and/or Audit Division of SIGIR. This RA is forwarding this action for recommended referral to address the concerns of the complainant. The information forwarded was found to be non criminal in nature.

PREPARED BY: [REDACTED]
20 June 2006

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APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: DC-06-0010-HL (HL000433-05) June 22, 2006

SUBJECT:

Case Closure

[REDACTED]

Alleged Violation: Bribery - 18 USC 201

Narrative:

This investigation was predicated upon information received in Hotline No. HL000433-05 from an anonymous source who alleged [REDACTED] was accepting bribes to award reconstruction projects.

Repeated attempts to interview the complainant, who was subsequently identified as [REDACTED] were unsuccessful. [REDACTED] admitted he had no direct knowledge, and only heard through another individual that this was going on.

In the absence of being able to interview [REDACTED] in depth and with no ability to identify any other potential witnesses - no further investigative activity is warranted in this case.

Prepared by: [REDACTED], Criminal Investigations, Washington, D.C.
DISTR: Hq File

1014

APPR: [REDACTED]

CLASSIFICATION:

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Office of Investigations

IQ-06-0078-I

June 25, 2006

DISCONTINUED REPORT:

It is my recommendation that this investigation be closed. The allegations of bribery remain unsubstantiated. Evidence to date indicates that this is a case of one contractor filing complaints against another in an attempt to cover their own inadequacies and poor performance. The allegations of bribery were not even substantiated during the initial report with the US Army CID Special Agents [REDACTED]. Contact with the Contracting Officer for the Joint Contracting Command [REDACTED], shows that it seems one contractor is pitted against the other contractor.

Prepared by: Special Agent [REDACTED]
DISTR: File

740

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE Number IQ-06-0046-1

July 3, 2006

[REDACTED]
Special Inspector General for Iraq Reconstruction – Criminal Investigations
U. S. Embassy Iraq – Rm. M-233

Basrah Regional Contracting Office – CERP Fund

Basis for Investigation

This report relates to allegations from [REDACTED] Iraq / Afghanistan South, concerning potential contract irregularities in Basrah, Iraq. The allegations involved contract fraud, bribery and kickbacks awarded in Basrah through the Commanders Emergency Response Program (CERP) and the Provincial Reconstruction and Development Committee (PRDC). [REDACTED] inferred that some of the funds may come from the Iraq Relief and Reconstruction Fund.

Extent & Results of Investigation

An on-site visit was made to Basrah in February, 2006. At that time, [REDACTED] Several British / Danish military and civilians were interviewed as well as Iraqi Nationals. Limited documentation was provided at that time from the sources that were interviewed and very little new information with criminal potential has been received since. Most of the funding for the contracts has been with CERP funds.

The vast majority of the allegations related to Iraqi Nationals and a former British military officer. There was one allegation that a former American contract officer had improperly awarded contracts to one of his employee's husband. There was insufficient information obtained regarding this allegation for criminal purposes. In the past eight to nine months, the security situation in the Basrah area has increasingly worsened to the point where numerous shutdowns have occurred and transportation outside of the Embassy compound was not recommended. This condition is present today and has added to the problems in this investigation.

Conclusions & Recommendations

The results of the investigation showed that the vast majority of the allegations related to Iraqi Nationals and a former British military officer. Information obtained regarding the former

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APPR: [REDACTED]

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Office of Investigations

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American contract officer was insufficient to support further investigative efforts. Consequently, I recommend that this matter be closed to the SIGIR – Investigative files.

[REDACTED] Special Agent
Special Inspector General for Iraq Reconstruction – SIGIR
Criminal Investigation
Baghdad, Iraq

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Special Inspector General for Iraq Reconstruction

SIGIR HOTLINE COMPLETION REPORT (HCR) 14 July 2006

1. Name of Examining Official: [REDACTED]
2. Duty Position and Telephone Number of Examining Official:
Operations Director SIGIR Investigations - [REDACTED]
3. Organization of Examining Official: SIGIR Investigations, Arlington
4. Hotline and Control Numbers: HL000428-06
- 5.
6. Scope of Examination, Findings, Conclusions, and Recommendations:

The attached compliant was declined by SIGIR Investigations under report investigation DC-06-0199-I
7. Cite Criminal or Regulatory Violations Substantiated: N/A

Disposition: The information contained in the referred Hotline indicates that SIGIR HL referred this report of information to the USAF Inspector General on 12 October 2005. Although this is a criminal action, SIGIR investigations does not recommend a separate SIGIR investigation be initiated.

SIGIR investigations is declining this referred action and it is recommended that HL contact the respective USAF Inspector General and inquire the status of the referred action. No further action is anticipated by SIGIR investigations, Arlington Field Office.

8. Security Classification of Information: This report is FOR OFFICIAL USE ONLY as an Inspector General report. This Inspector General report contains privileged information and will be protected. Specifically, dissemination of the report will be restricted to the absolute minimum consistent with the effective management of the internal affairs of SIGIR. Dissemination of any portion of the report will not be made without specific permission of the Inspector General, SIGIR.
9. Location of Field Working Papers and Files: SIGIR, Arlington, VA
10. Additional Notification Information: NA

[REDACTED]
DIRECTOR OF OPERATIONS
SIGIR INVESTIGATIONS, ARLINGTON,
VA

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Exemptions 5, 6, and 7 apply.



Office of Investigations

SIGIR CASE NUMBER IQ-06-0174-I

[REDACTED]

CASE CLOSURE:

This matter was initiated on 7 June 2006 based on information received from USAID auditors that [REDACTED] had attempted to bribe [REDACTED] while he was the Minister of Agriculture for Iraq. [REDACTED] is contracted by USAID to assist Iraq with its agricultural sector. This bribery allegation came from [REDACTED] Ministry of Agriculture. This matter was investigated in conjunction with USAID, Regional Inspector General, Special Agent [REDACTED]

[REDACTED] Office of Agricultural Affairs, Embassy of the United States Baghdad was interviewed and related that he was told by USAID auditors that [REDACTED] had informed auditors that [REDACTED] had told [REDACTED] to be careful of [REDACTED] because they "had offered him a bag full of money".

Interviews were conducted of [REDACTED] and [REDACTED]. Both [REDACTED] and [REDACTED] operate in Iraq and are familiar with [REDACTED]. Both denied any type of bribery, actual or attempted, of [REDACTED]. Both advised that [REDACTED] supports the agricultural sector in Iraq. [REDACTED] programs operate on receipts received from the various programs. [REDACTED] does not disburse cash as the United Nations Food and Agriculture Program does. [REDACTED] had never met [REDACTED] and [REDACTED] had met him on only one occasion.

[REDACTED] former Minister of Agriculture (May 2004 – May 2005) was interviewed at USAID, Baghdad. [REDACTED] does not know [REDACTED] personally and has never met [REDACTED]. [REDACTED] is currently employed by [REDACTED] as the Livestock Component manager for Iraq. She was unable to provide any information concerning [REDACTED] other than the fact that he succeeded her as Minister of Agriculture. She is not aware of [REDACTED] current location.

[REDACTED] was interviewed at the U.S. Embassy, Baghdad concerning his allegation of bribery. [REDACTED] admitted telling [REDACTED] of the bribery allegation. [REDACTED] advised that this was only a rumor he heard. He could not provide the name(s) of the person he heard the rumor from and he could not provide any information as to the reason for the alleged bribe. [REDACTED] denied that [REDACTED] had told him to be careful of [REDACTED] or that [REDACTED] was told by [REDACTED] that [REDACTED] had offered him a bag full of money. [REDACTED] reiterated a number of times during the interview that the bribery allegation was only a rumor and that he believed it to be unfounded. [REDACTED] does not know [REDACTED] current whereabouts.

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APPR: [REDACTED]

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As the allegations in this matter have not been substantiated and further, appear to be unfounded, this matter is being placed in a closed status. USAID is closing their companion investigation.

Prepared by: [REDACTED] SIGIR, Baghdad
DISTR: IQ-06-0174-I

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Special Inspector General
for Iraq Reconstruction



Office of Investigations Arlington Field Office

REPORT OF INVESTIGATION

2 AUGUST 2006

SIGIR CASE NUMBER IQ-05-0051-I (0009-05-I-SIGIR-8-NOV2004-YO-ZO-F)

SUBJECT(s): 1. [REDACTED];
[REDACTED] [18 USC 1030] Unauthorized Computer
Access; [18 USC 1030] Abuse of Authority; [DoD Regulation 5507.7-R,
Joint Ethics Regulation (JER)] Prohibited Use of Network Services;
USCENTCOM General Order Number 1A, [10 USC, Section 164(c)] Threat
Communicating; [18 USC 494] False Statements

2. [REDACTED] JV Company of
[REDACTED] Muscatine, IA, [REDACTED]
[REDACTED] PA and [REDACTED] Marlton, NJ; [18 USC 494] False
Statements

VICTIM(s): 1. [REDACTED] DOB: [REDACTED]
[REDACTED] POB: US Virgin Islands; Male; Black; Civ Contractor, [REDACTED]
[REDACTED] Baghdad, Iraq, APO AE
09316; USCENTCOM General Order Number 1A, [10 USC, Section 164(c)]
Threat Communicating

2. [REDACTED]; DOB: [REDACTED]
Amarillo, TX; Female; Cau; Civ Contractor, [REDACTED] Baghdad, Iraq, APO AE
09316; [18 USC 1030] Unauthorized Computer Access

3. US GOVERNMENT (Multi-National Force Iraq (MNF-I), Joint
Area Support Group -Central (Provisional) (JASG-C(P), US Embassy Annex,
Baghdad, Iraq, APO AE 09316 [18 USC 1030] Unauthorized Computer
Access; [18 USC 1030] Abuse of Authority; [DoD Regulation 5507.7-R, Joint
Ethics Regulation (JER)] Prohibited Use of Network Services; USCENTCOM
General Order Number 1A, [10 USC, Section 164(c)] Threat Communicating;
[18 USC 849] False Statements

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APPR [REDACTED]

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TIME/DATE OF OCCURRENCE: 1833-1525 hours; 29 October - 2 November 2004

LOCATION OF OCCURRENCE: Project Contracting Office (PCO) Annex, International Zone, Baghdad, Iraq

SYNOPSIS:

Investigation disclosed that [REDACTED] a contract systems sector analyst for the Project Contract Office (PCO), Baghdad Iraq in an open forum challenged the authenticity of engineering sector data that was put in spreadsheets and briefed to PCO by [REDACTED] a systems program manager. [REDACTED] challenge specifically dealt with inaccurate contactor progress and expenditure data [REDACTED] entered, data that was considered erroneous and very misleading to the Program Management Officials (PCO), who are responsible for briefing progress on contracts in Iraq to the Secretary of the Army. Additionally, derived from the initial compliant, there were indicators that the firm of [REDACTED] who employed [REDACTED] was committing fraud by manipulating data. [REDACTED] irate over [REDACTED] actions, through what he believed were anonymous emails using his Government computer, sent threatening and intimidating emails to [REDACTED] because of what he divulged. [REDACTED] reported he was in fear for his life and the safety of his family resulting from the email threats. [REDACTED] made a full disclosure of his concerns that he made public and in the open forum in a sworn statement. Also, [REDACTED] a "superuser" on the computer network with full administrator privileges, previously sent emails to [REDACTED] using the same user ID that were on the emails he sent anonymously to [REDACTED]. [REDACTED] later, using his administrator privileges hacked into the computer network to retrieve the emails he had sent to [REDACTED]. [REDACTED] discovered while on her computer that her personnel email account was being hacked, immediately notified the Information Technology Systems Chief (IT), who conducted a preliminary investigation. The IT Chief was not aware that the compliant she got from [REDACTED] and [REDACTED] were concerning the same person until she completed a systems analysis. The systems analysis by the IT Chief validated that the same person who sent the emails to [REDACTED] was the person who hacked into [REDACTED] email, which lead back to [REDACTED]. This investigation upon its conclusion was unable to substantiate that [REDACTED] intentionally entered erroneous data into the [REDACTED] data base that was used to generate reports briefed to PCO.

STATUTES:

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- a. Title [18 USC 1030]
- b. Under the Provisions of Title 18 USC, this investigation revealed that ██████ used a Government computer system to illegally send threats by email.
- c. Under the Provisions of Title 18 USC, ██████ hacked the MNF-I computer network using government equipment violating [18 USC 1030], to delete emails from the Yahoo network that would identify him as the author of threatening emails.
- d. Under the Provisions of DoD 5507.7-R, Joint Ethics Regulation (JER), ██████ exercised Abuse of Authority as a computer systems administrator.
- e. Under the Provisions of CENTCOM Regulation 25-206, ██████ violated this statute by exhibiting Prohibited Use of Network Services. General Order Number 1A - Para 2 (Prohibited Activities) Title 10, United States Code, Section 164(c) and the Uniform Code of Military Justice
- f. (UCMJ), Title 10, United States Code, Section 801-940. Paragraph 2 of this General Order is punitive. Civilians serving with, employed by, or accompanying the Armed Forces of the United States in the USCENTCOM AOR may face criminal prosecution or adverse administrative action for violation of this General Order.

