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JUSTICE NEWS

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U.S. Sues Former Army Officer & Three Contracting Firms in Connection with Bribery Scheme

Scheme Involved U.S. Military Contracts Awarded in Kuwait

A civil lawsuit was filed today against a former U.S. Army officer and three contracting firms related to an alleged bribery scheme in connection with the awarding of contracts for services in Kuwait. Former Army officer John Cockerham Jr., who is named as a defendant in the lawsuit, previously pleaded guilty to criminal charges along with another former officer, James Momon Jr.

The government's complaint alleges that from 2004 to 2006, several Kuwaiti companies, including Green Valley Co., Palm Springs General Trading and Contracting Establishment and Jireh Springs General Trading and Contracting Establishment, engaged in a bribery scheme with Cockerham and Momon in exchange for their promises to award Blanket Purchase Agreements (BPAs) for the purchase of bottled water, tents and wastewater removal services from Kuwaiti-based Army camps. A BPA is a simplified acquisition method that federal agencies use to fill anticipated repetitive needs for supplies or services.

The suit, filed in the U.S. District Court for the Western District of Texas, alleges that defendant Saud Al Tawash provided payments to Cockerham's sister, Carolyn Blake, in exchange for BPAs awarded to or performed by Green Valley, Palm Springs and Jireh Springs, companies which he owned, controlled, or had an interest, according to the complaint. The complaint also alleges Mohammed Howaiji, Green Valley's assistant manager, and Joseph E. Nakouzi, its head supervisor, agreed to pay Cockerham \$300,000 in exchange for the BPAs. According to the complaint, Cockerham awarded the BPAs to Green Valley at inflated prices. The complaint charges that after Momon replaced Cockerham as the Army's contracting officer, he also took over the bribery scheme and received \$510,000 from Green Valley.

The government's complaint further alleges that Jamal Al Dhama, the manager of Jireh Springs, promised Cockerham \$1.5 million to award a BPA to that firm. Saud Al Tawash, acting on behalf of Jireh Springs, later offered Momon a bribe for Momon's assistance in obtaining payment for Jireh Springs on a bottled water delivery, according to the lawsuit.

"The Department of Justice will vigorously protect taxpayer funds from fraud, especially where the fraud impacts contracts intended to support our troops," said Tony West, Assistant Attorney General for the Civil Division. "This case demonstrates our commitment to bring civil lawsuits to recover government losses from individuals and companies who defraud the U.S. Treasury."

The government is seeking treble damages under the False Claims Act, and a number of other remedies.

Cockerham previously pleaded guilty to conspiracy to defraud the United States, bribery and money laundering conspiracy. Momon pleaded guilty to bribery and conspiracy to commit bribery. Neither has been sentenced yet.

Civil Division