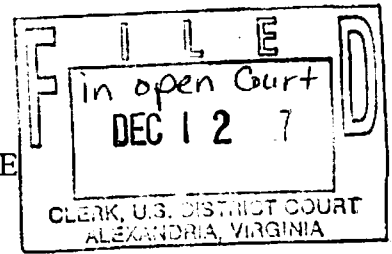


IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA



Alexandria Division

UNITED STATES OF AMERICA)	CRIMINAL NO. 1:07cr488
)	
v.)	Count 1: 18 U.S.C. §371
)	(Conspiracy)
JAMES N. SELLMAN and)	
(Counts 1, 2, 4, and 6))	Counts 2 and 3: 18 U.S.C. §1001
)	(False writing)
WALLACE A. WARD,)	
(Counts 1, 3, 5, and 7))	Counts 4 and 5: 18 U.S.C. §201
)	(Bribery of a public official)
Defendants.)	
)	Counts 6 and 7: 18 U.S.C. §287
)	(False claim)

INDICTMENT

December 2007 Term - at Alexandria

INTRODUCTION

THE GRAND JURY CHARGES THAT:

At times material to this indictment:

1. The United States maintained and operated a base, known as Bagram Airfield (“Airfield”), in support of military operations in Afghanistan. The United States Air Force and the United States Army were responsible for different aspects of the base operations.
2. Red Star Enterprises Limited (“Red Star”), a company headquartered in London, United Kingdom, entered into fuel supply contracts with the Defense Energy Support Center (“DESC”), a field activity of the Defense Logistics Agency, a combat support agency within the United States Department of Defense, headquartered at Fort Belvoir, Virginia, to deliver jet fuel

to the Airfield.

3. The contract required that Red Star, through its drivers, upon delivery of the fuel to the Airfield, present a partially completed DD Form 250, Material Inspection and Receiving Report, ("DD250") for each truckload, describing the quantity of fuel delivered for verification by the Army before DESC would be required to accept and pay for the fuel delivery.

4. The Army assigned a Responsible Officer at the Airfield to inspect the truck delivering the fuel to verify the quality and quantity of the fuel delivery as described on the DD250 and to complete the DD250.

5. The Army Responsible Officer utilized Kellogg Brown and Root, Inc. ("KBR") employees under the Logistics Civil Augmentation Program ("LOGCAP") support contract with the United States to act on behalf of the United States by inspecting the fuel deliveries; verifying the quality, quantity and delivery of the fuel claimed on the DD250s; completing and signing the DD250s; and returning them to the drivers so that Red Star could submit claims to the Defense Finance Accounting Service ("DFAS"), within the United States Department of Defense.

6. The defendants, JAMES N. SELLMAN and WALLACE A. WARD, were fuel technicians assigned by KBR to the fuel section at the Airfield.

7. Many of the acts referred to in this Indictment were committed in Afghanistan, outside of the jurisdiction of any particular state or district of the United States. On or about October 3, 2007, the defendants, JAMES N. SELLMAN and WALLACE A. WARD, were first brought and arrested within the Eastern District of Virginia; therefore, pursuant to Title 18, United States Code, Section 3238, the United States District Court for the Eastern District of Virginia is a proper venue for the trial of the offenses alleged in this Indictment.

8. The above introductory allegations are realleged and incorporated in each count of this Indictment as if fully set forth in each count.

COUNT 1
(Conspiracy)

THE GRAND JURY FURTHER CHARGES THAT:

Between in or about May 2006 and in or about September 2006, in the Eastern District of Virginia and elsewhere, the defendants, JAMES N. SELLMAN and WALLACE A. WARD, knowingly conspired and agreed with each other and other persons to defraud the United States Department of Defense and commit the following offenses against the United States:

1. In a matter within the jurisdiction of the United States Department of Defense, a department within the executive branch of the Government of the United States, knowingly and willfully make and use false writings and documents, knowing the same to contain materially false and fraudulent entries and statements, in violation of Title 18, United States Code, Section 1001;
2. Knowingly and falsely make and forge a writing for the purpose of enabling another person to obtain and receive sums of money from the United States, in violation of Title 18, United States Code, Section 495;
3. Being a public official acting on behalf of the United States, knowingly and corruptly accept things of value in return for being influenced in official acts and aiding in the commission of a fraud on the United States, in violation of Title 18, United States Code, Section 201; and
4. Knowingly make and present to the United States Department of Defense, a department of the Government of the United States, claims against the United States, knowing such claims to be false and fraudulent, in violation of Title 18, United States Code, Section 287.

Manner and Means of the Conspiracy

It was part of the conspiracy that:

1. JAMES N. SELLMAN, WALLACE A. WARD and co-conspirators agreed with certain Red Star fuel truck drivers that in return for payments of money, JAMES N. SELLMAN, WALLACE A. WARD and the co-conspirator would falsify DD250s showing that the drivers' trucks had delivered fuel to the Airfield when in fact the fuel had not been delivered and was going to be diverted for sale outside the Airfield to parties not authorized by the United States Government to receive the fuel.