NARRATIVE:

1. On 8 November 2004, ██████ Department of State (DSS), Regional Security Office, Baghdad, Iraq was contacted by ██████ a PCO/DOD Contractor, regarding threats he received via email. ██████ referred the report of incident to ██████ (DSS) for follow-up (Exhibits 1 and 2).

2. On 8 November 2004, ██████ (DSS) interviewed ██████ ██████ told ██████ that he had a professional disagreement with another PCO/DOD contractor, ██████ stated that during a PCO Sector Meeting that he and ██████ had a verbal disagreement about budget shortfalls for a restructuring effort. ██████ stated that following the meeting the disagreement became personal and that later he received threatening emails from an individual named ██████ using an account under ██████ ██████ stated that he guessed that the emails were written by ██████ using a pseudonym, considering that ██████ had a user name of ██████ for PCO computer

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project accounts. [REDACTED] contacted the PCO Information Assurance Manager, [REDACTED], about the emails (Exhibits 1 and 2).

3. On 8 November 2004, [REDACTED] interviewed [REDACTED] about the allegation. [REDACTED] confirmed that she had spoken with [REDACTED] about the allegation and that she had completed an initial inquiry into the matter. [REDACTED] confirmed that [REDACTED] had a user name of [REDACTED] which linked to [REDACTED], and that she captured "snapshots" of his user account that verified that he did send the emails to [REDACTED]. [REDACTED] stated that she forwarded the information she obtained to [REDACTED] the Information Assurance Chief (Exhibits 2 and 3).

4. On 8 November 2004, the RSO's office found this matter fell outside the investigative purview for the US Embassy Baghdad RSO's Office, and referred this action to SIGIR, as PCO came under the Iraqi Reconstruction effort (Exhibit 1).

5. On 11 November 2004, [REDACTED] SIGIR - Baghdad interviewed [REDACTED] MNF-I, Signal Annex, Baghdad, Iraq. [REDACTED] stated that he was informed by his Tech Services personnel of a reported malicious act by [REDACTED] to erase emails he had sent to a female in the PCO Annex. The documents released by [REDACTED] clearly showed there was a communication and sharing of family pictures by [REDACTED] and a [REDACTED]. [REDACTED] felt it was evident that [REDACTED] succeeded in hacking into [REDACTED] Yahoo email account and deleted personal emails they both exchanged which was released by the victim to [REDACTED]. The victim had Yahoo restore the deleted files which were being deleted before the victims' eyes while she was on the network. The data according to [REDACTED] was contained in Yahoo accounts, a company they both were subscribers to. The victim felt if correct, [REDACTED] did hack the victims Yahoo account and must have been very desperate for whatever reason to protect his ID relating to Yahoo emails. The act by [REDACTED] stated [REDACTED] was the second report he received, the first being a communication of a threat via email to [REDACTED] (Exhibit 3).

6. On 11 November 2004, [REDACTED] provided this reporting agent with supporting documents that [REDACTED] signed and initialed on 15 August 2004; "a PMO Computer End User Agreement", and demonstrated that on 30 October 2004, attended and completed the MNF-I Information Assurance Network Training class. The training provided on 30 October 2004, stated [REDACTED] specifically addressed user agreements and referred to violations of law when computer systems are improperly used (Exhibits 3, 4, 5, 6, and 7).

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7. On 11 November 2004, this reporting agent interviewed [REDACTED], MNF-I/CSO, Signal Annex, Baghdad, Iraq. [REDACTED] stated he did not specifically recall the date, but he got information from [REDACTED] the PCO IT representative who advised him that an [REDACTED] reported getting threatening emails at the PCO complex. [REDACTED] added that he was aware that a search of the NIPER email network had been conducted and he was provided a copy of the email traffic. Identifying links were established based on log-on information. [REDACTED] stated that he briefed the division chiefs at PCO [REDACTED] and a [REDACTED] who did not give him any indication they were going to take any action at that time. [REDACTED] added that he reported this to the Embassy Annex Counter Intelligence personnel who declined investigative jurisdiction on the complaint (Exhibit 3).

8. On 13 November 2004, this reporting agent interviewed [REDACTED], Information Technology Specialist (IT), PCO Commercial Network, Baghdad, Iraq. [REDACTED] stated that on 2 November 2004, she was asked to assist a [REDACTED] an employee of PCO who reported to he was receiving threatening emails. [REDACTED] understood a day or two before receipt of the email traffic [REDACTED] had a verbal confrontation with a fellow employee working in the same division. [REDACTED] showed [REDACTED] the emails he was receiving and he believed that he knew who was sending them. [REDACTED] found that the person sending the email traffic went by the computer name of [REDACTED] on the Yahoo network. [REDACTED] advised [REDACTED] that previous communications he received convinced him that [REDACTED] was the originator. [REDACTED] did a scan of the victims' temporary internet files and captured a snapshot of the files. When [REDACTED] had enough information to confirm the author of the email traffic was [REDACTED] his computer access was suspended. [REDACTED] reported what she forwarded this to her Information Assurance chief [REDACTED] and stopped there. After reviewing the data sent, [REDACTED] stated that [REDACTED] directed her to go back to the network and isolate the data on [REDACTED] account for release to investigators. [REDACTED] went to the network on 3 November 2004, and found that [REDACTED] access had been restored and the files she had previously viewed had been erased and could not be retrieved. [REDACTED] stated that as a systems administrator it is rare that retrieval of records could not be accomplished although erased, therefore she suspected that [REDACTED] detected that his account was/had been scanned. [REDACTED] advised that she has not had a conversation with [REDACTED] concerning this investigation (Exhibits 8, 9 and 10).

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9. On 15 November 2004, [REDACTED], employee of [REDACTED] PCO, Baghdad, Iraq was interviewed by this reporting agent. [REDACTED] Still visibly shaken by the occurrences at the PCO Annex, stated that he was threatened by [REDACTED] and took his threats serious. [REDACTED] added that as an analyst he requested that the data he provided concerning the projects in his sector, be entered on the spreadsheets as he reported. [REDACTED] for whatever reason stated [REDACTED] took issue with this and refused to provide [REDACTED] an explanation for the inaccurate figures he did report. The information [REDACTED] annotated on the spreadsheets he briefed, [REDACTED] felt was a fraudulent representation of information, and was manipulated data. [REDACTED] a native New Yorker as was [REDACTED] believed that [REDACTED] had the capability to reach out and do harm to his family in New York. [REDACTED] scheduled to fly to New York in a matter of days of this interview, felt he was very much a target also (Exhibit 11).

10. On 20 November 2004, this reporting agent met with [REDACTED] Human Resources Manager, [REDACTED] who came in to acknowledge that his company was notified that [REDACTED] was requested to visit the SIGIR office for interview. [REDACTED] confirmed the request was passed on and requested to personally sit in on the interview. [REDACTED] was advised that this was not a normal protocol that the investigative unit follows and it was preferred that he not be present. [REDACTED] advised that [REDACTED] was aware of the requirement and he would insure he would make the appointment (Exhibit 12).

11. About 13110, 20 November 2004, [REDACTED] Civilian Contractor [REDACTED] for [REDACTED] PCO, Baghdad Iraq was advised of his legal rights by this reporting agent witnessed by [REDACTED] before he was questioned. [REDACTED] insisted that [REDACTED] Human Resources Manager, [REDACTED] be present during the interview. [REDACTED] waived his right to legal counsel being present and advised that his attorney, who he spoke with prior, directed that he [REDACTED] submit documents he had for review by this investigating agent. [REDACTED] presented a three ring binder which contained email documents relating to meetings; dialogue [REDACTED] had with other systems personnel; and dialogue that [REDACTED] had with [REDACTED] direct. Based on the investigation initiated by this office certain emails were not a part of the packet presented by [REDACTED] for review. [REDACTED] documents did very little to refute the allegations [REDACTED] was suspected of, communicating a threat; manipulating contract data; and providing false expenditure reports. [REDACTED] in response to questions he submitted false reports, advised that as a Programmer, he decided to restrict the Sector

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Analyst's from entering or changing figures in the database, making him the only one that could make entries to database. He added that the analysts were entering unit ratios rather than dollar amounts thus the database reflected zero cost figures for certain accounts. PCO requested contractor costs according to [REDACTED] to be figured in under labor which was not being done. The programmers in the various sectors were doing this because PCO had not defined a set system of costing to them similar to what SBH was doing. Getting the programmers to enter data as [REDACTED] felt it should be caused the conflict with [REDACTED] [REDACTED] according to [REDACTED] was being unreasonable in the manner he posted his data figures and wanted them adjusted in the data base to reflect what he entered. [REDACTED] did agree that his unwillingness to work the issues out impeded productivity and did not send any follow-up documents to dispute the information or reflect a fix. [REDACTED] referenced the emails he provided and believed the profile of all the alleged emails he sent should be enough to explain his position, however, there were no emails provided showing the threatening emails he sent to [REDACTED]. [REDACTED] denied that he ever threatened [REDACTED] but alleged he was threatened in public by [REDACTED]. When asked why he didn't file a complaint as others have, he did not provide plausible explanation. [REDACTED] was asked who [REDACTED] was, and his response was, he did not know. [REDACTED] stated that he was recently counseled about leaving his computer keyboard unattended, therefore he felt anyone could have sent the email. [REDACTED] refused to admit that he was the author of any threatening email traffic to [REDACTED]. [REDACTED] was shown a snapshot of his computer profile which linked him to the user name [REDACTED] at which time there was a brief silence. This reporting agent inquired whether he knew a [REDACTED] and his response was yes. Any exchange of emails and his response was again yes. This reporting agent asked [REDACTED] if he went on line and retrieved any documents that he may have sent to [REDACTED] and his response was no, he did not have the knowledge to do something like that. Again [REDACTED] was shown a profile printout of his email account traffic and he continued to deny any knowledge or involvement. Before additional questioning could be asked of [REDACTED] he suddenly became extremely agitated and irate, then stormed out of the interview room, which was being conducted in room M106, of the US Embassy Annex, Baghdad, Iraq (Exhibits 13 and 14).

12. At 1110, 21 November 2004, this reporting agent briefed [REDACTED] [REDACTED] Project Contracting Office (PCO), Baghdad, Iraq on the status of this case. [REDACTED] after being briefed advised based on the information he was provided, it was his intention to

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recommend that [REDACTED] access to the database and computer network be blocked and a recommendation he be directed to leave Iraq. [REDACTED] was further advised that his office does not recommend what actions should be taken, just present the facts of the investigation conducted. [REDACTED] was further advised that this office would attempt to pursue prosecution through the AUSA, Northern Virginia (Exhibit 12).

13. At 1225, 22 November 2004, this reporting agent spoke further with [REDACTED]. [REDACTED] stated that [REDACTED] came to him with a six page handwritten statement with his explanation of issues addressed in this investigation. [REDACTED] admitted to [REDACTED] that he did send the two emails he was questioned about concerning [REDACTED] which he allegedly did during a period of work frustration (Exhibit 12).

14. At 1635, 22 November 2004, [REDACTED] returned to the SIGIR office and volunteered the following information. [REDACTED] stated that early this morning he was directed to make plans for [REDACTED] return to the United States which he did. [REDACTED] the program manager allegedly rescinded the directive and stated that [REDACTED] was going to be placed on administrative leave. [REDACTED] in a effort to explain the concerns this office had on the data input told [REDACTED] that the analyst were entering data in units, a cost which is programmed at a certain dollar amount by PCO. The computer baseline only recognizes dollar value entries, thus the unit sums showed up as a zero cost factor, based on the non-recognition of the unit factors entered. The shortages that were noted were not actually shortages; as [REDACTED] entered the converted dollar values previously shown as units. [REDACTED] made it clear that [REDACTED] by far was the expert on the P3e/c projects handled by PCO, and probably the only one who understood its operation (Exhibit 12).

15. At 1315, 23 November 2004, accompanied by SIGIR Auditor [REDACTED] this reporting agent interviewed [REDACTED] Civilian Contractor for PCO, Program Manager, employed by [REDACTED] site office Baghdad, Iraq. [REDACTED] explained that [REDACTED] are three separate entities that work for PCO. [REDACTED] advised as the Program Manager, he built, implemented and processed data that was fed from the sectors and then pushed to a data base called [REDACTED]. [REDACTED] stated his mission is derived from PCO Stand Operating Procedure (SOP) 109, which outlines standardization for developing cost loaded program schedules at the Sector level. Sector levels operate independent and push cost information to common database programs such as PRIMAVERA and MAXIMO, both of which are addressed in the SOP. The cost or budget values are loaded into

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P3e/c from MAXIMO or PRIMAVERA via the [REDACTED] interface. A majority of the programmers are trained in PRIMAVERA P3e/c used in the Sectors to Program Schedule, and Manage their portion of the Program and Projects included therein. The sectors must enter Project Activity, Scheduling, and Cost information, and administer and update the sector schedules in a consistent manner to enable PCO to rollup Schedule and Cost information for the Program and intermediate levels above the Project level for performance analysis/measurement and reporting. The manner in which the system is designed is what [REDACTED] referred to when he addressed his sector contract dollar values with [REDACTED]. The problem however is that the Programmers such as [REDACTED], use units for cost data input and Schedulers like [REDACTED] use actual dollars. When the programmer enters a unit value which is costed at a set amount, the program doesn't recognize the unit values thus zero's the value which the scheduler has to manually adjust to correct. In the [REDACTED] situation according to [REDACTED] who has worked in this theater since August 2004, was perceived as stressed. His knowledge of the P3e/c data system far surpassed everyone and he was one the few "superuser" personnel working in PCO. [REDACTED] felt that the problems that were occurring with [REDACTED] were effecting production and [REDACTED] threatened to resign several times. [REDACTED] believed that at one time he had things under control between [REDACTED] and [REDACTED] as he directed them both, there would be no personal email interaction between the two. [REDACTED] found that his directive did not work. Meetings were missed and schedules were not completed due to conflicts in input data solely with [REDACTED] and [REDACTED]. Although there would be a blow to the operation, [REDACTED] felt in the interest of operational productivity, it would be best that [REDACTED] left Iraq. [REDACTED] was awarded the contract by PCO as a fixed price contract and the work requirements were generated from Task Orders. [REDACTED] stated that nothing that he, his programmers or schedulers could do in the program data input, that would enable the contract firm to generate more revenue other than the fixed price contact price awarded (Exhibits 15 and 16).

