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FORMER EMPLOYEE OF U.S. MILITARY CONTRACTOR PLEADS GUILTY TO MAKING FALSE STATEMENTS

WASHINGTON – A former employee of a construction company that has contracts with the U.S. Air Force in Iraq, pleaded guilty in U.S. District Court in the Eastern District of Michigan to a one-count criminal information, the Department of Justice announced today.

Samir F. Mahmoud, 56, of Bloomfield, Mich., pleaded guilty to charges of making a false statement stemming from an investigation into possible violations of the Anti-Kickback Act. U.S. District Judge Gerald E. Rosen set a sentencing date for February 2, 2007.

According to the information filed in September 2006, on July 17, 2006, Mahmoud was interviewed by special agents from the Defense Criminal Investigative Service and U.S. Immigration and Customs Enforcement (ICE) regarding allegations of illegal payments and gifts offered to company employees in exchange for promised assistance in obtaining, retaining or altering the Air Force contracts and subcontracts associated with the reconstruction of Iraq. During the interview Mahmoud willfully made materially false statements in that he denied providing gifts to other company employees when he had offered and provided things of value to at least one company employee.

The maximum sentence for a charge of making a false statement is up to five years in prison and a \$250,000 fine.

In October 2006, Deputy Attorney General Paul J. McNulty announced the formation of a National Procurement Fraud Task Force 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 governmental programs. The Procurement Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division – includes the FBI, the U.S. Inspectors General Community, the Executive Office of the United States Attorneys and others.

The case was prosecuted by Trial Attorneys Nathaniel Edmonds and Stacey Luck of the Criminal Division's Fraud Section.

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