



***United States Attorney
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**FORMER U.S. ARMY CORPS OF ENGINEERS EMPLOYEES AND OTHERS INDICTED
IN MULTIMILLION-DOLLAR BRIBERY, KICKBACK SCHEME
INVOLVING IRAQ CONSTRUCTION CONTRACTS**

NEWARK, N.J. – Three former U.S. Army Corps of Engineers (USACE) employees and two foreign contractors are charged in a 54-count Indictment for their alleged roles in a bribery and kickback scheme and for defrauding the U.S. government in connection with the award of more than \$50 million in USACE construction and infrastructure contracts in Iraq, New Jersey U.S. Attorney Paul J. Fishman announced.

The Indictment unsealed today charges five defendants:

- Egyptian-born U.S. citizen John Alfy Salama Markus, 39, of Nazareth, Pa., a former Project Engineer for the USACE in the Gulf Region North, Iraq;
- Onisem Gomez, 32, a U.S. citizen residing in Chiriqui, Panama, a former Project Engineer in Gulf Region North, Iraq who worked with Salama Markus;
- Ammar Al-Jobory, a/k/a “Ammar Hussein Muhammed Al-Jobory,” 33, an Iraqi citizen, who was employed under a USACE services contract as a Deputy Resident Engineer in Gulf Region North, Iraq;
- Ahmed Nouri, a/k/a “Ahmed Bahjat,” 41, a citizen of Great Britain residing in Greece and Iraq, and the former Vice President of Operations for Iraqi Consultants & Construction Bureau (“ICCB”) – a privately owned foreign engineering and construction company that sought and was awarded lucrative USACE construction and infrastructure contracts in Iraq with Salama Markus’ and Gomez’s assistance;
- and Mithaq Al-Fahal, a/k/a “Mithaq Mahmood Al-Fahal,” 36, an Iraqi citizen, who was a Senior Project Manager at Sakar Al-Fahal – a privately owned foreign engineering and construction company that sought and was awarded USACE construction and infrastructure contracts in Gulf Region North, Iraq.

“According to the Indictment, Salama Markus and his co-conspirators corrupted tens of millions in Iraq construction contracts,” said U.S. Attorney Fishman. “The defendants allegedly treated projects to secure safe access to fuel, electricity, education and medical treatment as opportunities for illegally amassing personal wealth. Bribes are not part of the cost of doing business with or in the United States; they are a violation of our laws and an unfair tarnish on those who serve our country with honor.”

“The allegations in this indictment of corrupt activity by Salama Markus and representatives of the Defense Department’s Army Corp of Engineers are disturbing in light of

the many sacrifices our men and women in the Armed Forces are making every day,” said Edward T. Bradley, Special Agent in Charge of DoD’s Defense Criminal Investigative Service (DCIS), Northeast Field Office. “The American taxpayer expects DoD to manage a procurement system free of bribery and corruption and the Defense Criminal Investigative Service is committed to aggressively pursue these crimes and to support their prosecution to the fullest.”

“Today’s Indictment alleges Salama Markus used his position to undermine the process of fair and open competition by soliciting bribes in exchange for confidential bidding information,” stated Victor W. Lessoff, Special Agent in Charge, IRS-Criminal Investigation. “The IRS is committed to aggressively pursuing those individuals who engage in corruption, money laundering and tax fraud to line their own pockets for personal financial gain.”

Salama Markus was charged by criminal Complaint in October 2010 with conspiracy to commit bribery and to defraud the U.S. government and with money laundering offenses involving some of the same conduct charged in the Indictment. He was released on \$500,000 bail secured by property at that time, and was ordered to wear an electronic monitoring bracelet. Nouri, who was charged in that Complaint with conspiring to commit bribery and to defraud the U.S. government with Salama Markus, remains at large. Gomez, Al-Fahal and Al-Jobory also remain at large. Salama Markus is scheduled to be arraigned on August 4, 2011, before U.S. District Judge Jose L. Linares in Newark federal court.

The charges per defendant and maximum potential penalties if convicted are as follows:

Count(s)	Defendants	Charge	Maximum Potential Penalty
1-11	Salama Markus, Nouri, Gomez, Al-Fahal, Al-Jobory	Wire fraud	20 years in prison; \$250,000 fine, or twice the gross pecuniary gain or loss
12	Salama Markus, Nouri, Gomez	Conspiracy to commit bribery and defraud the U.S. government	Five years in prison; \$250,000 fine, or twice the gross pecuniary gain or loss
13	Salama Markus, Gomez, Al-Jobory, Al-Fahal	Conspiracy to commit bribery and defraud the U.S. government	Five years in prison; \$250,000 fine, or twice the gross pecuniary gain or loss
14	Salama Markus	Use of interstate/foreign facilities to distribute bribery proceeds or promote bribery	Five years in prison; \$250,000 fine, or twice the gross pecuniary gain or loss
15	Salama Markus, Al-	Use of	Five years in prison;