16. On 23 November 2004, [REDACTED] delivered to this office a CD prepared by [REDACTED] Contract Programmer, PCO Annex. The CD as previously promised by [REDACTED] showed the entries and data captured for preparation of spreadsheets. The information reviewed by this reporting agent was found to be highly technical and only a snapshot of the big picture. The spreadsheets provided only reflected a percentage of the total contacts and obligations that are tracked by the Contractor for PCO. Comparison documents from previous reporting periods and access to the

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actual database information would be needed to assess the accuracy of the data entered on the documents reviewed (Exhibit 12).

17. At 0950, 29 November 2004, this reporting agent interviewed [REDACTED] Civilian Contractor for PCO, [REDACTED] employed by [REDACTED] site office Baghdad, Iraq. [REDACTED] stated that she started getting emails at her desk from a secret admirer who seemed to know all about what she was doing, as if the person was right there with her. [REDACTED] had no way of knowing that her secret admirer actually sat at a desk on the other side of a work station barrier wall. The user name used by the secret admirer was [REDACTED] who [REDACTED] was not familiar with so she sent back an inquiry email. The next email came back with the author name [REDACTED] next to [REDACTED] [REDACTED] stated that they both conversed at the workplace but she never asked him about the name [REDACTED]. He told her that [REDACTED] was his college nickname when he went to school in New York. On 7 November 2004, [REDACTED] added that she was working on her computer looking at her Yahoo account achieving her sent folders. As she was achieving her folders she started seeing everything relating to them disappear before her eyes. She hit refresh and received a message [REDACTED]. Then there was no activity for the account shown. [REDACTED] stated she went back to her inbox found that emails were gone and efforts to retrieve the [REDACTED] data she saw and her emails were unsuccessful. [REDACTED] checked her other files to catch them and found they continued to disappear. [REDACTED] emailed Yahoo immediately and asked them to back-up what she had on the server. The next morning 8 November 2004, her accounts were restored and she changed her password. [REDACTED] got a snapshot of what was deleted which lead back to [REDACTED] but she had no idea how and why he entered her account and deleted his emails to her. [REDACTED] did not say anything to [REDACTED] as she no longer trusted him. A few days after the email incident [REDACTED] stated that [REDACTED] stopped by her desk asking to have a private meet with her. [REDACTED] stated that she did not meet with [REDACTED] as requested and had no idea what he wanted to talk about. [REDACTED] also added that she discussed her concerns with [REDACTED] the Information Technology support person who also witnessed the movements of documents from her accounts and aided her in getting snapshots of retrieved information (Exhibits 9 and 17).

18. On 1 December 2004, this reporting agent effected further coordination [REDACTED] Baghdad, Iraq. [REDACTED] requested the status of this investigation to afford him the opportunity to provide the PCO Security Director a recommendation on [REDACTED] [REDACTED]

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was provided the results of the SIGIR investigation concerning the compliant(s) reported (Exhibit 18).

19. On 28 January 2005, [REDACTED] was reinterviewed by this reporting agent. [REDACTED] stated that he returned from leave in the United States late in December 2004, and [REDACTED] was not at the work site. [REDACTED] added that his supervisor under threat of being sent home, forced to apologize to the program manager for [REDACTED], even though [REDACTED] knew he did nothing wrong. Additionally [REDACTED] was told his contract would not be renewed when it expired in May 2005. Another sector within the PCO Annex learned of what [REDACTED] was planning to do to [REDACTED] and offered him a position, which [REDACTED] accepted. [REDACTED] submitted his resignation to [REDACTED] advising his supervisor he had 30 days to find a replacement, with a reporting date of 31 January 2005, to [REDACTED]. As far as additional threat [REDACTED] stated he did not receive or experience any while on leave. He did state that he received repeated phone calls at his residence by a caller who would hang up when the phone was answered. [REDACTED] wanted to make it clear that although he had not heard from or spoken to [REDACTED] he still feared that [REDACTED] would try to do him harm (Exhibits 18 and 19).

Prepared by: [REDACTED]
Director of Operations, Investigations Division

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Office of Investigations

Date: August 6, 2006

To: [REDACTED] Special Agent in Charge, SIGIR Investigations, Baghdad

From: [REDACTED] Special Agent, SIGIR Investigations, Baghdad

Subject: Discontinued Investigation
[REDACTED] DC-06-0183-I

Basis for Case

On June 12, 2006 SIGIR [REDACTED] submitted a case Initiation Document based on a Hot Line Report that resulted from a telephone conversation he had with [REDACTED] who requested to speak with SIGIR Investigators in Baghdad.

Extent of Actions Taken

The actions taken included the following:

1. Review of the prior investigative file pertaining to the informant.
2. Several telephone conversations between the informant and [REDACTED]

Results of Investigation

1. A review of the prior investigative file pertaining to the informant disclosed that the investigation concluded that there was no information relative to fraudulent acts committed by the informant that fell under the jurisdiction of the Special Inspector General for Iraq Reconstruction.
2. Based on a number of telephone conversations between [REDACTED] and informant [REDACTED] concluded that [REDACTED] had not been able to obtain entry into Iraq and 2. The information that [REDACTED] had to offer did not warrant a SIGIR Agent's travel outside of Iraq.

Conclusions and Recommendations

It is recommended that this matter be closed to the files of SIGIR Investigations

Prepared by: [REDACTED]
DISTR: File

1542

APPR: [REDACTED]

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Office of Investigations

Date: August 7, 2006

To: [REDACTED] SIGIR Investigations, Baghdad

From: [REDACTED] SIGIR Investigations, Baghdad

Subject: Discontinued Investigation
AML/CTF IQ-06-0184-I

Basis for Investigation

On June 21, 2006 SIGIR [REDACTED] submitted a case Initiation Document in order to "capture potential criminal intelligence on irregular contracting practices involving the [REDACTED] [REDACTED]

Extent of Investigation

The investigation included the following:

1. Obtained and examined Contract [REDACTED] awarded to [REDACTED] [REDACTED] Baghdad, Iraq.
2. Interviewed Contract Officer [REDACTED] who subsequently submitted contract, bank, and background information relative to [REDACTED]

Results of Investigation

1. A cursory examination of Contract [REDACTED] disclosed that on January 12, 2006 Joint Contracting Command – Iraq (JCC-I) Security and Justice Sector awarded a contract to [REDACTED] [REDACTED] Baghdad, Iraq for the construction of force protection for the Baghdad Police College in the Amount of \$976,000.
2. Contracting Officer [REDACTED] was interviewed on June 21, 2006 and stated that contract [REDACTED] was awarded to [REDACTED] which is shown to be an Iraqi firm, but that the only documentation of Iraqi ownership is the self certification that an officer of the firm signs and submits as part of the contracting process. He said that the contract was one of the Quick Reaction Force (QRF) construction contracts and there was a strong emphasis on awarding such contracts to Iraqi firms. He had no indications of any irregularities with respect to actions by [REDACTED] except for a small funding problem that required the transfer of funds.

2792

APPR: [REDACTED]

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Contracting Officer [redacted] subsequently provided the following information relative to [redacted]

Address:

Karrada, Baghdad, Iraq

Key Personnel:

[redacted] (Lebanese by Origin)

Bank Account:

Through: [redacted]
For [redacted]
Favor of [redacted]

Projects with MNSTC-I

[redacted] 02 Jan-06 \$2,739,715.00
[redacted] 12 Jan-06 \$979,600.00
[redacted] 10 May \$936,130.00
[redacted] 02 Jun-06 \$184,260.00

Conclusions and Recommendations

At this point in time there are no specific indications of fraud. It is recommended that this matter be closed to the files of SIGIR Investigations and that any further time spent on actions relative to this matter be charged to the "Raw Data" category under DC-06-0187-I.

Prepared by: [redacted]
DISTR: File

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[REDACTED]
[REDACTED]
[REDACTED]
SSN: [REDACTED]

Fraud

RESULTS OF INVESTIGATION

1. Task Force Shield Audit Report was reviewed in depth with referring auditors.
2. Key witnesses were identified and interviewed. Two potential sources could not be located and/or would not respond to inquiries.
3. Follow-up sources were contacted.
4. Financial background data bases were searched.

It appeared that [REDACTED] style of command and management disturbed many of those who worked for him and with him. His superiors also experienced difficulty with his management style. However, none of the individuals that were interviewed knew of any specific instances where [REDACTED] may have profited from his actions or in-actions. His failure to cooperate with SIGIR-AUDIT apparently was not unusual for his personality.

The investigation failed to identify the name of the sub-contractor [REDACTED] allegedly was employed by prior to him assuming command of Task Force Shield.

The individual who witnessed [REDACTED] shredding documents just prior to him being transferred to CONUS, did not know what the subject or content of the documents were. The person admitted that it was not unusual that when people leave their positions they often shred documents as part of their processing out.

The financial background data base searches disclosed nothing unusual and no potential leads.

Conclusions and Recommendations

It is recommended that this matter be closed to the files of SIGIR Investigations.

[REDACTED]
Special Agent in Charge
SIGIR-Investigations
Baghdad, Iraq

1722

APPR: [REDACTED]

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Special Inspector General
for Iraq Reconstruction



Office of Investigations

SIGIR CASE NUMBER DC-06-0167-I

August 10, 2006

[REDACTED] (Qui Tam)

Fraud / False Claims

Case Closure: A review of the Qui Tam documents submitted reveal that the topics outlined are not criminal in nature. The topics listed appear to be violations of regulations governed by Occupational Health and Safety Administration (OSHA). I recommend this action be closed in the investigative files of SIGIR. ///nothing follows///

Prepared by: [REDACTED], SIGIR Investigations, Arlington Field Office

545

APPR: [REDACTED]

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Office of Investigations Arlington Field Office

SIGIR CASE NUMBER DC-06-0209-HL (HL000316)
12 September 2006

CLOSURE REPORT:

The information contained in the hotline complaint was not investigated as a criminal complaint. The information relative to the complaint was however provided to SIGIR Audit. [REDACTED] Baghdad indicated in an email on 15 February 2005, that SIGIR audit offered to conduct an audit but the State Department insisted that their IG contract out the audit/investigation.

The complaint forwarded to investigations by Hotline although not investigated has been indexed and logged with the data provided by the complainant. The development of the SIGIR intelligence data base will provide for retrieval of this information inserted which may assist in an ongoing or future investigation pertaining to the subject and subject company. The existence of the data will also be provided to the debarment and suspensions divisions for retention.

No further investigative activity will be endeavored at this time on the initial complaint. This action is closed and will be reopened upon receipt of additional information.

Prepared by: [REDACTED]

1246

APPR: [REDACTED]

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Office of Investigations

Special Inspector General for Iraq Reconstruction
Office of Investigations

Report of Investigation

Case Title [REDACTED] [REDACTED], Baghdad, Iraq	Case Number IQ-06-0127-I Related File(s)
Case Location Baghdad, Iraq	Report Date September 28, 2006
Report Subject Referral to U.S. Army Criminal Investigations Division (CID), Baghdad, Iraq	

SYNOPSIS

In March 2006, source with access to know reported that [REDACTED] was continuing to knowingly fund a police training program that is allegedly not desired by the Iraqi Ministry of the Interior (MOI).

2362
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DETAILS

On March 15, 2006, at around noon while having lunch in the Old Presidential Palace (U.S. Embassy Annex) [REDACTED] sat with an individual from the Iraqi Ministry of the Interior (MOI). The individual related an account of an unwanted contract and an Iraqi law enforcement unit currently being trained by MNSTC-I. The training of the planned 25,000 member Iraqi equivalent to U.S. Highway Patrol/State Troopers is a little over half completed (approximately 15,000 trained, so far). According to the source, a decision was made to no longer fund the balance of the contract and turn the program over to the Iraqi Ministry of the Interior. When the matter was presented to MOI, they told [REDACTED] that they were not going to fund the unit because they did not want it anyway. According to MOI, the 4th Brigade of the unit, in particular, was engaged in road blocks for the purpose of extorting Iraqi civilians. [REDACTED] not wanting the matter to become generally known, decided to continue to fund the training in order to avoid having to brief the matter up the chain.