2. JAMES N. SELLMAN and WALLACE A. WARD falsified DD250s to show that certain trucks had delivered fuel when in fact no fuel had been delivered and instead it was taken by the drivers for sale outside the Airfield.

3. Co-conspirators of JAMES N. SELLMAN and WALLACE A. WARD forged the signatures of KBR employees, who were authorized to sign the DD250s, verifying the delivery of the fuel, when in fact the fuel had been diverted for sale outside the Airfield.

4. JAMES N. SELLMAN and WALLACE A. WARD falsified other DD250s to show that certain trucks had delivered more fuel than they had in fact delivered, so that the additional fuel could be sold by the drivers outside the Airfield.

5. JAMES N. SELLMAN, WALLACE A. WARD and co-conspirators provided the fuel truck drivers with the falsely completed DD250s.

6. JAMES N. SELLMAN, WALLACE A. WARD and co-conspirators received cash payments from fuel truck drivers in return for their actions in falsifying the DD250s so that fuel could be diverted for sale outside the Airfield.

7. By their actions, JAMES N. SELLMAN, WALLACE WARD and co-conspirators caused Red Star to receive the false and fraudulent DD250s and, thereafter, to submit false and fraudulent invoices and DD250s to DFAS and DESC at Fort Belvoir, Virginia.

Overt Acts

In furtherance of the conspiracy and to effect its objects, on or about the following dates, JAMES N. SELLMAN, WALLACE A. WARD and co-conspirators falsified and forged DD250s showing that the following amounts of fuel had been delivered, when in fact the fuel had been diverted, and resulting in false invoices by Red Star to the United States Department of Defense in the following amounts:

DATE	GALLONS OF FUEL DIVERTED	AMOUNT CLAIMED BY RED STAR
5/2/2006	10454	\$ 27,877.67
5/5/2006	10759	\$ 28,691.01
5/11/2006	7168	\$ 19,114.90
5/11/2006	11415	\$ 30,440.37
5/18/2006	11142	\$ 29,712.36
5/21/2006	10961	\$ 29,712.36
5/21/2006	10495	\$ 27,987.01
5/25/2006	10453	\$ 27,987.01
5/25/2006	10400	\$ 27,733.67
5/25/2006	9905	\$ 26,413.65
5/25/2006	10776	\$ 28,736.35
5/25/2006	7184	\$ 19,157.57
5/25/2006	7721	\$ 20,589.58

5/29/2006	7746	\$ 20,589.58
5/29/2006	8217	\$ 20,589.58
5/29/2006	8536	\$ 22,762.94
6/2/2006	8796	\$ 23,620.69
6/2/2006	8675	\$ 23,295.76
6/2/2006	7248	\$ 19,463.71
6/2/2006	10191	\$ 27,366.81
6/7/2006	10601	\$ 28,467.82
6/7/2006	11552	\$ 31,021.63
6/11/2006	10618	\$ 28,513.47
6/11/2006	7351	\$ 19,740.30
6/11/2006	8875	\$ 23,832.84
6/13/2006	6603	\$ 17,731.63
6/13/2006	6650	\$ 17,857.84
6/13/2006	5725	\$ 15,373.86
6/13/2006	10777	\$ 28,940.45
6/16/2006	10365	\$ 27,834.07
6/16/2006	11411	\$ 30,642.99
6/18/2006	10776	\$ 28,937.76
6/21/2006	7394	\$ 19,855.77
6/21/2006	8981	\$ 19,855.77
6/21/2006	10495	\$ 28,183.17
6/24/2006	10523	\$ 28,258.36
6/24/2006	10629	\$ 28,543.01
6/25/2006	11437	\$ 30,712.81
6/25/2006	8499	\$ 22,823.13

6/25/2006	8267	\$ 22,200.12
6/27/2006	10865	\$ 29,176.76
7/1/2006	10190	\$ 27,517.22
7/1/2006	6993	\$ 18,884.00
7/2/2006	11289	\$ 30,484.97
7/2/2006	10744	\$ 29,013.25
7/4/2006	10499	\$ 28,351.65
7/4/2006	8778	\$ 23,704.23
7/6/2006	10618	\$ 28,673.00
7/6/2006	10401	\$ 28,087.01
7/7/2006	7299	\$ 19,710.32
7/10/2006	9931	\$ 26,817.81
7/10/2006	10701	\$ 28,897.13
7/13/2006	10428	\$ 28,159.92
7/13/2006	11392	\$ 30,763.12
7/13/2006	8486	\$ 22,915.71
7/15/2006	11689	\$ 31,565.14
7/15/2006	11480	\$ 31,000.75
7/15/2006	6445	\$ 17,404.17
7/17/2006	8888	\$ 24,001.28
7/17/2006	10476	\$ 28,289.54
7/20/2006	10234	\$ 27,636.04
7/20/2006	10618	\$ 28,673.00
8/15/2006	11289	\$ 30,858.85
8/17/2006	11014	\$ 30,107.13
8/22/2006	10561	\$ 28,868.84