	Jobory, Gomez	interstate/foreign facilities to distribute bribery proceeds or promote bribery	\$250,000 fine, or twice the gross pecuniary gain or loss
16	Salama Markus	Use of interstate/foreign facilities to distribute bribery proceeds or promote bribery	Five years in prison; \$250,000 fine, or twice the gross pecuniary gain or loss
17	Salama Markus, Gomez	Use of interstate/foreign facilities to distribute bribery proceeds or promote bribery	Five years in prison; \$250,000 fine, or twice the gross pecuniary gain or loss
18-49	Salama Markus	Illegal money transactions	10 years in prison; fine of the greater of \$250,000 or twice the amount of the criminally derived property involved in the transactions
50-51	Salama Markus	Subscribing to false tax returns	Three years in prison; \$250,000 fine
52-54	Salama Markus	Willful failure to disclose foreign bank accounts	Five years in prison; \$250,000 fine

According to the Indictment unsealed today:

Salama Markus accepted approximately \$4.2 million in bribes and kickbacks in connection with the award and administration of USACE contracts. From September 2005 to July 2008, Salama Markus was deployed to Tikrit as a Project Engineer, where he was involved in the review and award process for contractors seeking lucrative USACE contracts in Gulf Region North, Iraq, as well as the administration, oversight and modification of such contracts, post-award. From October 2007 to October 2008, Gomez worked with Salama Markus as a USACE Project Engineer in Tikrit.

Salama Markus and Gomez participated in a scheme to provide favorable official action and assistance to co-conspirators Nouri and Al-Fahal for the benefit of their companies, including by: providing Nouri and Al-Fahal confidential information, including confidential internal contract pricing materials prepared by the USACE and competitor contractors' bid

information; steering USACE contracts to companies associated with Nouri and Al-Fahal; and approving lucrative payments for these companies. All of these actions were taken in exchange for bribes and kickbacks that Salama Markus and Gomez accepted from Nouri and Al-Fahal, sometimes through Al-Jobory. In addition to being a USACE contract employee, Al-Jobory acted as a “broker” for Salama Markus, approaching foreign contractors in and around Gulf Region North willing to pay Salama Markus and Al-Jobory bribes and kickbacks in connection with the bidding, selection, award and administration of USACE contracts.

In a period of less than one year – from approximately July 2007 to June 2008 – Salama Markus accepted approximately \$4.2 million in bribe and kickback payments in connection with USACE contracts awarded to companies associated with Nouri and Al-Fahal. Gomez accepted at least \$170,000 in bribes through Salama Markus in 2008.

The Indictment details many of the USACE contracts that were the subject of the bribery and fraud scheme, which are outlined in a chart appended to this document.

With respect to these and other USACE contracts, Salama Markus created, maintained and sent via email to Nouri, Al-Fahal and Al-Jobory spreadsheets and other records detailing: USACE contracts awarded to companies associated with Nouri and Al-Fahal; the value of those contracts; the percentage being solicited and demanded by Salama Markus; and the payments made by Nouri and Al-Fahal to Salama Markus. For instance, on October 31, 2007, Salama Markus emailed Nouri attaching a spreadsheet called “Deal W Hamada.xls,” (“Hamada” being Salama Markus’ nickname for Nouri) detailing approximately 10 contracts that had been awarded to companies associated with Nouri, including the Baqubah Landfill Contract. The spreadsheet listed the value of \$6,893,205 for the Baqubah contract and columns called “Percentage” and “5% from Total,” detailing, among other things, the \$360,000 that Salama Markus was soliciting from Nouri in exchange for his official assistance on the Baqubah contract.

As another example of the email communications between the defendants, Salama Markus sent an email on January 14, 2008, to Al-Jobory which read: “I need to know where the 90K is? Nothing in bank yet. And this is not good. Please send the money b/c ONI [Gomez] will not process the invoice until he get [sic] full payment.”...

Salama Markus used at least six foreign bank accounts in Jordan and Egypt to transfer illegal bribe and kickback payments to U.S. bank accounts from and through Nouri, Al-Fahal and Al-Jobory. At least a dozen of the U.S. accounts were based in New Jersey. Salama Markus also used the foreign accounts to send bribe and kickback payments to Gomez.

The Indictment additionally charges Salama Markus with willfully subscribing false tax returns and willfully failing to file reports of foreign bank accounts with the U.S. Department of Treasury, and seeks forfeiture from Salama Markus of over \$5 million in proceeds relating to the illegal transactions set forth in the Indictment, his Nazareth, Pa. residence, and seven automobiles

and motorcycles.

