
SUSPENSIONS AND DEBARMENTS

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

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

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

Since the last Quarterly Report, the Procurement Fraud Branch has suspended 5 more individuals and companies, based on allegations of fraud and misconduct connected to Iraq reconstruction and contractor fraud bringing the total suspensions to date to 29. In addition, since the last Quarterly Report, 5 individuals and companies have been proposed for debarment and 3 have been debarred, bringing the total proposed debarments to 28 and the total debarments to 17.

Highlights this quarter include a civil lawsuit brought against the Army Suspension and Debarment Official in the U.S. District Court for the Northern District of Alabama based on the suspensions of George H. Lee, Justin W. Lee, Oai Lee, Lee Dynamics International, and Lee Defense Services. This litigation resulted in a denial of a request for a restraining order against the Army and the dismissal of the case by the court due to a failure to exhaust all administrative remedies by the plaintiffs. Other actions included the proposed debarment of LTC Bruce D. Hopfengardner as well as the debarments of Philip H. Bloom, his company Global Business Group S.R.L., and Robert J. Stein Jr. based on their involvement in a conspiracy to defraud the CPA as reported in the October 2006 SIGIR Quarterly Report to The Congress. Additional actions against members of this conspiracy are pending. Mr Robert A. Raggio and his company Reviewer Management International Limited were proposed for debarment during this quarter based on allegations reported to the Procurement Fraud Branch by SIGIR. Specifically, Mr. Raggio is accused of using his position at Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) to arrange for the improper award of audit work

to his company shortly before his separation from government service.

Regarding other actions during the third quarter of 2007, the Army Suspension and Debarment Official sent a show cause letter to EOD Technology, Inc., as a result of allegations that a manager in the International Zone, Baghdad, Iraq, improperly obtained the award of delivery orders for convoy security delivery orders from JCC-I/A. No action has been taken against the company to date, however, the manager accused of obtaining these awards has been proposed for debarment.

The Procurement Fraud Branch continues to review submissions by Parsons Corporation in response regarding the company's current responsibility as a government contractor. No action has been taken to date against Parsons or its subsidiaries pending the outcome of this review.

