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Former Army Major and Wife Convicted on All Charged Counts for Roles in Bribery Scheme Related to Defense Contracts to Support Iraq War

To Date, 16 Individuals Have Pleaded Guilty or Been Convicted at Trial in Ongoing Corruption Investigation

WASHINGTON - A federal jury in Decatur, Ala., has convicted Eddie Pressley, a former U.S. Army Major, and his wife, Eurica Pressley, on 22 counts in connection with a bribery and money laundering scheme related to defense contracts awarded in support of Operation Iraqi Freedom, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division.

Eddie and Eurica Pressley were found guilty yesterday of one count of bribery, one count of conspiracy to commit bribery, eight counts of honest services fraud, one count of money laundering conspiracy and 11 counts of engaging in monetary transactions with criminal proceeds.

The case against the Pressleys arose from a corruption probe focusing on Camp Arifjan, a U.S. military base in Kuwait. As a result of this investigation, 16 individuals including the Pressleys, have pleaded guilty or been found guilty at trial for their roles in the scheme.

“The Pressleys are the latest in a line of 16 defendants to be convicted at trial or plead guilty for the bribery scheme at Camp Arifjan,” said Assistant Attorney General Breuer. “Eddie Pressley recruited his wife to join him in an audacious plan to take bribes in exchange for official contracting action on behalf of the U.S. Army, and together they accepted nearly \$3 million in illegal payments. They hid their criminal proceeds in off-shore bank accounts and spent their gains on lavish personal items. Thanks to the hard work and dedication of prosecutors from the Criminal Division’s Public Integrity Section and federal law enforcement agents, the Pressleys are today facing the consequences for their flagrant betrayal of the public trust.”

“The government places special trust in its contracting officers, whether military or civilian, and the egregious behavior exhibited in this case undermines the tremendous efforts by those honorable service members and civilians risking their lives to protect U.S. interests,” said Special Agent in Charge Robert E. Craig Jr. for the Defense Criminal Investigative Service-Mid-Atlantic Field Office. “The Defense Criminal Investigative Service continues to aggressively investigate and bring to justice those who, for their own personal gain, criminally violate the special trust and confidence instilled in them by the Department of Defense.”

“This guilty verdict of the Pressley’s sends a very strong message to all who attempt to defraud the U.S. Army,” said James Podolak, Director of Army Criminal Investigation Division’s Major Procurement Fraud Unit. “Regardless of how perpetrators attempt to disguise their thievery, we will ultimately catch them and we will work diligently to see them brought to justice. Secret bank accounts abroad and an elaborate bribery scheme are not enough to hide illegal actions from our specially-trained Army CID Special Agents working in cooperation with our other law enforcement partners.”

“Today’s verdict demonstrates the value IRS Criminal Investigation brings to multi-agency investigations,” said Victor Song, Chief, Internal Revenue Service-Criminal Investigation (IRS-CI.) “Our expertise in following the money in this case, along with the collective efforts of our law enforcement partners, has resulted in justice for the American taxpayer.”

Evidence presented at trial demonstrated that Eddie Pressley took various contracting actions to benefit certain contractors who paid him bribes, including Terry Hall. Pressley served as a U.S. Army contracting official at Camp Arifjan between 2004 and 2005. From spring 2004 through fall 2007, Hall operated and had an interest in several companies, including Freedom Consulting and Catering Co. and Total Government Allegiance. In February 2005, Eddie Pressley arranged for Hall to obtain a blanket purchase agreement (BPA) to deliver goods and services to the U.S. Department of Defense (DoD) and its components in Kuwait and elsewhere.

A BPA is a type of contract by which the DoD agrees to pay a contractor a specified price for a particular good or service. Based on a BPA, the DoD orders the supplies on an as-needed basis. The contractor is then obligated to deliver the supplies ordered at the price agreed upon in the BPA. The term for such an order by the DoD is a “call.”

According to Hall’s testimony and other evidence presented at trial, Pressley demanded a \$50,000 bribe before he would issue bottled water calls to Hall. Hall testified that in April 2005, he and his associates arranged for Pressley to receive the money in a bank account established in the name of a shell company, EGP Business Solutions Inc.