U.S. Attorney Fishman praised special agents of DCIS, under the direction of Special Agent in Charge Bradley; IRS-Criminal Investigation, under the direction of Special Agent in Charge Lessoff, and criminal investigators from his Office for their work leading to the charges unsealed today. He also thanked special agents of the U.S. Department of Homeland Security, Immigration and Customs Enforcement, Homeland Security Investigations, under the direction of Special Agent in Charge Peter T. Edge; and the U.S. Army Criminal Investigation Command, Mid-Atlantic Fraud Field Office, under the direction of Special Agent in Charge Forrest Woodward, for their work in the ongoing investigation.

The government is represented by Assistant U.S. Attorney Sandra L. Moser of the U.S. Attorney's Office Special Prosecutions Division in Newark.

The charges and allegations contained in the Indictment are merely accusations, and the defendants are considered innocent unless and until proven guilty.

USACE Contracts Subject to Bribery Scheme

Contract/ Contractor	Contract Amount (\$)	Work Required	Paragraph Reference in Indictment (Counts 1 to 11)
Bayji Oil Refinery Security Enhancements Contract – ICCB	6,215,167	To supply, install, operate and provide the expertise necessary to construct a variety of infrastructure improvements at the Bayji Oil Refinery in Salah ad Din Province near the city of Bayji, Iraq—to include grading; trenching; compaction; paving; fencing; and equipment installation	24(a) to 24(m)
Northern Iraq Task Order 005, relating to Bayji Oil Refinery Security – ICCB	3,988,140	Perform infrastructure improvements at the Bayji Oil Refinery, including: equipment installation involving wireless surveillance cameras, computers and monitors; installation of electrical cables; and the construction of guard shacks	24(p)(i)
Northern Iraq Task Order 0001, relating to Bayji Substation Security – ICCB	510,306	Design and construct improvements to an electrical substation in Bayji, including: paving; removal of vegetation; installation of blast walls, security gates and fencing; and the establishment of secure access points	24(p)(ii)
Northern Iraq Task Order 0002, relating to Taza Power Station Security	219,523	Design and construct security features in Kirkuk Province, including: establishment of security access points; paving	24(p)(iii)

Improvements – ICCB		road to site; placement of jersey barriers; removal of vegetation; repair of chain link fences; and installation of operational lighting	
Northern Iraq Task Order 0004, relating to Bayji Oil Refinery Lighting – ICCB	1,590,274	Provide and install, among other things: waterproof lighting, transformers, high-tension fuses, circuit breakers, a grounding system, and lighting poles	24(p)(iv)
Construction of five Primary Healthcare Centers (“PHCs”) – SD01, SD02, SD03, SD06 and SD07 – in Salah ad Din Province – ICCB	911,699	Construct five PHCs that were to provide enhanced medical capabilities in the Salah ad Din Province and replace existing insufficient medical facilities	24(u) to 24(z)
Al-Alam Mobile Substation – Ramiz Al-Iraq	966,726	The supply and installation of a mobile substation – a movable electrical substation used in the event of planned utility substation outages and to provide emergency power supply – in Al-Alam, Salah ad Din Province	24(aa) to 24(hh)
Sommer Substation – Ramiz Al-Iraq	3,577,641	Design and construct various structures, along with the installation of underground insulated cable lines, for an electrical substation in Ninawa Province	24(ii) to 24(kk)
Baqubah Landfill – ICCB	6,893,205	Design and construct a municipal solid waste, construction and debris landfill, to include a surface water management system and supporting facilities, in Baqubah, Diyala Province	24(ll) to 24(rr)

Baghdad to Bayji Pipeline Exclusion Zone Contracts:			
Segment 2 – Sakar Al-Fahal	6,466,000	Project involving geographic segments of an initiative to provide protection to a national Iraqi oil pipeline and eliminate threats and disruptive activities. The project required construction and installation of a system of ditches, berms, fences, coiled razor wire, guard shack and barriers	24(tt) to 24(yy)
Segment 3 – Al Jubori Company	7,242,000		
Segment 5 – Sakar Al-Fahal	5,877,000		
Said Sadiq School – ICCB	981,221	Construct a 12-room school in Said Sadiq, Iraq	24(zz) to 24(bbb)
Tuz Electrical Network – Sakar Al-Fahal	1,121,020	Rehabilitate and upgrade the electrical network of the City of Tuz, Salah ad Din Province	24(ccc) to 24(uuu)
Al Jallam Mobile Substation – Sakar Al-Fahal	1,150,010	Construct an electrical substation in Salah ad Din Province	24(ccc) to 24(uuu)
Phase 3 Exclusion Zone – Sakar Al-Fahal	749,790	Construct electrical tower force protection exclusion zones	24(ccc) to 24(uuu)
Aziz Balad 16 MVA Mobile Substation – Al-Jubori Company	1,035,600	Construct electrical substation in Salah ad Din Province	24(ccc) to 24(uuu)
Electrical Towers Hardening Phase 2 Contract – ICCB	655,420	Design and construct an electrical tower force protection exclusion zone for electrical transmission towers	25(o)
TOTAL	50,150,292		

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Defense counsel for Salama Markus: Michael Rogers Esq., Somerville, N.J.