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

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Powell, Glenn Allen	LOGCAP Contractor Employee	17 Sep 05 - Suspended; 13 Dec 05 - Proposed for Debarment; 16 Feb 06 - Debarred	Bribery of Government Official	\$113,000	Awarded contract to KBR subcontractor under LOGCAP III contract in exchange for 20% kickback of contract price. Employer unaware of actions. On 19 August 2005, pled guilty to a two-count criminal information charging him with fraud. Case Closed.
DXB International	LOGCAP Sub-Contractor	25 Jul 05 - Suspended; 25 Jul 05 - Proposed for Debarment; 29 Sep 05 - Debarred	Allegations of Failure to Perform a Contract	\$41,311,936.00	Failure to perform a contract for the delivery of ice to Army troops in Iraq. Case Closed.
Name Withheld	Employee - DXB International	25 Jul 05 - Suspended; 25 Jul 05 - Proposed for Debarment	Allegations of Failure to Perform a Contract	See case status	SDO determined that debarment was not appropriate based on lack of substantiation of allegations. Case Closed.
Ludwig, Steven	Employee - DXB International	25 Jul 05 - Suspended; 25 Jul 05 - Proposed for Debarment; 29 Sep 05 - Debarred	Allegations of Failure to Perform a Contract	See case status for DXB International	Failure to perform a contract for the delivery of ice to Army troops in Iraq. Case Closed.
Jasmine International Trading and Service Company	Contractor - Area Support Group Kuwait	27 Feb 06 - Proposed for Debarment; 2 Jun 06 - Debarred	Allegations of Bribery of Government Official	No known loss.	Provided payments to Army finance office personnel at Camp Arifjan, Kuwait, for expedition of payments due on Army contracts. Kuwaiti Company - no DoJ action. 9 Month Debarment. Case Closed.
Salem, Diaa Ahmen Abdul Latif	Director, Jasmine International Trading and Service Company	27 Feb 06 - Proposed for Debarment; 2 Jun 06 - Debarred	Allegations of Bribery of Government Official	No known loss.	Provided payments to Army finance office personnel at Camp Arifjan, Kuwait, for expedition of payments due on Army contracts. Kuwaiti National - no DoJ action. 9 Month Debarment. Case Closed.
Eagle Global Logistics, Inc.	Sub-Contractor - LOGCAP III	27 Feb 06 - Suspended; 2 Mar 06 - Administrative Compliance Agreement Signed	Allegations of Violation of the False Claims Act; False Statements	See case status	Claimed surcharges for air-freight forwarding services of transport of U.S. military equipment between Dubai and Baghdad. Administrative compliance agreement signed with Army on 2 Mar 06.
Cahill, Christopher Joseph	Employee - Eagle Global Logistics, Inc.	27 Feb 06 - Suspended; 15 Sep 06 - Proposed for Debarment; 9 Nov 06 - Debarred	False Claims Act; False Statements	See case status	Pled guilty to adding an illegal surcharge to government contracts while employed by a shipping company in the Middle East. Sentenced by the U.S. District Court, Central District of Illinois to 30 months confinement, 2 years supervised release, and a \$10,000 fine. Case Closed.
Global Business Group S.R.L.	Contractor - CPA-SC	28 Nov 05 - Suspended; 26 Jun 07 - Proposed for Debarment; 8 Aug 07 - Debarred	Money Laundering; Bribery; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$2,982,610	Contractor based in Romania used by Philip H. Bloom to procure fraudulent contracts. Also doing business as Global Business Group Logistics, GBG Holdings and GBF Logistics Division. Debarred for a period of approximately 7 years and 4 months, ending on 28 Nov 14. Case Closed.
Bloom, Philip H.	Owner, Global Business Group S.R.L.	28 Nov 05 - Suspended; 26 Jun 07 - Proposed for Debarment; 8 Aug 07 - Debarred	Money Laundering; Bribery; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	See case status for Global Business Group S.R.L.	Pled guilty to conspiracy, bribery, and money laundering on 10 Mar 06 in U.S. District Court for the District of Columbia. Sentenced 16 Feb 07 to 46 months confinement, 24 months supervised release and (with co-conspirators) forfeiture of \$3,600,000. Debarred for a period of approximately 7 years and 4 months, ending on 28 Nov 14. Case Closed.
Merkes, Steven	Former Contracting Officer - SOCEUR	24 Jan 07 - Suspended; 15 Aug 07 - Proposed for Debarment	Acceptance of Illegal Gratuities	\$24,000.00	Accepted position with Global Business Group S.R.L. while a US Gov't employee. Agreed to provide GBG with assistance in receiving SOCOM contracts in Eastern Europe and Iraq. Sentenced 1 Jun 07 to 12 months confinement. Proposal for debarment pending.
Stein, Robert J., Jr.	CPA-SC Civilian Comptroller and Funding Officer	2 Dec 05 - Suspended; 2 Jul 07 - Proposed for Debarment; 16 Aug 07 - Debarred	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$434,348 plus \$69,620 worth of weapons	Pled guilty to conspiracy, money laundering, bribery, possession of a machine gun, and aiding/abetting in the U.S. District Court for D.C. Sentenced on 29 Jan 07 to 9 years confinement, 36 months supervised release, and (with co-conspirators) forfeiture of \$3,600,000. Debarred for a period of approximately 7 years and 4 months, ending on 5 Dec 14. Case Closed.
Wheeler, Michael B., LTC, USAR	Civil Affairs Team Leader, 432nd CA BN, USA	7 Dec 05 - Suspended	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$100,000	Indicted 7 Feb 07 in the U.S. District Court for the District of New Jersey. Awaiting Trial.

