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ARMY OFFICER PLEADS GUILTY TO CONSPIRACY, BRIBERY AND MONEY LAUNDERING SCHEME INVOLVING DEPARTMENT OF DEFENSE CONTRACTS AT U.S. ARMY BASE IN KUWAIT

Army Officer's Wife Also Pleads Guilty to Money Laundering Charge Related to Scheme

WASHINGTON—A U.S. Army officer and his wife pleaded guilty for their conduct related to a conspiracy, bribery and money laundering scheme involving contracts awarded in support of the Iraq war, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division and Assistant Attorney General Thomas O. Barnett of the Antitrust Division announced today.

John Cockerham, 43, of San Antonio pleaded guilty to one count of bribery, one count of conspiracy to commit bribery and one count of money laundering. Cockerham's wife, Melissa Cockerham, 41, also of San Antonio, pleaded guilty to one count of money laundering. The pleas were taken during a sealed proceeding on Jan. 31, 2008, before the Honorable W. Royal Ferguson, U.S. District Judge for the Western District of Texas, and unsealed today. John Cockerham faces up to five years in prison for the conspiracy count and up to 15 years in prison for the bribery count, as well as fines of \$250,000 for each count. John and Melissa Cockerham each face up to 20 years in prison and a fine of \$500,000 for the money laundering count.

"Major Cockerham's job was to provide supplies to our troops serving in Iraq. Instead of acting in the best interests of his fellow soldiers, he steered contracts to those willing to pay him bribes," said Acting Assistant Attorney General Matthew Friedrich. "Our men and women in uniform deserve better, and those who violate the public's trust in exchange for personal enrichment can expect to be prosecuted."

"As a result of the greed of these individuals, the U.S. military and American taxpayers were deprived of the benefits of a competitive marketplace," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division will continue to work with our law enforcement partners to root out this type of illegal behavior."

John Cockerham admitted to participating in a complex bribery and money laundering scheme while working as an Army major deployed to Kuwait. He was responsible for awarding contracts for services to be delivered to troops in Iraq, including bottled water contracts worth millions of dollars. In return for awarding illegal contracts, John Cockerham admitted to receiving, or being promised, more than \$9 million in bribes. Once he agreed to take money in exchange for awarding contracts, John Cockerham directed the contractors to pay his wife, sister and others to hide the fact that contractors were paying him bribes. Melissa Cockerham admitted that she accepted more than \$1 million in illegal bribe payments on her husband's behalf, and that she stored the cash in safe deposit boxes at banks in Kuwait and Dubai.

John Cockerham and his wife are cooperating with this investigation and with the government's efforts to repatriate the money from the overseas banks. The government is seeking the assistance of the Kuwaiti and Emirati governments in this effort as well.

The trial of John Cockerham's sister, Carolyn Blake, is scheduled to begin on Oct. 27, 2008. The government continues to investigate others involved in the conspiracy.

"The Defense Criminal Investigative Service is committed to ensuring officials who betray the public trust are held firmly accountable," said Sharon E. Woods, Director, Defense Criminal Investigative Service. "The conduct in this case is particularly disgraceful because the greed and lack of integrity of an officer in the Armed Forces has diminished in the eyes of some the great and courageous deeds our soldiers, sailors, airmen and Marines accomplish every day."

"SIGIR remains committed to enforcing accountability within the Iraq contracting and acquisition process by working diligently with our law enforcement agency partners and the Department of Justice to bring to justice all who violate the laws governing Iraq contracting. The Cockerhams unwisely placed unlawful personal financial gain above the public's trust, and now they must pay the price for that wrongdoing to society," said Special Inspector General for Iraq Reconstruction Stuart Bowen.

These cases are being prosecuted by Trial Attorneys Ann C. Brickley and Richard B. Evans of the Criminal Division's Public Integrity Section and Trial Attorneys Mark W. Pletcher and Emily W. Allen of the Antitrust Division's National Criminal Enforcement Section. These cases are being investigated by the Army Criminal Investigations Division, the Defense Criminal Investigative Service, the FBI, the Internal Revenue Service, the Special Inspector General for Iraq Reconstruction (SIGIR), and U.S. Immigration and Customs Enforcement at the Department of Homeland Security in support of the Department of Justice's National Procurement Fraud Task Force and the International Contract Corruption Initiative.

The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. The National Procurement Fraud Task force is currently chaired by Acting Assistant Attorney General Matthew Friedrich for the Criminal Division.