



Department of Justice

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DEFENSE CONTRACTOR AND A FORMER MANAGER CHARGED IN CONSPIRACY TO BRIBE A MILITARY CONTRACTING OFFICER IN IRAQ

WASHINGTON — A federal grand jury in Oklahoma City returned an indictment against a U.S. Department of Defense contractor and one of its former managers for conspiring to bribe a military contracting officer in Iraq, the Department of Justice announced today. The indictment was returned on Jan. 22, 2008, and was unsealed today against Elie Samir Chidiac, a U.S. citizen, and Raman International Inc. of Cypress, Texas, which does business as Raman Corporation. Chidiac appeared in the U.S. District Court for the Western District of Oklahoma today after having been arrested in Oklahoma City on Friday, Jan. 25, 2008.

Raman is charged with one count of conspiracy to commit bribery, and Chidiac is charged with two counts of conspiracy to commit bribery. Both are charged with participating in a scheme to steer Defense contracts to themselves. Chidiac is also charged with participating in a scheme with a co-conspirator military officer to alter contracting documents to allow Chidiac to fraudulently obtain payment for work not performed, which he then split with the officer.

According to the indictment, Chidiac and Raman Corporation gave money and other things of value, including a Harley Davidson motorcycle, to a military contracting officer in return for the award of U.S. Department of Defense (DOD) contracts worth hundreds of thousands of dollars at Camp Victory, Iraq.

“We will aggressively prosecute those who commit fraud involving goods and services destined for our military service personnel,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division.

Chidiac is charged in the indictment with conspiring to commit bribery by giving money to an unidentified military contracting officer in Iraq in return for that officer’s aid in perpetrating fraud on the United States. With respect to that charge, the indictment states that, among other things:

- An unidentified military contracting officer canceled contracts that were already awarded to, and often had been performed by, third-party contractors;
- The unidentified military contracting officer re-awarded those contracts to Raman and fraudulently verified that Raman had performed the requisite service or delivered the requisite goods;

- Chidiac and the unidentified military contracting officer forged various contracting documents and fraudulently modified the military contracting database in order to create the appearance of propriety with respect to these canceled and re-awarded contracts;
- The unidentified military contracting officer authorized Chidiac to receive cash payment on those contracts, which Chidiac did, despite the fact that neither Chidiac nor Raman performed any work, provided any service, or delivered any good with respect to these contracts;
- Upon receipt of cash payment from the United States, typically in U.S. \$100 bills, Chidiac remitted a portion of the money back to the unidentified military contracting officer, often delivering the money to the officer at Raman's compound, adjacent to Camp Victory; and
- The unidentified military contracting officer sent money received from Chidiac via U.S. Postal Service to a family member in Midwest City, Okla.

A violation of the conspiracy statute carries a maximum sentence of five years imprisonment and a fine of \$250,000 for an individual and a fine of \$500,000 for a corporation. The fines could be increased to twice the gain from the offense or twice the loss incurred by the victims of the crime.

“It’s critical for everyone to know that if they work with or for the U.S. Army and are considering defrauding the government we have mechanisms and personnel in place to defeat and fully investigate fraud,” said Brigadier General Rodney Johnson, the commanding general of the U.S. Army Criminal Investigation Command. “This type of illegal activity, no matter what the extent, will not be tolerated and violators will be brought to justice.”

Today’s charges are examples of the Department’s commitment to protect U.S. taxpayers from 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, investigation, and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The investigation is being conducted by the Antitrust Division’s National Criminal Enforcement Section; the Department of Defense, Defense Criminal Investigative Service (DCIS), Tulsa Resident Agency; and the Department of the Army, Criminal Investigations Division (Army CID), Dallas Resident Agency. Anyone with information concerning illegal conduct in the procurement of good or services in Iraq is urged to contact the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694; DCIS at 800-424-9098 or hotline@dodig.mil; or Army CID at www.cid.army.mil.

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