On March 16, 2006, [REDACTED] received a communication from source who related the following: "I am sincere in what I said about speaking further on the issue we discussed, if needed. Just FYI...the topic came up again this afternoon and I discovered I was mistaken in the number...it's somewhere around 3-5000." Meeting was arranged with source on March 17, 2006, but source failed to show and has made no further contact.

On September 27, 2006, this matter was referred to [REDACTED] U.S. Army CID, Baghdad, Iraq.

SUBJECT(S)/DEFENDANT(S)

Responsible [REDACTED]

DISPOSITION

This investigation is closed.

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Special Inspector General
for Iraq Reconstruction



Office of Investigations

Date: October 2, 2006

To: [REDACTED]
Investigations Section Iraq
Special Inspector General for Iraq Reconstruction

From: [REDACTED]
Investigations Section Iraq
Special Inspector General for Iraq Reconstruction

Subject: Discontinued Investigation
[REDACTED]
IQ-06-0042-1

Basis for Investigation:

[REDACTED] Kuwait furnished information that alleged that [REDACTED] had defrauded the U.S. Government through false claims that resulted from [REDACTED] ordering a second tier subcontractor to:

1. Send sealed empty refined petroleum product tankers from Kuwait to Iraq
2. Send sealed half full refined petroleum product tankers from Kuwait to Iraq
3. Sell refined petroleum product tankers in Iraq, claim against [REDACTED] and split the proceeds

Extent of Investigation

Contract data bases were examined to determine whether there were any contracts that had DFI or IRRF funding for the importation of refined petroleum products from Kuwait to Iraq.

The Defense Contract Audit Agency was contacted to obtain any available audit background information.

[REDACTED] who was the person alleged to have been ordered to short ship fuel to Kuwait was interviewed.

7313

APPR: [REDACTED]

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Results of Investigation

Research of contract data bases disclosed that Contract [REDACTED] Task order 5 was funded with DFI and OMA funds, some which may have been MIPIRed from IRRF.

The records of the Defense Contract Audit Agency (DCAA) disclosed that on October 8, 2004 DCAA had completed an audit report relative to Contract [REDACTED] Task Order No. 5. The scope of the audit was confined to the reasonableness of the negotiated price of fuel, and concluded that (1) a cost pricing data waiver had been granted by the Commanding General of U.S. Army Corp of Engineers and (2) the procurement files related to the Kuwait supplier did not contain data to support the reasonableness of the negotiated purchase orders. The audit did not cover the allegations of fraud that were the bases for this investigation.

An interview of [REDACTED] disclosed that he owns and operates the Kuwaiti firm [REDACTED] which initially in 2003 negotiated for a [REDACTED] contract through [REDACTED] who was a procurement Officer with [REDACTED]. The contract was a RIO (Reconstruction of Iraqi Oil) humanitarian project for the delivery of refined petroleum products to Iraq intended to make gasoline and other refined petroleum products available to the Iraqi people. The contract ultimately went to the Kuwaiti firm [REDACTED] which is owned by two Kuwaiti partners, [REDACTED] and [REDACTED] who had no transporting tankers at the time that they received the contract. [REDACTED] also contracted with a firm named [REDACTED] owned by [REDACTED] and a firm named [REDACTED].

He was instructed by [REDACTED] to contact [REDACTED] relative to obtaining a sub contract for transporting refined petroleum products from Kuwait to Iraq. He did contract with [REDACTED] in 2003 and in conjunction with the contract he provided them with an "A to Z" all inclusive tanker package which included driver, insurance, and maintenance at a rate of 2,900 KD (approximately 10,000 U.S. Dollars) per month per tanker for between 400 and 500 trucks.

The normal routine involved 1.) His drivers having the tankers loaded at the [REDACTED] facility, 2.) The tankers proceeding to the dispatch area to form up with the convoy, and 3.) The delivery of the refined petroleum products to various designated locations in Iraq. At the time and place of loading there was no measurement of the fuel except to rely on the capacity of the tanker (for example 32,000 liters per tanker).

Upon delivery of the fuel to the Iraqis, they would sign a receipt and at some point the Iraqis started noting substantial shortages on the back of the receipt. When this happened he started going to the dispatch point and checking the tankers to determine if they were in fact full. He would stick his arm down into the tanker from the top of the tank and found that there was often times no fuel within an arms length from the top of the tanker. Following his attempts to determine the quantity of fuel being loaded on the tankers, [REDACTED] representatives started sealing

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the tankers at the dispatch point so that he no longer had access to them. In April of 2004 he stopped transporting fuel for [REDACTED]

He thinks that [REDACTED] billed [REDACTED] for full tankers and that [REDACTED] in turn billed the U.S. Government for full tankers and that this could be determined by checking the billings submitted by [REDACTED]. He has copies of the receipts that the Iraqis noted shortages on and will provide us with some of these. The amount of documentation that he may be willing to furnish may depend upon how serious we are about this matter and how much we are able to do for him in terms of assisting him in obtaining payment for current claims he has pending with [REDACTED]

His contract with [REDACTED] because of the risk involved in delivering fuel to Iraq, had the standard clause that provided for reimbursement for any losses incurred in carrying out the normal terms of the contract. He has lost between 140 and 145 tankers. Some of these tankers were not owned by him, but were contracted to him by other individuals and / or firms. However, he has paid for the losses of any such tanker to those whom he has contracted with. He also has had four deaths related to the contracts and has paid the families involved because it was his responsibility. His claims pending with [REDACTED] which include loss of tankers, loss of lives, and lost use of equipment totals about 17 million U.S. Dollars.

He thinks that [REDACTED] has also submitted inflated claims to [REDACTED] for loss of tankers and that [REDACTED] has in turn submitted these claims to the U.S. Government. His basis for thinking so is that [REDACTED] has asked various sub-contractors for written statements that lost tankers were valued at amounts in excess of the real value.

Conclusions and Recommendations

[REDACTED] has not to date provided any records he claims to have relative to shortages alleged to have been claimed by the Iraqi recipients of the refined petroleum products. He has no direct knowledge of any amounts charged by [REDACTED] nor amounts charged by [REDACTED] to the U. S. Government. He has made no reference to being ordered by [REDACTED] nor anyone else to short ship refined petroleum products. He appears to be trying to use the Office of the Special Inspector General as leverage against [REDACTED] to assist him with his unpaid claims that he has pending with them.

It is recommended that this case be closed to Files, and if [REDACTED] ever furnishes documentation of specific alleged shortages, the case be re-opened to determine if in fact [REDACTED] charged [REDACTED] for such specific alleged shortages and if [REDACTED] in turn charged the U.S. Government for such specific alleged shortages.

Prepared by: [REDACTED]
DISTR: File

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Office of Investigations

SIGIR CASE NUMBER: **IQ-06-0032-I (DC-04-0001-I)**

October 5, 2006

SUBJECT: [REDACTED]

MEMORANDUM TO THE FILE: After reviewing captioned files, a determination was made that these two SIGIR cases should be combined. In both of these files, allegations of the theft of the same money(s) were made which involve two different subjects.

RECOMMENDATION: SIGIR case file IQ-06-0032-I should be closed administratively and subject [REDACTED] should be added to SIGIR case file DC-04-0001-I. Any and all documents associated with the file to be closed should be merged into SIGIR case file DC-04-0001-I.

Prepared by: [REDACTED] Criminal Investigations, Washington, D.C.
DISTR: Hq File

816

APPR: [REDACTED]

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Special Inspector General
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Office of Investigations

SIGIR CASE Number IQ-06-0212-I

October 12, 2006

[REDACTED]

CASE SUMMARY – CLOSED: This investigation was initiated on August 29, 2006, based on information obtained regarding [REDACTED] being listed as a subject of corruption charges by the Iraqi Council on Public Integrity (CPI). The information regarding the charges was not released to this office as the investigative process accomplished by CPI is done in secrecy. According to CPI none of the charges pending against [REDACTED] involved the use of U.S. Government monies. Based upon the information developed it was determined that this did not fall within the investigative jurisdiction of the SIGIR. The Consular Office, U.S. Embassy, Baghdad, Iraq was monitoring the situation as [REDACTED] holds dual U.S. and Iraqi citizenship and would intervene if necessary. On October 11, 2006, this office was notified that [REDACTED] was sentenced to two years by the CPI court. Prior to his being incarcerated [REDACTED] was taken to the U.S. Consular office where he was held pending resolution by U.S. government and Iraqi Officials.

This investigation is closed within the files of this office. This investigation will remain closed pending information which would warrant the reopening at a later date.

Prepared by: [REDACTED] SIGIR-CID, Baghdad

DISTR: [REDACTED] APPR: [REDACTED]

1492

APPR: [REDACTED]

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Special Inspector General
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Office of Investigations

SIGIR CASE NUMBER: IQ-06-214

October 17, 2006

This investigation is closed. No further investigative activity is anticipated.

Attachments: None

Prepared by: [REDACTED] SIGIR-CID, Baghdad

DISTR: File

271

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: IQ-06-214-I

On 15 Oct 06, [REDACTED] conducted an AutoTrackXP name check of [REDACTED], which revealed the following information:

SSN: [REDACTED]
DOB: [REDACTED]
LKA: [REDACTED]

About 2030, 16 Oct 06, [REDACTED] telephonically interviewed [REDACTED] who related that he was the [REDACTED] Baghdad, Iraq, in Jul 03. [REDACTED] stated that the Memorandum to all Coalition Checkpoints was valid. [REDACTED] further stated that during that time Iraqi citizens were only allowed to carry money equivalent to \$5,000.00 or they would otherwise be apprehended and detained at Coalition Checkpoints. He said that he provided these Memorandums to a select few Iraqi citizens, to include [REDACTED] who were vetted by [REDACTED] FBI, Baghdad, Iraq. [REDACTED] said there was no end date to the Memorandums due to the lack of Government infrastructure at the time the Memorandums were generated.

Attachments: None

Prepared by: [REDACTED], SIGIR-CID, Baghdad

DISTR: File

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Office of Investigations

SIGIR Case Number IQ-06-0214-I

September 14, 2006

[REDACTED]
On 14 Sep 06, this office received a letter of interest from the Republic of Iraq Commission of Public Integrity (CPI), [REDACTED] Memorandum for Coalition Checkpoints in Iraq, A Company, 2/37 Armor, 8 Jul 03 and Memorandum, Coalition Provisional Authority (CPA), 23 Oct 03.

The Memorandum for Coalition Checkpoints in Iraq, 8 Jul 03, stated that [REDACTED] and his associates were given the rights to travel within Iraq and across neighboring borders for the purpose of importing and exporting currency, consumer goods, automobiles and other goods. The Memorandum was authored by CPA, [REDACTED] A Company, 2/37 Armor.

The CPA Memorandum, 23 Oct 06, stated that [REDACTED] was a carrier of large amounts of funds (\$2,000,000.00+) and requested he be allowed access through checkpoints. Additionally it stated that [REDACTED] had been vetted by the FBI and routinely transported large sums from Iraq to Jordan. The Memorandum was authored by [REDACTED] CPA.

The CPI letter of interest requested this office determine the validity of the 2/37 Armor and CPA Memorandum and end date for the Memorandums.

Attachments: CPI Letter of Interest, 8 Aug 06
Memorandum for Coalition Checkpoints, 8 Jul 03
CPA Memorandum, 23 Oct 06

Prepared by: [REDACTED] DIGIR-CID, Baghdad
DISTR: File

1465

APPR: [REDACTED]

CLASSIFICATION:

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Office of Investigations

SIGIR CASE NUMBER: IQ-05-0050-I

October 19, 2006

SUBJECT: [REDACTED]

MEMORANDUM TO THE FILE CASE CLOSING: On November 2, 2004, the SIGIR office in Bagdad received a hotline referral complaint pertaining to allegations that [REDACTED] employee, was giving expensive gift baskets to government officials, who in turn accepted the gifts. According to the complaint, on or about October 20, 2004, unknown person(s) left a written note inside the offices of the SIGIR Audit staff stating "Why is [REDACTED] of [REDACTED] giving expensive gift baskets to government officials.....and why are they keeping them? Who is being bought? Who is being sold?"

On or around December 9, 2004, witnesses were interviewed who had witnessed [REDACTED] receive and distribute gift boxes to US Government employees. This revealed a value of \$75.00 possibly for one gift.

Because of the lapse of time since the last interview was conducted and because the dollar amount of the allegation is very low, it is recommended that this investigation be administratively closed.

Prepared by: [REDACTED] Criminal Investigations, Washington, D.C.
DISTR:Hq File

1305

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: DC-06-0146-I

October 19, 2006

SUBJECT: [REDACTED]

MEMORANDUM TO FILE CASE CLOSING: This investigation was predicated on information obtained from [REDACTED]. [REDACTED] advised that while in Iraq, captioned subject, who was in the U.S. Navy at that time, took payments from [REDACTED] to walk paper work through the system.

On April 25, 2006, [REDACTED] was interviewed at his residence by SIGIR and Internal Revenue Service (IRS) Agents. During the interview [REDACTED] provided detailed information of his affiliation with [REDACTED] and the fact that for a period of time, he worked for [REDACTED] company, [REDACTED] while he was on terminal leave from the Navy. He related that he only did this after he got the approval from the naval legal council. He advised he never took any monies from [REDACTED], other than what was owed him as an employee of [REDACTED] company.

