



# Department of Justice

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## **FORMER GOVERNMENT CONTRACTOR AND WIFE CHARGED IN SCHEME TO DEFRAUD U.S. ARMY**

WASHINGTON - Ali N. Jabak, 35, and his wife Liberty A. Jabak, 35, both of Garrison, Ky, were indicted last week on charges of conspiracy, wire fraud, and money laundering stemming from the theft of \$595,000 from the 15th Finance Battalion of the U.S. Army, based in Baghdad, Iraq, announced Assistant Attorney General Alice S. Fisher of the Criminal Division and Acting U.S. Attorney James A. Zerhusen of the Eastern District of Kentucky. At their arraignment today in Ashland, Ky., U.S. Magistrate Judge Edward B. Atkins set their trial date for March 11, 2008.

On January 24, 2007, a federal grand jury in Covington, Ky., returned an 11-count indictment charging each with one count of conspiracy, two counts of wire fraud, one count of conspiracy to launder money, five counts of money laundering, and two counts of forfeiture.

The indictment alleges that the Jabaks conspired to fraudulently obtain money from the U.S. Army pursuant to a contract between the Army and an Iraqi-based corporation, Dourat Al-Arab. According to the indictment, Ali N. Jabak was a government contractor hired to translate the Arabic and English languages and did so during meetings between Army officials and the owner of Dourat Al-Arab regarding a contract for the installation of 700 concrete barriers to provide additional protection for American troops. The indictment alleges that Ali N. Jabak gained information and access to Dourat Al-Arab's company business email account during these meetings and used this information to submit a phony invoice to the U.S. Army. Specifically, the indictment alleges that the Jabaks established a construction company in Garrison, Ky, Liberty Construction LLC, and opened a business bank account for this company.

Ali N. Jabak also used Dourat Al-Arab's email account to submit an electronic funds transfer form prepared by Liberty A. Jabak instructing the Army to wire the full contract amount of \$595,000 to Liberty Construction's bank account. The indictment further alleges that the defendants conspired to launder the \$595,000 of illegally obtained money by engaging in monetary transactions and transporting the money from the United States to Lebanon. The indictment also seeks the forfeiture of all funds and assets owned by the defendants that were derived from and connected to the \$595,000 fraudulently obtained money.

The investigation leading to the charges in this case was conducted by the U.S. Department of Defense - Defense Criminal Investigative Service in Columbus, Ohio; the U.S.

Army Criminal Investigation Command, Major Procurement Fraud Unit, in Dayton, Ohio; and members of the National Procurement Fraud Task Force created in October 2006 by the Department of Justice. The National Procurement Fraud Task Force is designed to promote the early detection, identification, prevention, and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force is chaired by Assistant Attorney General Fisher and includes U.S. Attorneys' Offices, the FBI, the U.S. Inspectors General community, and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrates the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

The case is being prosecuted by Jennifer R. Taylor, Trial Attorney, U.S. Department of Justice Criminal Division and Marianna Jackson-Clay, Assistant U.S. Attorney in the Eastern District of Kentucky.

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