Hall’s testimony and other evidence at trial showed that soon after the \$50,000 bribe was paid, Pressley and John Cockerham, another U.S. Army contracting official, increased the bribe demand to \$1.6 million, which consisted of \$800,000 for Pressley and \$800,000 for Cockerham. After Hall and others agreed to pay the money, Pressley and Cockerham took various official acts to benefit Hall, including, among other things, issuing calls for bottled water and fencing, arranging for Hall to receive a fence contract, and modifying Hall’s BPA to remove the upper limit of the money Hall could receive from the DoD under the bottled water BPA.

Evidence at trial also showed that Eddie Pressley enlisted the help of his wife, Eurica, to receive the bribes. On March 9, 2005, he sent his wife an e-mail in which he told her, among other things, “You will be getting some paperwork with your maiden name on it,” “I need you to sign it and mail to whatever (sic) address on it,” “I am doing some consulting,” and “Of course I am not going to turn down any money, but I can’t have anyone paying me in my name because I am in the military so I had them put everything in your maiden name.”

According to evidence presented at trial, Eurica Pressley traveled to Dubai in May 2005 and to the Cayman Islands in June 2005 to open bank accounts to receive the bribe money. She also took control of the U.S.-based account in the name of EGP Business Solutions Inc. A law enforcement agent testified at the trial about various false and misleading statements Eurica Pressley made to him during a voluntary interview at her home, including her denial that she had any foreign bank accounts. In

addition, the evidence presented at trial demonstrated that Eddie and Eurica Pressley, Hall and others attempted to conceal the true nature of their corrupt scheme by having Eurica Pressley execute bogus “consulting agreements.” They also prepared false invoices that were designed to justify the bribe payments as payment for non-existent “consulting services.”

Bank statements and wire transfer reports demonstrated that, in total, the Pressleys received approximately \$2.9 million in bribe payments, approximately \$1.6 million of which consisted of payments from other contractors that Hall facilitated for Eddie Pressley. Bank statements, wire transfer reports and other records presented at trial showed that the Pressleys used the money to purchase real estate, expensive automobiles and home decorating services, among other things.

Former U.S. Army Major James Momon also testified at trial that Pressley and Cockerham recruited him to join the bribe scheme and that he took various official acts to receive bribes from some of the same contractors who paid Pressley and Cockerham, including Hall. Additionally, he testified that Pressley told him that if they got caught they would spend “six years in jail” and that Cockerham and Pressley warned him to be careful.

Eddie and Eurica Pressley each face a maximum sentence of 15 years in prison for bribery, five years in prison for conspiracy, 20 years in prison for each of the eight counts of honest services fraud, 20 years in prison for money laundering conspiracy and 15 years in prison for each of the counts of engaging in monetary transactions with criminal proceeds. They also face maximum fines of \$250,000 per count. Following the guilty verdict, the defendants agreed to forfeit \$27,178,407. U.S. District Judge Virginia Emerson Hopkins scheduled sentencing for June 29, 2011.

On Feb. 18, 2010, Hall pleaded guilty to bribery conspiracy and money laundering conspiracy and agreed to forfeit \$15.7 million to the U.S. government in connection with his payment of more than \$3 million in bribes to Cockerham, Eddie Pressley, Momon and Christopher Murray.

On Aug. 13, 2009, Momon pleaded guilty to receiving approximately \$1.6 million in bribes and agreed to pay \$5.7 million in restitution. On Jan. 8, 2009, Murray pleaded guilty to charges of bribery and making a false statement. He was sentenced on Dec. 17, 2009, to 57 months in prison and ordered to pay \$245,000 in restitution.

On Jan. 31, 2008, Cockerham pleaded guilty to participating in a bribery and money laundering scheme at Camp Arifjan. He was sentenced on Dec. 2, 2009, to 210 months in prison and ordered to pay \$9.6 million in restitution.

The case is being prosecuted by Trial Attorneys Peter C. Sprung and Edward J. Loya Jr. of the Criminal Division’s Public Integrity Section. The case is being investigated by special agents of the Defense Criminal Investigative Service, the Army Criminal Investigation Command Division, IRS-CI, the FBI’s Washington Field Office and the Special Inspector General for Iraq Reconstruction.