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Former Department of Defense Employee Sentenced to 12 Months in Prison on Corruption Charges

WASHINGTON – A former Department of Defense (DOD) employee was sentenced to 12 months in prison for accepting illegal gratuities from a government contractor, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Steven Merkes, 49, of Las Vegas, was sentenced today by the Hon. Colleen Kollar-Kotelly in U.S. District Court for the District of Columbia.

On Feb. 16, 2007, Merkes pleaded guilty to a charge of accepting an illegal gratuity. As part of his plea, Merkes admitted that, beginning in early 2005, he worked as a civilian DOD employee in Stuttgart, Germany, as an operational support planner in the Future Operations Division of the U.S. Army Headquarters, Special Operations Command–Europe (HQSOCEUR). Merkes also admitted that in 2005 he took official acts to benefit Phillip Bloom, a U.S. citizen who operated and controlled construction and service companies in Romania and Iraq that did business with the U.S. government. Shortly thereafter, Merkes accepted a job offer and \$24,000 from Bloom, knowing that the job offer and the money were for official acts he had agreed to perform for Bloom.

On March 10, 2006, Bloom pleaded guilty to unrelated charges of conspiracy, bribery, and money laundering. Bloom was sentenced to 46 months in prison.

This case is being prosecuted by trial attorney John P. Pearson of the Public Integrity Section, which is headed by Section Chief William M. Welch II, and trial attorney Patrick Murphy of the Asset Forfeiture and Money Laundering Section, which is headed by Section Chief Richard Weber, of the Criminal Division. The case was investigated by the Special Inspector General for Iraq Reconstruction, the Internal Revenue Service Criminal Investigation Division, the U.S. Immigration and Customs Enforcement at the Department of Homeland Security, the Criminal Investigation Division of the U.S. Army, the U.S. Department of State Office of Inspector General, and the FBI, in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The investigation has received substantial assistance from the ICE Cybercrimes Division.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is 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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