APPENDIX K

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Harrison, Debra M., LTC, USA	Assistant CPA-SC Comptroller and Funding Officer, 338th CA BDE, USA	20 Dec 05 - Suspended	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	\$330,000 plus assorted bribery gifts: weapons, airline tickets and a Cadillac Escalade	Indicted 7 Feb 07 in the U.S. District Court for the District of New Jersey. Awaiting Trial.
Hopfengardner, Bruce D., LTC, USA	Civil Affairs Advisor, Iraqi Police, Al-Hillah Iraq	19 Jul 06 - Suspended; 8 Aug 07 - Proposed for Debarment	Wire Fraud; Money Laundering; Interstate Transport of Stolen Property; Conspiracy; Wrongful Conversion	\$22,400 cash, \$3,121 investments; Harley-Davidson Motorcycle, and GMC Yukon Denali	Pled guilty to conspiracy to commit money laundering and wire fraud 26 Jun 07. Sentenced to 21 months confinement, 36 months supervised release, \$144,500 fine, and (with co-conspirators), forfeiture of \$3,600,000. Proposed debarment pending.
Salam, Faheem Mousa	Contractor - MNSTC-I	13 Apr 06 - Suspended; 13 Apr 07 - Proposed for Debarment; 28 Jun 07 - Debarred	Attempted Bribery of Government Official	No known loss.	Accused of offering cash payments to Iraqi police officials in exchange for contracts to supply the Civilian Police Assistance Training Team, Multi-National Security Transition Command - Iraq, with 1,000 protective vests and other equipment. Sentenced 7 Feb 07 to 36 months confinement, 24 months supervised release, 250 hours community service and \$100 SA. Case Closed.
Faiq, Alwan	Contractor Employee - GRD Baghdad	20 Jun 06 - Proposed for Debarment; 28 Dec 06 - Debarred	Allegations of Bribery, False Claims	No known loss.	Alleged attempted bribery of a USACE-GRD contracting officer in exchange for procurement-sensitive information and favorable treatment on future contracts. Case Closed.
Danube Engineering and General Contracting	Contractor - GRD Baghdad	20 Jun 06 - Proposed for Debarment; 28 Dec 06 - Debarred	Allegations of Bribery, False Claims	No known loss.	Debarred based on unauthorized delegation of contract performance to a subcontractor resulting in attempted bribery of a contracting officer for procurement-sensitive information. Debarred for one year. Case Closed.
Qusay, Abdullah Hady	President, OHA Mechanical and Electrical Works	8 Mar 07 - Proposed for Debarment; 27 Jun 07 - Debarred	Allegations of Bribery, False Claims	No known loss.	Accused of misrepresenting to USACE-GRD that he was a director of Danube Engineering and General Contracting. Case Closed.
QAH Mechanical and Electrical Works	Subcontractor, Baghdad, Iraq	8 Mar 07 - Proposed for Debarment; 27 Jun 07 - Debarred	Allegations of Bribery, False Claims	No known loss.	Debarred based on affiliation with Mr. Abdullah H. Qusay. Case Closed.
Zahed, Mohamed Abdel Latif	Contractor Employee (Linguist), Camp Victory, Iraq	9 Feb 07 - Proposed for Debarment	Allegations of False Claims	No known loss.	Contractor provided reimbursement of \$31,985. Current whereabouts unknown.
Parsons Corporation, d/b/a Parsons Global Service, Inc.	Contractor, Iraq Reconstruction Projects	See Case Status	See case status	See case status	Show cause letter sent on 27 Mar 07 to determine compliance with DFARS 203.7000 based on allegations made by SIGIR during congressional testimony and in audit reports. Response currently under review by SDO.
Moore, Keith, SFC, USA	Mayor, FOB Union III, Iraq, HUB, 2-77 FA	30 Mar 07 - Proposed for Debarment	Allegations of Bribery, Theft, Extortion	\$7,360	Allegedly accepted cash payments from contractors at FOB Union III in exchange for cash and personal items. Threatened to have contractors removed from FOB for failure to provide payments demanded. Awaiting court-martial, Ft. Hood, TX.
Balisi, Anthony O, SSG, USA	Provost, FOB Union III, Iraq, HHB, 2-77 FA	30 Mar 07 - Proposed for Debarment	Allegations of Bribery, Theft, Extortion	Unknown	Allegedly accepted cash payments from contractors at FOB Union III in exchange for cash and personal items. Threatened to have contractors removed from FOB for failure to provide payments demanded. Awaiting court-martial, Ft. Hood, TX.
Whiteford, Curtis G, COL (Retired) USA	Chief of Staff and Deputy Regional Advisor, CPA-SC, Al-Hillah, Iraq	30 Mar 07 - Suspended	Allegations of Money Laundering; Bribery; Wrongful Conversion; Possession of Machine Gun; Non Registration of Weapon; Wire Fraud; Interstate Transport of Stolen Property; Conspiracy	Nissan 350z Sports Car, cash, airline tickets, jewelry, tactical gear, and an offer of employment with co-conspirator's company	Indicted 7 Feb 07 in the U.S. District Court for the District of New Jersey. Awaiting Trial.
Pappen, Gheevarghese	Contracting Officer - ASG Kuwait	30 Mar 06 - Suspended; 1 May 07 - Proposed for Debarment; 28 Jun 07 - Debarred	Bribery of Government Official; Racketeering	Approx. \$28,900 in cash	Allegedly received approximately \$28,900.00 and attempted to receive an additional payment of approximately \$19,000.00 from a Kuwaiti national, for contracts to provide apartments in Kuwait City for Army personnel. Case Closed.
Seamans, Stephen Lowell	Employee, LOGCAP III Contractor	27 Apr 06 - Suspended; 5 Jan 07 - Proposed for Debarment	Wire Fraud, Money Laundering	\$380,130	Sentenced 1 Dec 06 to 12 months and 1 day confinement, 3 years supervised release, \$380,130 restitution, \$200 Special Assessment. Debarment action pending.