8/25/2006	10652	\$ 29,117.59
8/25/2006	11141	\$ 30,454.29
8/28/2006	10336	\$ 28,253.80
8/28/2006	10470	\$ 28,620.09
9/7/2006	11104	\$ 29,560.91
9/7/2006	10930	\$ 29,097.69
9/7/2006	11052	\$ 29,422.48
9/7/2006	11061	\$ 29,446.44
9/11/2006	11157	\$ 29,702.01
9/11/2006	10813	\$ 28,786.22
9/16/2006	6666	\$ 17,746.13
9/16/2006	10506	\$ 27,968.93
9/16/2006	10504	\$ 27,963.60
9/18/2006	10341	\$ 27,529.67
9/18/2006	10760	\$ 28,645.12

(In violation of 18 United States Code, Section 371)

COUNT 2
(False Writing)

THE GRAND JURY FURTHER CHARGES THAT:

In or about July 2006, the defendant, JAMES N. SELLMAN, knowingly and willfully made and caused to be made a false writing and document, knowing the same to contain a materially false and fraudulent statement, to wit: the defendant falsely and fraudulently wrote on a DD250 the number of gallons delivered by a Red Star fuel truck to the Airfield, when the truck in fact had delivered no fuel as the defendant knew; and caused to be forged on the same DD250 the signature of another KBR employee authorized to sign the DD250 on behalf of the United States.

(In violation of Title 18, United States Code, Sections 1001 and 2)

COUNT 3
(False Writing)

THE GRAND JURY FURTHER CHARGES THAT:

In or about August 2006, the defendant, WALLACE A. WARD, knowingly and willfully made and caused to be made a false writing and document, knowing the same to contain a materially false and fraudulent statement, to wit: the defendant falsely and fraudulently wrote on a DD250 the number of gallons delivered by a Red Star fuel truck to the Airfield, when the truck in fact had delivered no fuel as the defendant knew; and caused to be forged on the same DD250 the signature of another KBR employee authorized to sign the DD250 on behalf of the United States.

(In violation of Title 18, United States Code, Sections 1001 and 2)

COUNT 4
(Bribery of a Public Official)

In or about July 2006, the defendant, JAMES N. SELLMAN, in his capacity as a public official acting for and on behalf of the United States, directly and indirectly, knowingly and corruptly accepted money in return for being influenced in the performance of an official act and to aid in committing a fraud against the United States, to wit: the defendant accepted money in return for falsely and fraudulently recording on a DD250 that a Red Star truck had delivered fuel to the Airfield, when in fact as the defendant knew, the truck had delivered no fuel.

(In violation of Title 18, United States Code, Sections 201(b)(2) and 2)

COUNT 5
(Bribery of a Public Official)

In or about August 2006, the defendant, WALLACE A. WARD, in his capacity as a public official acting for and on behalf of the United States, directly and indirectly, knowingly and corruptly accepted money in return for being influenced in the performance of an official act and to aid in committing a fraud against the United States, to wit: the defendant accepted money in return for falsely and fraudulently recording on a DD250 that a Red Star truck had delivered fuel to the Airfield, when in fact as the defendant knew, the truck had delivered no fuel.

(In violation of Title 18, United States Code, Sections 201(b)(2) and 2)

COUNT 6
(False Claim)

THE GRAND JURY FURTHER CHARGES THAT:

In or about July 2006, in the Eastern District of Virginia and elsewhere, the defendant, JAMES N. SELLMAN, knowingly made and presented, and caused to be made and presented, to the United States Department of Defense, a department of the Government of the United States, a claim by Red Star against the United States for payment for fuel delivered to the Airfield, when the defendant knew such claim to be false and fraudulent.

(In violation of Title 18, United States Code, Sections 287 and 2)

COUNT 7
(False Claim)

THE GRAND JURY FURTHER CHARGES THAT:

In or about August 2006, in the Eastern District of Virginia and elsewhere, the defendant WALLACE A. WARD, knowingly made and presented, and caused to be made and presented, to the United States Department of Defense, a department of the Government of the United States, a claim by Red Star against the United States for payment for fuel delivered to the Airfield, when the defendant knew such claim to be false and fraudulent.

(In violation of Title 18, United States Code, Sections 287 and 2)

A TRUE BILL:


*Pursuant to the E-Government Act,
the original of this page has been filed
under seal in the Clerk's Office.*

FOREPERSON

Chuck Rosenberg
United States Attorney

By: _____
Jack Hanly
Counsel for the United States
United States Attorney's Office
2100 Jamieson Avenue
Alexandria, Virginia 22314
703-299-3773
Fax: 703-299-3981
Email: jack.hanly@usdoj.gov

Steven A. Tyrrell
Chief, Fraud Section
Criminal Division
United States Department of Justice

By: 
James Graham
Trial Attorney, Fraud Section
Criminal Division
United States Department of Justice