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**THREE DEFENDANTS INDICTED IN CASE INVOLVING BRIBERY, CONSPIRACY,
MONEY LAUNDERING, AND OBSTRUCTION OFFENSES RELATED TO
CONTRACTS IN IRAQ AND KUWAIT**

WASHINGTON – A major in the U.S. Army, his wife and his sister have been indicted on bribery, conspiracy, money laundering, and obstruction charges arising out of the major's service as an Army contracting officer in Kuwait in 2004 and 2005, Assistant Attorney General Alice S. Fisher of the Criminal Division and Assistant Attorney General Thomas O. Barnett of the Antitrust Division announced today.

The indictment returned today by the federal grand jury in the Western District of Texas charges Maj. John Cockerham Jr., 41, of Fort Sam Houston Army Post in San Antonio; his wife, Melissa Cockerham, 40, also a resident of Fort Sam Houston Army Post; and his sister, Carolyn Blake, 44, a resident of Sunnyvale, Texas, with conspiracy to defraud the United States and to commit bribery, conspiracy to obstruct justice, and a money laundering conspiracy. Major Cockerham was also charged with three counts of bribery. The three defendants were arrested last month on similar charges in criminal complaints.

According to the indictment, from late June 2004 through late December 2005, Major Cockerham was deployed to Camp Arifjan, Kuwait, serving as a contracting officer responsible for soliciting and reviewing bids for Department of Defense (DOD) contracts in support of operations in the Middle East, including Operation Iraqi Freedom. The contracts were for various goods and services to DOD, including bottled water destined for soldiers serving in Kuwait and Iraq.

Major Cockerham, Melissa Cockerham, Blake, an unidentified co-conspirator, and others allegedly accepted millions of dollars in bribe payments on John Cockerham's behalf, in return for his awarding co-conspirator contractors and others DOD contracts, including those for bottled water, through a rigged bidding process. Cockerham allegedly guaranteed that a contractor would receive a contract in return for the payment of money. Cash bribes paid to the defendants and other co-conspirators allegedly totaled \$9.6 million. The indictment also alleges that Melissa Cockerham and Carolyn Blake received millions of dollars from these contractors, and that the conspirators deposited the money in bank accounts and safe deposit boxes in Kuwait and Dubai.

“The defendants allegedly conspired to receive millions of dollars in bribes in exchange for contracts for bottled water and other essential products for our troops in the Middle East,” said Assistant Attorney General Alice S. Fisher of the Criminal Division. “We will not allow military officers and their collaborators to enrich themselves at the expense of the brave soldiers fighting for our freedom overseas. I thank the many prosecutors, agents and investigators who went to great lengths and traveled great distances to uncover this massive bribery scheme.”

“Our investigation indicates that these individuals reaped millions while depriving the U.S. military and U.S. taxpayers of the benefit of a competitive market,” said Thomas O. Barnett, Assistant Attorney General for the Antitrust Division. “We will vigorously prosecute the charges set forth in the indictment.”

“It is particularly disturbing that while so many of our military personnel are fighting and dying in Iraq, a few have apparently taken the opportunity to unlawfully enrich themselves,” said Chuck Beardall, Director, Defense Criminal Investigative Service. “Their greed is unconscionable, especially in the midst of our soldiers’ heroic actions, and the Defense Criminal Investigative Service is dedicated to aggressively investigating these crimes and bringing the perpetrators to justice.”

“In an effort to ensure the Army investigates allegations of this type fully, the U.S. Army Criminal Investigation Command has forward deployed special agents in the Iraq, Afghanistan and Kuwait theatre of operations and is working closely and sharing information with other law enforcement agencies in the region,” said Brigadier General Rod Johnson, Commanding General, U.S. Army Criminal Investigation Command. “CID special agents will pursue the truth wherever it may lead. We take this issue of fraud very seriously and are investigating fully.”

“This egregious act of greed posed a threat to men and women in uniform,” said Julie L. Myers, Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE). “Protecting the integrity of our military support systems is key to protecting national security at home and abroad.”

“Major Cockerham and his wife Melissa engaged in the most egregious type of procurement fraud and lined their own pockets with ill-gotten contract funds that were intended for the rebuilding efforts in the Middle East,” said Assistant Director Kenneth W. Kaiser, FBI Criminal Investigative Division. “Their actions tarnish the image of the United States and degrade the public’s trust and confidence in a fair and honest procurement process. The FBI will continue to pursue all individuals who engage in bid rigging, bribery or other criminal conduct.”

“When IRS got involved on this special team, we willingly volunteered the support of our financial investigators to follow the information wherever it would take us. We have a simple, straightforward objective in such investigative efforts. Our job is to follow the money, track and document the flow of funds, and thereby help prove the underlying criminal activity,” said Eileen Mayer, Chief, Internal Revenue Service, Criminal Investigation Division. “As you can see from the serious allegations lodged here today, our special agents followed a complex maze of financial transactions that led to these charges.”

All three defendants face up to 20 years in prison and a fine of \$500,000 for the charge of money laundering conspiracy, and up to five years in prison and a fine of \$250,000 for each of the conspiracy counts. Major Cockerham also faces up to 15 years in prison and a \$250,000 fine on the charge of bribery.

This case is being prosecuted by Trial Attorneys Ann C. Brickley and Richard B. Evans of the Public Integrity Section, which is headed by Chief William M. Welch II; and Trial Attorneys Mark W. Pletcher and Emily W. Allen of the National Criminal Enforcement Section of the Antitrust Division, which is headed by Chief Lisa Phelan.

The case is being investigated by special agents of the Army Criminal Investigation Division, Defense Criminal Investigative Service, Department of Homeland Security - Immigration and Customs Enforcement, Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigation Division, and the Special Inspector General for Iraqi Reconstruction.

Today's charge is an example of the Department of Justice's commitment to protect U.S. taxpayers from public procurement fraud through its creation of the National Procurement Fraud Task Force. 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.

Criminal indictments are only charges and not evidence of guilt. A defendant is presumed to be innocent until and unless proven guilty.

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