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Name Withheld	Contractor, Camp Arifjan, KU	1 Dec 06 - Proposed for Debarment; 18 May 07 - Proposed Debarment Terminated	Allegations of False Claims, False Statements	No known loss.	SDO determined that debarment was not appropriate based on lack of substantiation of allegations. Case Closed.
Green Valley Company	Contractor, Camp Arifjan, KU	1 Dec 06 - Proposed for Debarment; 18 May 07 - Debarred	Allegations of False Claims, False Statements	Allegations of \$1,367,891 in false claims.	Fact based debarment action based on substantiated allegations that contractor willfully caused the submission of false claims related to the removal of black/gray water from Camp Arifjan, Kuwait. Case Closed.
Name Withheld	Active Duty Army Officer	5 Sep 06 - Suspended	Allegations of offering to disclose contractor bid, proposal and source selection information and soliciting contractors for illegal gratuities.	\$27,103	Arrested 18 Aug 06; Died 5 Sep 06. Suspension Terminated. Case Closed.
Barnes, Thomas Nelson	Contractor Employee, MNF-I	4 Nov 05 - Suspended; 16 Nov 06 - Proposed for Debarment; 24 Jan 07 - Debarred	Theft	Loss valued at less than \$1,000	Pled guilty to one count of theft of public property for improperly issuing badges to contractor employees resulting in unauthorized access to the International Zone, Baghdad. Sentenced 11 May 06 to 30 days home confinement, 1 year supervised probation and \$25 special assessment. Debarred for 4 years. Case Closed.
Lee Dynamics International	MNSTC-I Contractor	9 Jul 07 - Suspended	Allegations of Bribery of Government Official and Money Laundering	Between \$11,400,000 and \$25,000,000 in government contracts	Fact based suspension action based upon information received from the International Contract Corruption Task Force. Alleged to have made payments to two contracting officers in exchange for the award of warehouse management contracts in support of the Iraqi police and armed forces.
Lee Defense Services Corporation	Subcontractor and affiliated company, Lee Dynamics International	9 Jul 07 - Suspended	Allegations of Bribery of Government Official and Money Laundering	No known loss.	Fact based suspension action based upon information received from the International Contract Corruption Task Force. Suspended as an affiliated company of Lee Dynamics International and Justin W. Lee.
George H. Lee	CEO and Chairman, Lee Dynamics International	9 Jul 07 - Suspended	Allegations of Bribery of Government Official and Money Laundering	See entry for Lee Dynamics International	Fact based suspension action based upon information received from the International Contract Corruption Task Force.
Justin W. Lee	Consultant and Former Marketing Manager, Lee Dynamics International	9 Jul 07 - Suspended	Allegations of Bribery of Government Official and Money Laundering	See entry for Lee Dynamics International	Fact based suspension action based upon information received from the International Contract Corruption Task Force.
Oai Lee	Agent, Lee Dynamics International	9 Jul 07 - Suspended	Allegations of Bribery of Government Official and Money Laundering	See entry for Lee Dynamics International	Fact based suspension action based upon information received from the International Contract Corruption Task Force.
Rivard, John Allen, MAJ, USAR	Contracting Officer, LSA Anaconda, Iraq	10 Aug 07 - Suspended	Allegations of Conflicts of Interest, Bribery, Bid-Rigging and False Official Statements	Unknown	Allegedly awarded \$8,000,000 in contracts for housing trailers at LSA Anaconda in return for gratuities from contractors.
Raggio, Robert A., Dept of the Army Civilian	Former Finance Manager, Joint ASG, Baghdad, Iraq and President, RMI	10 Sep 07 - Proposed for Debarment	Allegations of Conflicts of Interest	Unknown	Fact based proposed debarment action resulting from allegations that Mr. Raggio violated restrictions on post-Government employment of federal employees and restrictions prohibiting personal financial gain from his official duties as a Government employee in the award of contract # W91GXQ-05-R-0007 to his company, RMI.
Reviewer Management International Limited (RMI)	Contractor, JCC-I/A, Baghdad, Iraq	10 Sep 07 - Proposed for Debarment	Allegations of Conflicts of Interest	Allegedly awarded contracts valued at \$1,025,000	Fact based proposed debarment action resulting from allegations that Mr. Raggio violated restrictions on post-Government employment of federal employees and restrictions prohibiting personal financial gain from his official duties as a Government employee in the award of contract # W91GXQ-05-R-0007 to his company, RMI.
Key, Austin, CPT USA	COR, 1st Calvary Division, Victory Base Complex Regional Contracting Center, Iraq	27 Aug 07 - Suspended	Allegations of Bribery	Accepted \$50,000 payment from CI - Seized by DCIS immediately after receipt. No loss to government.	Allegedly requested a \$125,000.00 payment from a contractor in return for safeguarding the company's interests. Accepted a \$50,000.00 payment from an informant in exchange for a promise of procurement-sensitive information. Taken into custody in New York, NY.