On July 28, 2006 [REDACTED] U.S. Department of Justice (DOJ) attorney, Criminal Division, Public Integrity Section, Washington, DC, telephone [REDACTED] [REDACTED] advised that he was declining prosecution of [REDACTED] because of lack of evidence to support criminal conduct by [REDACTED]. Therefore, it is recommended this investigation be closed.

Prepared by: [REDACTED] Criminal Investigations, Washington, D.C.
DISTR: Hq File

1428

APPR: [REDACTED]

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[REDACTED]

EMBEZZLEMENT & THEFT

CASE PREDICATION;

This case was predicated upon receipt of allegations that [REDACTED] Iraqi Ministry of Health (MOH) was possibly involved in embezzlement or theft of funds from the Development Fund for Iraq (DFI), during the period of Coalition Provisional Authority (CPA).

RESULTS OF INVESTIGATION;

Investigation by [REDACTED] SIGIR – Arlington, was conducted by interviews, the examination of documents and related materials in an effort to corroborate the allegations. As a result of this investigation, no substance was forthcoming nor developed and [REDACTED] briefed [REDACTED] during the investigative period as to the ongoing results of this inquiry. It was decided that a target interview of [REDACTED] would be the last remaining action and that was completed [REDACTED] on September 29, 2006. [REDACTED] addressed with investigators the unanswered questions, provided documentation and satisfied the case agent with his responses.

DECLINATION;

This matter was presented and discussed with [REDACTED] who declined prosecution and that decision concurred with the recommendation of the SIGIR agents involved. No further investigation remains and this matter should be closed.

Prepared by [REDACTED] SIGIR - Arlington

1511

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER DC-06-0186-1

OCTOBER 24, 2006

[REDACTED]

**ILLEGAL BROKERING IN U.S. MUNITIONS
TITLE 22 USC 2778
ARMS EXPORT CONTROL ACT**

CASE PREDICATION;

A joint investigation was initiated with the Department of Homeland Security (ICE), the Internal Revenue Service (IRS/CID, Army CID and Alcohol, Tobacco & Firearms (ATF) regarding the allegation that the [REDACTED] was involved in the theft of millions of dollars of U.S. and Iraqi funds allocated to and utilized by the Coalition Provisional Authority (CPA) by contractors and U.S. military and civilian personnel.

RESULTS OF INVESTIGATION;

As of October 11th and dates thereafter, Senior Special Agent [REDACTED] Department of Homeland Security/Arlington (ICE) advised your writer that no criminal wrongdoing has been established or corroborated re [REDACTED]. SIGIR has another joint investigation with the aforementioned group of agencies regarding [REDACTED] DC-06-0185-1, that is ongoing and may lead to prosecution of [REDACTED] as the individual involved in criminal activity. [REDACTED] was the employee sales representative of captioned [REDACTED] and continues as the target of that pending investigation. Based upon the review of all available information developed during the course of this investigation from all agencies, it is appropriate that the Arlington Case DC-06-0186-1 be closed as no justification for further investigation is warranted. It should be noted that the original case initiation indicated two potential venues/jurisdictions exist, but that issue is unlikely to remain on the pending [REDACTED] matter.

CLOSE/MERGE CASE;

As a result of this information, it is recommended this case be closed and any pertinent documents merged into DC-06-0185-1, which remains the pending case involving [REDACTED]

Prepared by; [REDACTED] SIGIR/ Arlington

2027

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ-0204-06-1

October 26, 2006

[REDACTED]

Case Closing:

This matter was opened on August 2, 2006 based on information received from the Iraq Commission on Public Integrity (CPI) on July 16, 2006. On or about October 20, 2005, captioned subject [REDACTED] was stopped and questioned by Iraqi airport officials at Baghdad International Airport (BIAP) concerning his attempted transport over \$1,000,000.00 cash out of Iraq. SIGIR initiated this investigation to determine the legitimacy of [REDACTED] and the source of the cash he was transporting.

Investigation conducted to date has determined that [REDACTED] is a legitimate contractor operating in the Iraq theatre. [REDACTED] is employed by [REDACTED]. [REDACTED] performs work for the U.S. coalition under at least one contract, [REDACTED]. It was confirmed that a cash payment of \$1,133,715.00 was made to [REDACTED] on or about October 20, 2005 while attempting to transfer the funds to a fellow [REDACTED] employee for transport to [REDACTED] offices in Dubai, UAE, and for payment of expenses in Mosul.

As [REDACTED] is a legitimate contractor and the source of the funds he was carrying have been determined to be legitimate no further investigation will be conducted in the matter and it is being placed in a closed status.

Prepared by: [REDACTED] SIGIR Investigations, Baghdad

1368

APPR: [REDACTED]

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Director of Operations, Investigations Division

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Office of Investigations

SIGIR CASE NUMBER DC-06-0159-I

OCTOBER 30, 2006

██████████
DOB: ██████████
SSN: ██████████

CLOSING REPORT:

The above referenced investigation was opened upon the receipt of information that ██████████, U.S. Army Reserves, had accepted several weapons including 45 caliber handguns and a 308 rifle as gifts from ██████████, a former CPA contractor who is currently in custody awaiting sentencing on numerous charges related to his activities as a contractor in Iraq.

After his return to the United States ██████████ gave his brother in law ██████████ a 45 caliber handgun and a 308 automatic rifle. When interviewed ██████████ was cooperative and provided testimony and evidence regarding ██████████

The ██████████ case is pending indictment by the Department of Justice, and to date no prosecutorial action has occurred re: ██████████, although DOJ has indicated it may seek indictment for possession of illegal weapons.

As this investigation is closely related to case number DC-05-0007-I, ██████████ I recommend it be administratively closed and merged into DC-05-0007-I.

Prepared by: ██████████
DISTR: File

1209

APPR: ██████████

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Office of Investigations

SIGIR CASE NUMBER: DC-06-0193-I

November 2, 2006

SUBJECT: [REDACTED]
SSN: [REDACTED]
DOB: [REDACTED]

CASE CLOSING:

The above captioned investigation was initiated upon the receipt of information by the CPA-IG Baghdad Field Office to the effect that the subject had claimed overtime pay and other government allowances when he was, in fact, outside the theatre for some of the period claimed. Investigative results disclosed that the subject was on approved leave without pay for the period, and for part of the period in question was on official travel to Washington, D.C. Some expenses claimed by [REDACTED] were questioned and disallowed by the CPA accounting section. Subsequent litigation filed by [REDACTED] with the Merit Systems Protection Board about this matter was an attempt by him to prove he was officially on the roles as a government employee for some of the questioned time period, thereby entitling him to pay and allowances. That suit was dismissed as frivolous and [REDACTED] was therefore not entitled to his claim.

As this matter has been successfully litigated by the government and lacks prosecutive merit, I recommend it be administratively closed.

Prepared by: [REDACTED]
Criminal Investigations
Washington, D.C.

1427

APPR: [REDACTED]

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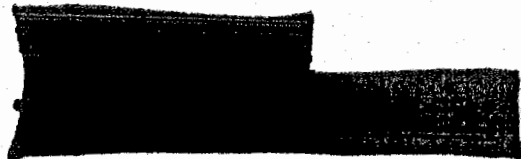
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CONTRACT FRAUD; BRIBERY

Case Closing:

Captioned matter was predicated upon receipt of the allegation, furnished through the Office of the House Sub-Committee on National Security, Emerging Threats and International Relations, Congressman [REDACTED] which set forth the potential for contract fraud & bribery by the captioned subjects.

After a review of the aforementioned referral, no jurisdiction of the allegations was determined within the scope of the Special Inspector General for Iraq Reconstruction. This same referral was sent to the Department of Defense and is being address by DCIS. Based upon said review, with the concurrence of SAC - Arlington, this matter is administratively closed.

977

APPR: [REDACTED]

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Special Inspector General
for Iraq Reconstruction



Office of Investigations

2

Prepared by: [REDACTED] SIGIR-Arlington

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Special Inspector General
for Iraq Reconstruction



Office of Investigations

SIGIR Case Number: IQ-06-0213-1

Date: 2 Nov 06

[REDACTED]

Case Closing:

Investigation closed in the files of this office. [REDACTED] had contracted services for installation support of Camp Arifjan and Camp Doha, Kuwait. There were no Iraq Reconstruction funds or interest involving [REDACTED]. The Special Agent in Charge, [REDACTED] Kuwait Fraud Office, U.S. Army Major Procurement Fraud Unit, assumed investigative responsibility of this investigation.

Attachments: None.

Prepared by: [REDACTED] SIGIR-CID, Baghdad

Date: 2 Nov 06

DISTR: File

592

APPR [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: IQ-06-0110-I

November 3, 2006

SUBJECT: [REDACTED]

CASE SUMMARY/CLOSURE: On August 2, 2004, the CPA-IG Bagdad Field Office initiated an investigation concerning the misuse or abuse of a satellite phone system. This allegation centered on [REDACTED] who may have been overcharging the government for satellite telephone services. Contract number [REDACTED] from [REDACTED] detailed the price for voice calls at \$4.00 per minute and the price for data calls at \$20.00 per minute. At that time, a review of the receipts revealed that [REDACTED] charged \$20.00 per minute for voice calls, which should have been billed at \$4.00 per minute. Further investigation revealed that the system in question was system number 762269650, which had an invoice amount billed to the government of \$25,480.00 during the period from June 8, 2004 to July 6, 2004.

During the investigation, several interviews were conducted. Of note, was an interview of [REDACTED] Embassy Annex, Bagdad, Iraq on August 26, 2004. [REDACTED] who was one of the former Ambassadorial Technical Support personnel, acknowledged that he used the satellite phones in question to support the Ambassador for both voice and data communications. He added that he connected the satellite phone units to the computer network to upload and download email for the Ambassador on the data side. [REDACTED] stated that the system, when the Ambassador was away from the Palace, was always up and ready in the event the Ambassador came in at anytime wanting to check his email or make a call. All calls that the Ambassador wanted to make went in the secure communication mode. [REDACTED] shared the duties as Ambassadorial Tech Support with another member of Network Support who is no longer in Iraq. He advised that they both operated the equipment the same way having the system always ready for the Ambassador.

On September 1, 2004, [REDACTED] was re-interviewed and questioned further about the output of a satellite phone in respect to voice quality and data quality. [REDACTED] stated that as the Ambassador's Communications Technician, he set the satellite phones provided him to work with the computer and secure phone and set the phone on the highest resolution which is on the data band, or the "High Speed PSTN". He added by operating at this speed, the clarity of voice was enhanced without the customary echo that would emit from a STU phone unit operating on normal voice output band. [REDACTED] added that the costs of operating the units was never addressed with him nor was it his concern as the Ambassador's Communication Technician.

3117

APPR: [REDACTED]

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RECOMMENDATION: Because of the low amount of money involved in this investigation, the period of time that has lapsed since the case has been active and the possibility that no violation of law occurred, it is recommended this case be administratively closed.

Prepared by: [REDACTED] Criminal Investigations, Washington, D.C.
DISTR: Hq File

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Final Report of Investigation

[REDACTED]
Bribery (UNFOUNDED)

NARRATIVE:

This investigation was initiated based upon information received from an unidentified anonymous source who alleged that [REDACTED] Iraq paid bribes to receive contracts to build the Iraq Police Training Facility, Camp Delta, Al-Kut, Iraq (IPTF). Investigation by this office did not prove or disprove that [REDACTED] bribed any U.S. Officials to win the contract to construct the IPTF.

SYNOPSIS:

1. On September 27, 2005, [REDACTED] this office received information from a unidentified and un tested anonymous source regarding [REDACTED] Iraq paying bribes to receive the contract to build the "Police Training Facility" at Camp Delta (NFI). No further information concerning the facility was provided.

2. On November 12, 2005, [REDACTED] this office coordinated with [REDACTED] Department of State, Bureau of International Narcotics and Law Enforcement, Baghdad, Iraq regarding the location of the Police Training Facility at Camp Delta. [REDACTED] was not familiar with the location of Camp Delta but stated to contact the Multi National Security Transition Command - Iraq (MNSTC-I) regarding the location and identification of the Police Training facility in question.

3. On January 5, 2006, [REDACTED] reviewed the records of U.S. Army Corps of Engineers (USACE), Project and Contracting Office (PCO), Gulf Region District (GRD), Baghdad, Iraq to determine if there was a project listed with a location of Camp Delta. Upon review of the project list available at PCO it was determined there were no projects listed at Camp Delta.

4. Between January 8 - 16, 2006, [REDACTED] reviewed records regarding the Border Enforcement and Public Safety Training Academy located in Al-Kut, Iraq. Records indicated that the academy was referred to as Camp Delta. The records indicated that MNSTC-I was the controlling agency regarding the academy and specifically a [REDACTED] MNSTC-I, Baghdad, Iraq.

6881

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Office of Investigations

IQ-05-0014-I

5. On January 19, 2006, [REDACTED] interviewed [REDACTED] who provided Contract Number [REDACTED] which was to build the Border Enforcement and Public Safety Academy. [REDACTED] determine that the project would be monitored by Air Force Center for Environmental Excellence (AFCEE) and the point of contact for the project was listed as [REDACTED] Construction Manger, AFCEE.

