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FORMER ARMY RESERVE OFFICER PLEADS GUILTY TO BRIBERY AND CONSPIRACY TO COMMIT BRIBERY AND MONEY LAUNDERING

WASHINGTON – A former major in the U.S. Army Reserves has pleaded guilty to bribery and conspiracy to commit bribery and money laundering in connection with the fraudulent awarding and administration of U.S. government contracts in Balad, Iraq, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

John Allen Rivard, 48, entered the plea today at federal court in Austin, Texas, before U.S. Magistrate Andrew W. Austin of the Austin Division of the Western District of Texas. As part of the plea, Rivard admitted that from April 2004 through August 2005, while he was deployed to Logistical Support Area Anaconda near Balad, Iraq, he conspired with a government contractor to steer federally funded contracts to the government contractor's company in exchange for a bribe payment in the amount of 5 percent of the value of the contract awarded. Rivard awarded multi-million dollar contracts to the government contractor's company for items including tractor trailers. The total value of the contracts awarded was approximately \$21 million.

Rivard admitted to actually receiving over \$220,000 in bribe payments in exchange for using his official position at Logistical Support Area Anaconda to facilitate the award and payment of contracts to the government contractor's company. Rivard has also admitted to conspiring with others in the United States to launder the proceeds of the bribery scheme, sending money to the others to purchase, among other things, rent on a West Hollywood, Calif., apartment and a down payment on a new BMW convertible.

Rivard faces up to 30 years in prison, a three-year term of supervised release, and a maximum fine of \$1.16 million. Under the terms of his plea agreement, Rivard has agreed to forfeit to the United States the property and assets he acquired during the course of his bribery and money laundering scheme.

"The defendant in this case used his official position with the U.S. Army to receive thousands of dollars in bribes," said Assistant Attorney General Fisher. "The Department of Justice continues to aggressively pursue this type of public corruption and contracting fraud involving U.S. interests across the globe. I commend the federal prosecutors and investigators from the Department of Defense, ICE, the FBI and the IRS, here and in Iraq, for their work that led to this conviction."

This case is being prosecuted by Criminal Division Trial Attorneys Ann C. Brickley and Daniel A. Petalas of the Public Integrity Section. This case is being investigated by the U.S. Army Criminal Investigation Command; the U.S. Department of Defense, Office of Inspector General; Defense Criminal Investigative Service; U.S. Immigration and Customs Enforcement; the Internal Revenue Service, Criminal Investigation Division; and the Federal Bureau of Investigation.

In October 2006, Deputy Attorney General Paul J. McNulty announced the National Procurement Fraud Initiative, 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. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

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