NAME	POSITION	SUSPENSION AND DEBARMENT ACTION TAKEN	REASON FOR ACTION	LOSS TO GOVERNMENT	CASE STATUS
Cockerham, John L, MAJ, USA	Former Contracting Officer, Camp Arifjan, Kuwait	15 Aug 07 - Suspended	Allegations of Bribery, Wire Fraud and Money Laundering	Approx. \$15,000,000.00 in payments from contractors in Kuwait	Indicted in WD TX on 27 Jul 07 on allegations of bribery, money laundering and wire fraud based on the award of multiple contracts for goods and services while deployed to Kuwait.
Cockerham, Melissa	Spouse, MAJ John Cockerham	15 Aug 07 - Suspended	Allegations of Wire Fraud and Money Laundering	Unknown	Indicted in WD TX on 27 Jul 07 on charges of money laundering and wire fraud. Allegedly received and concealed payments from contractors in Kuwait made as a result of the fraudulent contracts awarded by MAJ Cockerham.
Blake, Carolyn	Sister, MAJ John Cockerham	15 Aug 07 - Suspended	Allegations of Wire Fraud and Money Laundering	Unknown	Indicted in WD TX on 27 Jul 07 on charges of money laundering and wire fraud. Allegedly received and concealed payments from contractors in Kuwait made as a result of the fraudulent contracts awarded by MAJ Cockerham.
Barton, Eric Wayne	EOD Technology Project Manager, IZ, Baghdad	14 Sep 07 - Proposed for Debarment	Allegations of violations of the Procurement Integrity Act	Unknown	Accused of obtaining information in violation of the Procurement Integrity Act to influence the award to EOD Technology of convoy security delivery orders.
EOD Technology, Inc.	Private Military and Explosive Ordnance Disposal Contractor, MINSTC-I and JCC-I/A	See Case Status	See Case Status	See Case Status	Show cause letter sent on 14 Sep 07 regarding allegations that the company received convoy security delivery orders totaling \$2,512,087.50 as a result of Procurement Integrity Act violations by Mr. Eric W. Barton, and an employee of the company.