6. Between January 23 - 27, 2006, [REDACTED] coordinated with MNSTC-I representatives and reviewed copies of contract [REDACTED] and contract [REDACTED] (TO 0017). During the course of the review, [REDACTED] AFCEE representative, MNSTC-I, Baghdad, Iraq indicated that AFCEE would cooperate fully with any and all inquiries. It was further identified that the companies identified as having bid on the contract were [REDACTED]

7. On January 29, 2006, [REDACTED] met with [REDACTED] MNSTC-I, Baghdad, Iraq, [REDACTED] Baghdad, Iraq, regarding the Camp Delta Project. All agreed to cooperate and it was further indicated that all of the sub-contractors were Iraqi and the only Americans involved in the process were representatives from AFCEE who had assigned [REDACTED] as the prime contractor and [REDACTED] obtained the subcontractor by competing the contract.

8. On February 12, 2006, [REDACTED] and [REDACTED], this office, interviewed [REDACTED] Contract Manger and [REDACTED] Director of Operations, [REDACTED] Baghdad, Iraq regarding their knowledge of bribery or kickbacks associated with the subcontractors at the Camp Delta Project. Neither had any knowledge regarding bribery or kickbacks occurring but said that it would not surprise them as the Iraqi's do buy contracts and pay commissions for their part in completing a contract. Regarding the contracting process the men indicated that [REDACTED] competes there sub contracted work the same way as the government requesting proposals and evaluating the proposals for the best value. the gentlemen further indicate that the [REDACTED] does deal with them in many facets to include providing contract temporary workers which lessens the exposure of U.S. Personnel to possible hazards in dangerous locations.

9. On May 10, 2006, [REDACTED] this office interviewed [REDACTED] Iraq who explained that he did not have any knowledge of sub-contractors paying or offering bribes to U.S. Personnel. [REDACTED] did however indicate that the facility was not being built to U.S Standards and was always dealing with [REDACTED] personnel regarding problems but had received remedy from them and they were continuing to address the problems with the construction of the academy.

IQ-05-0014-I

10. On May 11, 2006, [REDACTED] interviewed [REDACTED] Manager, [REDACTED] Iraq regarding his knowledge of Americans requesting bribes or

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Office of Investigations

if there was any rumors of other Iraqi contractors paying bribes to [REDACTED] Americans. According to [REDACTED] he did not have knowledge of bribes being offered to U.S. personnel or Kickbacks being requested by U.S. personnel. [REDACTED] did indicate that he did complete part of the project as a subcontractor to [REDACTED] and paid around 10% to [REDACTED] to buy a portion of the contract from [REDACTED] so that he could work and earn money. [REDACTED] had no further information to provide regarding this investigation.

11. Between Mar 26, 2006 and November 7, 2006 numerous attempts to interview members of [REDACTED] and [REDACTED] but met with negative results the emails sent to [REDACTED] were returned undeliverable and the phone numbers were no longer in service. Contact with [REDACTED] was made and several attempts were made to interview [REDACTED] General Manager, [REDACTED] but because of scheduling conflicts and security concerns the interviews were not conducted.

12. This investigation is closed within the administrative files of this office. An evaluation of the information developed to date and the source of the information has led to the discontinuation of this investigation pending further information which would warrant it's reopening at a later date.

Prepared By: [REDACTED] Special IG Iraq Reconstruction Investigations, APO AE 09316

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Office of Investigations

SIGIR CASE NUMBER: DC-04-0001-I

November 6, 2006

SUBJECT: [REDACTED]

SSN: [REDACTED]
DOB: [REDACTED]

CASE CLOSING:

The above captioned investigation was opened upon the receipt of information that a possible shortage of funds existed in the accounts of Pay Contract Officers of the Coalition Provisional Authority in September, 2004. Specifically, the cash account of [REDACTED] was short by \$100,000.00 after [REDACTED] removed his cash account from the vault. Subsequent investigation included interviews of all relevant witnesses (including sworn signed statements); an audit of the accounts of [REDACTED] and [REDACTED] by SIGIR auditors; and at least three interviews of [REDACTED] (one by SIGIR auditors and two - after Advice of Rights - signed statements obtained by IG investigators.)

As a result of the audit and investigative activity it was learned that [REDACTED] cash was in fact over by \$100,000.00 and [REDACTED] under by that amount. In addition it was learned that [REDACTED] had a locker in his office containing over \$670,000.00. The cash was returned to the vault and no loss sustained. Initial suspicions were that [REDACTED] may have been attempting to steal the funds. Audit work and interviews disclosed poor internal controls, or rather the lax enforcement of existing policies and procedures, to be the most likely cause. Lack of sufficient vault storage resulted in the constant commingling of cash in the vault, and the routine of handwritten, sloppy receipts resulted in less than adequate record keeping. Much was blamed on the lack of sufficient vault storage, long days, and lack of personnel and equipment which resulted in a haphazard accounting for receipts and disbursements. No investigative activity has been noted in the file since approximately December 2004 when [REDACTED] telephonically agreed to submit to polygraph.

Given that no loss or crime has been recognized, a polygraph of [REDACTED] would necessarily yield results as either deception, no deception or inconclusive. Should the result indicate deception, the investigation would not have gained any information of evidentiary value, as the information is inadmissible. That no loss has been sustained certainly rules out prosecution.

Inasmuch as all logical investigation has been conducted; no loss sustained; and internal control weaknesses identified, I recommend this matter be closed.

Prepared by: [REDACTED] SIGIR Investigations, Arlington Field Office
DISTR: Hq File

2612

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ 05-0034-I

November 21, 2006

Case Closed:

This action was initiated November 3, 2004 when an anonymous source provided information concerning contract irregularities between the Iraqi Ministry of Defense (IMOD) and [REDACTED]

On August 16, 2004, [REDACTED] signed an exclusive sole source Broker Services Agreement (BSA) with the Iraqi Ministry of Defense (IMOD) to refurbish antiquated Iraqi armor. The [REDACTED] and his company [REDACTED] the authority to enter any Iraqi military facility in the country and removed armor to evaluate it for serviceability. If the equipment was determined to be serviceable it was transported to a depot facility for refurbishment and repairs. The equipment was determined to be unserviceable it was stripped and sold as scrap to the highest bidder. The SBA made [REDACTED] and his company solely responsible for all armor in Iraq. As a part of the SBA [REDACTED] sold scrap metal with no oversight and was solely responsible for providing the revenue from each sale to the IMOD after he deducted his 10% profit.

On October 25, 2004, [REDACTED] was given an advance payment of \$24,714,697.16 in the form of three checks. The IMOD appointed [REDACTED] as a representative to ensure [REDACTED] abided by the SBA. [REDACTED] placed the advanced payment to [REDACTED] in an unidentified Lebanese bank account in his name.

On December 8, 2004, [REDACTED] and an associate were ambushed and killed allegedly by insurgents. After [REDACTED] death it was determined that [REDACTED] worked for [REDACTED] at a second company. [REDACTED] At this time the advance payment given to [REDACTED] by the IMOD cannot be located. It is suspected that [REDACTED] is in possession of the funds.

This [REDACTED] was contracted by and received funding through the Government of Iraq. Other than the leadership of the Mutli National Security Transition Command - Iraq's strong support of [REDACTED] and [REDACTED] the US Government did not suffer a loss. The alleged theft of \$24,714,697.16 by [REDACTED] does not fall in the purview of the US Government as [REDACTED] is reported to be a citizen of Lebanon with no US affiliation; and the missing funds belonged to the Government of Iraqi. It is recommended that this action be closed in the files of SIGIR Investigations and referred to the Government of Iraq for action they deem appropriate. ///Nothing Follows///

Prepared by: [REDACTED] SIGIR Investigations, Arlington Field Office

2726

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ 06-0022-I

November 14, 2006

Case Closed:

This action was initiated March 5, 2005, based on a hotline complaint submitted to SIGIR on August 22, 2004. The complaint alleged that [REDACTED] released proprietary information concerning a contract while acting in his official position as a US Government contracting officer for the Coalition Provisional Authority (CPA). The complaint alleges that [REDACTED] released the information to

[REDACTED] A contract company doing work in Iraq. After the contract was awarded to [REDACTED] [REDACTED] resigned from the CPA and when to work for the company. After [REDACTED] accepted employment with [REDACTED] it is alleged that he used his contacts at the Coalition Provisional Authority to continue getting contracts for [REDACTED]

There was no information uncovered to prove [REDACTED] released proprietary information to [REDACTED]. The information concerning [REDACTED] alleged activities was incomplete and the complainant refused to further elaborate on the allegations. SIGIR Investigations has declined to pursue this action as a criminal matter; this action is being closed in the files of this office.
///nothing follows//

Prepared by: [REDACTED] SIGIR Investigations, Arlington Field Office

1500

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ-06-0031-1

November 14, 2006

SUMMARY:

In December 2003, [REDACTED] formerly an Arabic interpreter for the CPA, illegally exchanged Swiss dinar (suspected to be property of the Government of Iraq) in 25 dinar denominations at [REDACTED]. [REDACTED] developed a close working association with [REDACTED] of the British military, who was assigned as a finance officer in Nasiriyah. On December 1, 2003, [REDACTED] wrote a letter in [REDACTED] behalf requesting that the [REDACTED] exchange [REDACTED] Swiss dinar in 25 note denominations, and referred to [REDACTED] as a CPA official. [REDACTED] returned to the bank with [REDACTED] December 8, 2005, and affected the exchange. The exchanged was invalid due to the fact that [REDACTED] was not the owner of the Swiss dinar and the dinar could not be exchanged before Jan 17, 2004 (CPA order #43). [REDACTED] exchanged 2 million Swiss dinars and received the equivalent of \$180,000 to \$200,000.

In September 2004, \$29,000 in US currency was returned to [REDACTED] CPA, Southern Iraq. [REDACTED] turned the funds into the CPA Inspector General's Office, Baghdad, Iraq. The returned of the funds were supposed to be a partial payment by [REDACTED] for the funds he illegally obtained. The remaining \$151,000 have not been recovered; in October 2005, SIGIR returned \$29,000 into the Iraqi Government.

[REDACTED] is a Kuwaiti citizen and currently has no affiliation with the US Government. It is suspected that the Swiss dinar [REDACTED] exchanged were Iraqi Government funds. In 2004, this investigation was referred to the Iraqi Government for action they deem appropriate.

Recommend this action be closed. It is the responsibility of the Iraqi Government to pursue [REDACTED] in connection with the thief of Iraqi funds as he is a citizen of Kuwait with no current ties to the US Government.///nothing follows///

Prepared by: [REDACTED] SIGIR Investigations, Arlington Field Office

2158

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ-06-0128-I

November 15, 2006

[REDACTED]
Case Closing:

As of this date, July 13, 2006, source has reported no further specifics to substantiate the allegations re [REDACTED]. Case is closed due to no specific, factual information to support the voiced suspicions.

Prepared by: [REDACTED] SIGIR Investigations, Baghdad, Iraq

363

APPR: [REDACTED]

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Special Inspector General
for Iraq Reconstruction



Office of Investigations

SIGIR CASE NUMBER: DC-06-0196-I

November 15, 2006

SUBJECT: [REDACTED]
Fraud

CASE CLOSING:

The above captioned investigation was opened as a result of information received from [REDACTED], a former confidential source now deceased. In an interview dated May, 2004, [REDACTED], an American contractor in Baghdad, made numerous allegations of illegal activity concerning the awarding of contracts by the CPA Contract office. [REDACTED] specifically alleged that it was necessary to pay bribes to contracting officials in order to win a contract. He stated to investigators that he had observed a Turkish national named [REDACTED] delivering boxes or bags filled with cash to the green zone. He did not know to whom the money was delivered. He further described a complex system for paying kick backs and/or bribes to numerous people in different offices in connection with contract awards. [REDACTED] said he had never paid a bribe or kickback in connection with his work in Iraq; nor had he ever witnessed a bribe or kickback payment. In fact he had not been approached for a bribe or kickback, but understood from conversations with [REDACTED] that that is how things worked.

[REDACTED] stated that [REDACTED], not further identified, was paid two to three million dollars in kick backs for awarding contracts to local and US contractors; [REDACTED] and [REDACTED] took money for contracts; and the [REDACTED] motor pool is involved in illegal activity.

A review of the investigative file shows that none of [REDACTED] allegations were corroborated by testimony, evidence or other logical investigation. After identifying the [REDACTED] mentioned by [REDACTED] as [REDACTED] U.S. Army, a FINCEN search was conducted with negative results.

Given the death of [REDACTED] by insurgents in 2004, and all logical investigation has been conducted with no information developed corroborating the allegations, I recommend this matter be administratively closed.

Prepared by: [REDACTED]
Criminal Investigations,
Washington, D.C.

2118
APPR: [REDACTED]

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DISTR: Hq file

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Office of Investigations

SIGIR Case Number IQ-06-0029-I

November 15, 2006

[REDACTED]

Case Closed:

On August 2, 2004, [REDACTED] Multi-National Forces Iraq Communications Support Office, Baghdad, Iraq reported a potential misuse of a US Government satellite phone. On or about July 28, 2004, four [REDACTED] phone bills were received by the director of Communications Support Office with a request from the Washington, DC office of the Coalition Provisional Authority Rear Operations that they validate the use of the phone equipment reflected on the bills. The tasking was given to [REDACTED] to resolve the issue. As a result of [REDACTED] inquiry he questioned [REDACTED] Customer Support Technician and former Ambassadorial Support Tech who identified the current disposition of three of the four phones. The primary phone in question was identified as satellite phone number [REDACTED]. This system was credited with a \$25,480 phone bill for the period June 8, 2004 thru July 6, 2004. The system was last in the possession of [REDACTED]. [REDACTED] was no longer stationed in Iraq. The Regional Support Office could not identify who took possession of the phone after [REDACTED] departed Iraq.

On August 19, 2004, [REDACTED] Sigenella, Italy was interviewed. [REDACTED] stated a Satellite phone was in Irbil, Iraq when he arrived there on or about February 27, 2004. [REDACTED] a communications office looked at the phone as an asset to his office and made it work. After three months in Irbil [REDACTED] left for Tikrit. [REDACTED] stated that he left the phone behind when he departed. [REDACTED] stated that he never signed for the phone and denied that he placed \$25,480.00 in phone calls on the satellite phone.

On July 17, 2006, [REDACTED] SIGIR Deputy General Counsel, Arlington, VA opined that insufficient evidence had been developed to support criminal charges and that the development of this case was not practical. [REDACTED] recommended this action be closed.

Prepared by: [REDACTED], SIGIR Investigations, Arlington Field Office

2237

APPR [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: DC-05-0001-I

November 21, 2006

SUBJECT: [REDACTED]

SSN: [REDACTED]
DOB: [REDACTED]

CASE CLOSING:

The above captioned investigation was initiated by Immigration and Customs Enforcement (ICE) and SIGIR upon receipt of information that subject [REDACTED] while serving with the U.S. Army in Iraq had purchased and then exported from Iraq to the United States an armored Mercedes Benz 1988 that had purportedly belonged to Saddam Hussein or the Iraqi Government. ICE seized the vehicle subsequent to the execution of a search warrant, and is considering prosecution for illegal importation if it can be proven he forged permission to export the vehicle on Army letterhead.

By letter dated November 21, 2006, the above captioned matter was referred to the 62nd Military Police Detachment, Devens Massachusetts for investigation of possible Uniform Code of Military Justice (UCMJ) violations, including possible illegal use of ARMY documentation to accomplish the export of the vehicle.

As all logical investigation has been conducted by SIGIR and the matter referred to ICE and the appropriate US Army Military Police unit, this matter is being closed.

Prepared by: [REDACTED]
Criminal Investigations,
Washington, D.C.

DISTR: Hq file

1386

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER IQ-06-0195-I

November 27, 2006

[REDACTED]

CASE CLOSING:

On 13 July 2006, [REDACTED] General Manager Iraq, met with SIGIR Special Agents according to a previously negotiated agreement to turn over weapons exported from the United States on U.S. State Department form DDTC export license number [REDACTED]. [REDACTED] explained that [REDACTED] no longer required weapons as [REDACTED] no longer had PSD/Security Contracts. [REDACTED] said the weapons were originally exported by [REDACTED] who had requested and received approval from U.S. Department of State, Directorate of Defense Trade Controls, for the transfer of weapons to [REDACTED]. Since [REDACTED] no longer had a requirement for the weapons, [REDACTED] wanted to dispose of the weapons.

An inventory of the weapons was conducted and subsequently determined their were twenty-four (24) Glock model 17, 9mm handguns and fifty seven (57) Double Star Corp (Star-15), model M-4 style, 5.56 mm caliber weapons. The above described weapons were received in used and in some instances un-serviceable and or parts missing condition. The inventories are attached to this report and consist of three (3) pages.

This report serves to document the transfer of the above described weapons from SIGIR investigations to the U.S. Department of State, Regional Security Office, Baghdad, Iraq. The case was opened to document the inventory and transfer of [REDACTED]. No additional investigative activity is contemplated therefore recommend that it be closed.

Prepared by: [REDACTED]
DISTR: File

1625

APPR. [REDACTED]

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Office of Investigations

December 4, 2006

SIGIR CASE NUMBER: IQ-06-0085-I

CASE CLOSING:

SUBJECT: [REDACTED]

The above captioned investigation was opened at Baghdad in July, 2004 upon the receipt of information from [REDACTED] a subcontractor to [REDACTED] to the effect that [REDACTED] officials had been obstructing two construction projects for no reason, i.e. [REDACTED] delayed work for 10 days, held out on approvals for materials shipment, and issued unfounded stop work orders to [REDACTED]. [REDACTED] further stated that one of his employees had been solicited for a bribe by Lebanese employees of [REDACTED]. The Lebanese (not further identified) indicated that for \$2,000,000.00 they could make [REDACTED] problems go away.

Investigation by SIGIR Baghdad disclosed that [REDACTED] had been relieved of subcontracting by [REDACTED] for defaulting on their contract. Further investigation included interview of [REDACTED] who alleged he had been solicited for the \$2,000,000.00 payment. [REDACTED] did not identify the employees or otherwise provide any useful investigative leads to the interviewing agent. In fact the contrary is true - [REDACTED] stated he wouldn't cooperate in the investigation and would not return to the site in Kirkuk as he feared reprisals.

As the statements of [REDACTED] appear to be founded on his anger at [REDACTED] for pulling his contract, (which according to interview of contracting official is within the rights of a Prime Contractor such as [REDACTED]); no information was developed or disclosed to support his allegation, and [REDACTED] refusal to provide a factual account of an attempted extortion, this matter is being closed at SIGIR, Arlington.

Prepared by: [REDACTED]
Criminal Investigations
Arlington, Virginia,

DISTR: HQ File

2038

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER IQ-06-0192-1

November 27, 2006

CASE CLOSING:

On July 1, 2006, SIGIR investigations received the complaint indirectly from a person who wished to remain anonymous. The complaint was received by this person in a written email. The author of the complaint was sending the email on behalf of an Iraqi friend who was identified as an Iraqi contractor. [REDACTED] provided his company name, [REDACTED] and an Iraqna cellular telephone number, [REDACTED].

[REDACTED] alleged in the email that an American contractor, [REDACTED] was cheating and deceiving and was late paying [REDACTED] money owed to [REDACTED] for work completed.

Numerous attempts to contact [REDACTED] at the above described Iraqna cell number were negative. Email contact was established on November 23, 2006. [REDACTED] responded in an email message indicating that the issue with [REDACTED] had been resolved. [REDACTED] apparently had just returned from Dubai and said in the email that the money issue had been resolved.

This report serves to document the findings and recommendation that this investigation be closed based on the recent information provided by the original complainant.

Prepared by: [REDACTED]
DISTR: File

1390

APPR: [REDACTED]

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**Special Inspector General
for Iraq Reconstruction**



Office of Investigations Arlington Field Office

SIGIR CASE NUMBER DC-07-0019-I

6 December 2006

CASE CLOSING SUMMARY:

On 28 November 2006, this Reporting agent inquired of [REDACTED] OIG, DOS the status of a referred investigation, which was referred to SIGIR by Center for Preventive Action, Council on Foreign Relation. SIGIR has not received an update since referral of the information 15 February 2006.

On 30 November 2006, [REDACTED] responded to the status of the referred action as follows:

The allegations do not identify any DOS employees as stealing funds; they are non-specific and appear to be audit related [REDACTED] lack of program accountability issues. Based on the information, the complaint does not warrant "INV" investigation.

The reported information has been indexed in the SIGIR criminal intelligence database. If additional information is received by SIGIR in the future, this office may elect to initiate a separate investigation independent of what the Department of State OIG may elect to do.

Prepared by: [REDACTED]

1068

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number DC-06-0171-I

December 7, 2006

[REDACTED]

CASE CLOSING:

This investigation was opened on May 30, 2006, by SIGIR Arlington after receiving information from [REDACTED] Division Manager [REDACTED]. A review of the allegation was reviewed by SIGIR Baghdad by [REDACTED]. [REDACTED] was interested because a similar complaint was received and investigated under SIGIR Baghdad case number IQ-06-0129-I on 27 March 2006. This investigation related to a possible "kick back" scheme regarding the potential sale of [REDACTED] handguns in Iraq. [REDACTED] handgun was the weapon that ultimately purchased in Iraq. On 2 June 2006, this investigation was closed without any evidence of fraud.

[REDACTED] reviewed the instant complaint and determined that it was the same issue. Recommend this investigation be closed until additional facts are received to substantiate the allegation.

This investigation closed.

Prepared by: [REDACTED] SIGIR Investigations, Baghdad, Iraq

1086

APPR [REDACTED]

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Special Inspector General
for Iraq Reconstruction



Office of Investigations

SIGIR CASE NUMBER: DC-07-0004-I

December 8, 2006

SUBJECT: [REDACTED]

Case Closed:

On October 12, 2006, source information was received by [REDACTED]. The source provided information which alleged specific knowledge regarding kickbacks and corruption by officers and others involved with the Multi National Security Transition Command (MNSTC-I) in J7 sector. Subject also states he has information regarding the Baghdad Police Academy.

SIGIR [REDACTED] opened SIGIR case number DC-07-0004 reference (HL000527-06) [REDACTED]. [REDACTED] states in 302 that he will establish contact with the complainants in Tennessee for an interview.

SIGIR Baghdad has determined that this [REDACTED] case was inadvertently assigned two case numbers. The other case number is assigned to SIGIR Baghdad [REDACTED] under case number IQ-07-0013-I, Case Title, Prelim-MNSTC-I - J7.

Request Case Number DC-07-0004-I be closed administratively.

Prepared by: [REDACTED] SIGIR Baghdad Investigations

1048

APPR. [REDACTED]

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Office of Investigations

SIGIR Case Number IQ-06-0075-1

December 10, 2006

[REDACTED]
False Billing/Over Billing

Case Closing:

This matter was initiated as a result of information received from former [REDACTED] employee [REDACTED]. The allegations made were for the most part outside of the purview of SIGIR or without merit (As an example, [REDACTED] alleges that [REDACTED] was to have 12 pilots in Iraq at all times. In fact, a review of the contract calls for the availability of 4 pilots and 4 co-pilots). One allegation that [REDACTED] was overcharging for helicopter flight hours thru manipulation of the helicopter Hobb's meter was further investigated.

In essence, [REDACTED] advised that every helicopter is equipped with a Hobb's meter which calculates flight time, like a car's odometer. [REDACTED] alleged that [REDACTED] had rewired this meter to record time as soon as the battery switch is turned on. By doing this, [REDACTED] is billing for pre flight checks in addition to flight time. An interview of the [REDACTED] Maintenance Supervisor, [REDACTED], revealed that there are in fact two Hobb's meters on each MD-530f helicopter operated by [REDACTED] in Iraq. [REDACTED] allowed the investigating personnel to view an actual MD-530f used by [REDACTED]. He pointed out the two Hobb's meters. Both are located on the center console of the aircraft in different positions. One of the meters registers battery run time (time during which pre flight checks are conducted) and approximate engine run time. The second meter registers actual flight time. The need to manipulate the flight Hobb's meter would not be necessary as the time need only be recorded from the battery run time meter.

Per contract [REDACTED], [REDACTED] is authorized up to 120 hours per month per helicopter in Iraq. [REDACTED] has never exceeded this amount. A review of a 302 report concerning the interview of Department of State (DoS) Contracting Officers [REDACTED] and [REDACTED] conducted on June 14, 2006, on file DC-06-0175-1 estimates 3659 hours of flight time under the contract. This would indicate a monthly hour total of approximately 76 hours per month per helicopter, below the 120 hour allowable ceiling per helicopter per month.

In addition, contact with DoS revealed that this is a DoS funded contract. [REDACTED] was advised by the RSO Baghdad and by DoS OIG personnel that this was a State Department contract funded by DOS and that any future inquiries, leads or requests for documents should be run through the RSO office Baghdad or the DoS OIG. As such, [REDACTED] forwarded investigative reports and documents to SIGIR DC in September of 2006. [REDACTED] understands that these documents/allegations were provided to DoS OIG for whatever investigative action they deemed appropriate.

Based on the above, this matter is being placed in a closed status at this time.

Prepared by: [REDACTED] SIGIR Investigations, Baghdad

2977

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: IQ-06-0179-I

December 14, 2006

SUBJECT: [REDACTED]

Case Closed:

Captioned matter was originally carried as Case 0031-04-I-CPA, involving the mysterious disappearance of cash from the [REDACTED]. The missing money, approximately \$20,000, was under the control of [REDACTED]. That case was closed administratively on June 19, 2005.

The investigation from May 2004, was revisited on June 16, 2006, under the aforementioned IQ-06-0179-I, so it could be properly recorded in SORS. The file review was ongoing, with no new investigation noted. During attempts to locate and identify any and all investigative reports, additional materials surfaced, but no significant or substantive results were noted. The admission of wrongdoing, attached to this document from March 15, 2005, stands as the record of [REDACTED] who utilized the monies for gambling while in Manila. He claims to have left the \$20,000 in cash, misappropriated from the [REDACTED], "on the table" of a card game, with the intent to return the next day and finish his game. As luck would have it, upon his return, the money and game were gone!

As a result of this statement, USA/CID was apprised of the information and no further investigation was warranted by SIGIR, nor other actions taken. This matter was briefly discussed with [REDACTED] USA/CID, who furnished their last summary of investigative activity on this matter. Based upon the amount, prosecutive decisions made in 2004-2005 and a prior case closing, it is recommended no further action be taken and this matter closed administratively by SAC- SIGIR/Arlington.

Prepared by: [REDACTED] SIGIR-Arlington

1879

APPR: [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: DC-07-0017-HL

December 18, 2006

SUBJECT: [REDACTED]

CASE CLOSING:

Synopsis: The above captioned investigation was opened upon the receipt of a complaint received by the SIGIR Hotline in September 2004 wherein the complainant alleged he had been assaulted by unnamed U.S. persons while in Iraq. Complainant further alleged that his employer, [REDACTED] "... over billed the US Government for work performed; misrepresented work performance and was taking and making bribes and payoffs." Attempts to locate and interview complainant continue.

Complainant contacted SIGIR Hot Line September 2004 with allegation of physical assault against him while in Iraq by unnamed persons. Subsequent emails received from complainant (and copied to FBI, DOD IG, State Dept., USAID, and ATF) continued with reiteration of physical assault and one lengthy email to SIGIR and other investigative agencies included the allegation of over billing, etc. set forth above. The allegation of over billing, bribes and payoffs are vague, and made almost as an afterthought.

Complainant was telephonically interviewed on December 7, 2006. The interview disclosed that complainant was fired from [REDACTED] and escorted from the workplace by [REDACTED] security personnel. It was during this incident that complainant alleged he suffered serious bodily injury. Complainant offered no detail or other elaboration as to his claims of payoffs and bribes.

As complainant is alleging a physical assault matter coincidental to his being dismissed and has offered only an undocumented and unsubstantiated claim of fraud to which he was neither a witness nor participant, this matter is being closed.

Prepared by: [REDACTED]
Criminal Investigations,
Washington, D.C.

DISTR: HQ

1850

APPR [REDACTED]

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Office of Investigations

SIGIR CASE NUMBER: DC-06-0047-I

December 18, 2006

SUBJECT: [REDACTED]

CASE CLOSING:

This matter was opened upon the receipt of information from attorney [REDACTED] to the effect that his client, [REDACTED] had information regarding possible contract irregularities between [REDACTED] and the Army Corps of Engineers. [REDACTED], a federal employee, was interviewed by [REDACTED] on January 19, 2006 in the presence of her attorney. In the interview she stated that [REDACTED] had been awarded a sole source contract for five years on an emergency basis when in fact she thought the contract could have been awarded for a one year term and then opened to other bidders. [REDACTED] provided no information or documents supporting her complaint. She claimed that as a result of her complaint, personnel action was taken against her.

In September 2005, her attorney stated to the [REDACTED] that he and [REDACTED] intended to file a lawsuit against the Army and Secretary of the Army alleging racial, sexual, and whistle blower discrimination.

[REDACTED] also set forth her complaint about this matter to the DOD IG and the FBI. As [REDACTED] has been interviewed by the FBI regarding this matter, the contract she is speaking about was in fact put out for competitive bids, and the FBI [REDACTED] Task Force, Army and Pentagon auditors, and DOD IG are investigating [REDACTED] this matter is being closed at SIGIR.

Prepared by: [REDACTED]
Criminal Investigations
Arlington, Virginia,
DISTR: HQ File

1638

APPR: [REDACTED]

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Office of Investigations

SIGIR Case Number IQ-06-0019-I

January 17, 2007

Case Closure:

This investigation was initiated based upon a referral from [REDACTED] and [REDACTED] and [REDACTED] and [REDACTED] provided testimony to a Congressional Senate Committee on June 27, 2005 concerning allegations of corruption committed by [REDACTED] in Iraq.

On September 28, 2005, SIGIR Investigations interviewed [REDACTED] who stated that [REDACTED] was currently involved in a contract with the Government of Iraq to deliver fuel purchased by the Iraqi Government for public consumption to Nasiriyah, Diwaniya, Najaf, Samawah, Al Kut, and Karbala, Iraq. The contract with the Iraqi Government had been in place for approximately 16 months and was due to end in December 2005. [REDACTED] stated that his drivers were responsible uploading fuel at refineries in Kuwait City, the delivery of the fuel into Iraq, and the downloading of the fuel into above and below ground tanks in the above mentioned Iraqi cities. He believed the fuel drop off points and storage facilities were contracted to be repaired by [REDACTED]. When [REDACTED] fuel trucks arrived at the aforementioned cities the fuel facilities were in disrepair. [REDACTED] alleged that [REDACTED] was under contract with the [REDACTED] to make repairs and refurbish the oil infrastructure in Southern Iraq, but failed to complete the work.

On July 6, 2006, [REDACTED] made contact with [REDACTED] Gulf Region Division, USACE, Winchester, VA and obtained contract numbers [REDACTED] and [REDACTED] utilized by the USACE that obligated [REDACTED] with oil infrastructure repairs and refurbishment in Southern Iraq (also known as RIO South). On June 24, 2006, [REDACTED] coordinated with [REDACTED] USACE Pay Center, Memphis, TN and obtained invoices submitted for payment by [REDACTED] under contract number [REDACTED]. The invoices indicated that [REDACTED] received payment for work allegedly completed under the aforementioned contract numbers.

On July 18, 2006, [REDACTED] and [REDACTED] SIGIR Investigations met with [REDACTED] Contracts Manager, [REDACTED] Government Infrastructure and [REDACTED] Project Contracting Office (PCO), Oil Contracts [REDACTED] at the SIGIR offices located in Arlington, VA. [REDACTED] suggested that work was not completed on the aforementioned sites due to the receipt of stop work/suspension of work orders from USACE. [REDACTED] stated that upon receipt of the stop work/suspension of work orders [REDACTED] immediately stopped all work on all projects. He stated that [REDACTED] did not receive notice from the Government (USACE) to resume work before 90 days so they abandon the projects.

[REDACTED] stated there were instances when [REDACTED] initiate work requested from the Government and before the projects were completed [REDACTED] received a stop work order. A stop work order involves [REDACTED] not

4556

APPR: [REDACTED]

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expending anymore funds on that particular project other than the cost incurred as a result of terminating the project.

USACE explanation for the stop work/suspension of work orders is due to a reprioritization of funds for other projects. There were questions concerning the USACE performance in the management of [REDACTED] as a contractor in the conduct of the RIO contract not only on this project but several others throughout Southern Iraq. It is suspected that the USACE contracting office should have issued terminations for default in lieu of stop work orders/suspension of work orders as [REDACTED] was most likely in default of their contractual obligation to make repairs under the RIO contract. Further, it is suspected that [REDACTED] was given preferential treatment by means of stop work orders as an alternative to terminations for default by USACE.

No criminal activity has been uncovered as a result of this investigation. [REDACTED] failed to perform on numerous projects contracted to them by USACE under RIO. The issuance of stop work/suspension of work orders and the termination of the portions of the contract by USACE absolved [REDACTED] of any liability concerning substandard or incomplete work in performance of portions of the RIO contract. [REDACTED] was allowed to determine their own percentage of completeness on each project that was terminated. Based on that percentage, and without oversight from the US Government, the USACE paid [REDACTED] to terminate the projects.

Prepared by: [REDACTED] SIGIR Investigations, Arlington Field Office

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IQ-06-0082-1

January 30, 2007

[REDACTED]

CASE CLOSING:

SUBJECT: [REDACTED]

This matter was opened by SIGIR, Baghdad upon the receipt of a complaint from a Program Officer, Civilian Police Assistance Training Team (CPATT) who stated [REDACTED] was to provide a communications system and training in January 2005. The radios were manufactured by a U.K. firm and distributed by [REDACTED] through the military. Approximately 50 radios were delivered but the manuals were in English, and only one radio tower had been completed, so the system was less than effective. She did not know how many radios were distributed or how the program was funded, and is unaware of the specifics of the contract.

Complainant does not allege criminal activity by any party, but rather, as end user of product, seems to be expressing dissatisfaction with implementation of the program. Absent more clear statement as to possible fraud, recommend closure.

Prepared by: [REDACTED]
Criminal Investigations,
Arlington, Virginia

DISTR: Hq File

1166

APPR: [REDACTED]

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SIGIR CASE #: IQ-06-0173-I

1 February 2007

SUBJECT: [REDACTED]

CASE CLOSING:

This case was initiated by SIGIR Investigation in June 2006 regarding alleged bribery for contract awards relating to construction contracts at [REDACTED]

Special Agents from SIGIR-Investigations relayed information to Army CID and efforts were coordinated to jointly assess the allegations and investigate the allegations.

The investigation disclosed that US Army [REDACTED] located at Forward Operation Base (FOB) Union and acting in the position as "Mayor" of that FOB used his position to accept bribes from interpreters and get kickbacks from vendors at this FOB. The case further developed information that US Army [REDACTED] also located at Union FOB and acting in the position as "Deputy Mayor" was essentially involved in similar criminal activities.

On October 31, 2006, a joint operation was conducted consisting of several teams of Special Agents from Army CID, DCIS and SIGIR at FOB Union. Search warrants were served on the two (2) Army suspects' work locations, living quarters and persons and numerous canvassing interviews were conducted. Additionally, Army CID SA's simultaneously conducted interviews of both [REDACTED] and [REDACTED]

SIGIR [REDACTED] and [REDACTED] formed one team responsible for interviewing two (2) military personnel, an E-6 and an E-9 as well as two (2) civilian Iraqi interpreters. Both interviews of the military personnel failed to provide incriminating information implicating any criminal acts. One of the two civilian Iraqi interpreters provided information implicating [REDACTED] had illegally taken a \$200 ipod without paying for it.

SIGIR [REDACTED] and [REDACTED] formed a separate team responsible for interviewing two (2) military personnel, an E-8 and an O-5 regarding their alleged receipt of stolen goods from [REDACTED]. Both denied that they received stolen goods from [REDACTED] and [REDACTED]. [REDACTED] further interviewed one (1) civilian Iraqi interpreter with negative results and one (1) civilian Iraqi store manager (rugs and other merchandise). The store manager provided information to [REDACTED] and [REDACTED] that [REDACTED] had "ripped" his store off by taking a rug and not paying for it. The store manager also provided information that [REDACTED] had an unknown girlfriend who also received approximately \$200 worth of merchandise without paying for it.

[REDACTED] and [REDACTED] conducted canvassing interviews of seven (7) military personnel within the Union Army Post Office (APO). One of the postal clerks, [REDACTED] had allegedly

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APPR: [REDACTED]

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been a girlfriend of [REDACTED] and allegedly received stolen goods. [REDACTED] verbally denied those allegations and provided a sworn statement denying any wrongdoing.

[REDACTED] Headquarters and Headquarter Battery, 2/77th Field Artillery Battalion, Fort Hood, TX, waived his right to legal counsel and provided a sworn written statement wherein he admitted that between December 2005 and present he had accepted cash payments from Iraqi contractors working on the FOB totaling approximately \$7,000. [REDACTED] further admitted receiving various items from Iraqi vendors on the FOB without paying for them due to his position as FOB Mayor. [REDACTED] had \$1,350 on his person at the time he was detained which he admitted he received from Iraqi contractors (Interpreters).

[REDACTED] Headquarters and Headquarter Battery, 2/77th Field Artillery Battalion, Fort Hood, TX, waived his right to legal counsel and provided a sworn written statement wherein he admitted that between approximately June 2006 to the present he had accepted cash payments from Iraqi linguists assigned to the unit totaling approximately \$1,000. [REDACTED] had \$341 on his person at the time he was detained which he admitted he received from Iraqi linguists.

This investigation has determined that [REDACTED] had committed the offenses of bribery and graft and/or extortion by requiring Iraqi local national who live and work on FOB Union III to pay him on a monthly basis under the threat of either being terminated from employment or removed from the FOB and forced to return to the local Baghdad area. It has been alleged that [REDACTED] acting in his capacity as mayor, would approve request for Iraqi nationals to establish vendor shops in buildings on FOB Union III for a fee up to \$15,000. Further, [REDACTED] is alleged to routinely enter the shops and take whatever items he wanted for free. The shop owners would allow this to happen in fear of being closed and kicked off of the FOB if they required [REDACTED] to pay for the items.

Information from Army & Air Force Exchange Service (AFEES) Western Union representatives disclosed that between 1 December 2005 and 28 August 2006, [REDACTED] had sent via Western Union a total of \$7,800 to his wife who resides in Fort Hood, TX.

The investigation established information that [REDACTED] also committed essentially the same type of criminal acts as FOB "Sheriff."

The alleged criminal acts by [REDACTED] and [REDACTED] have impacted the U.S. American soldier's image in as much as public corruption within the mayor's and deputy's cells on FOB Union III gives an unpopular degree of sentiment towards the US Army by Iraqi citizens.

Judicial punishment is anticipated through the Brigade Judge Advocate, 4th Infantry Division who is anticipating the filing of Uniform Code of Military Justice (UCMJ).

This case will be closed as there are no apparent criminal violations covered under SIGIR's jurisdiction.

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The initial allegations regarding contracts and bribery as they relate to SIGIR's area of responsibility were not substantiated

Case submitted for closing.

Submitted by [REDACTED]

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