

**Former Army Major Sentenced to Prison in Bribery and Money Laundering Scheme Related to Dod Contracts in Support of Iraq War**

*To Date, 17 Individuals Have Pleaded Guilty or Been Convicted at Trial in Ongoing Corruption Investigation*

WASHINGTON – Eddie Pressley, 41, a former U.S. Army contracting official, was sentenced in Birmingham, Ala., for his participation in a bribery and money laundering scheme related to bribes paid for contracts awarded in support of the Iraq war, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division.

U.S. District Judge Virginia Emerson Hopkins sentenced Eddie Pressley late yesterday to 144 months in prison and ordered him to serve three years of supervised release following the prison term. The court said it would also require Pressley to forfeit \$21 million as well as real estate and several automobiles.

"Mr. Pressley participated in a wide-ranging scheme to steer U.S. Army contracts to particular providers in exchange for personal, illegal profit," said Assistant Attorney General Breuer. "Taking in nearly \$3 million, he enlisted his wife to help him conceal the nature of his bribes and created phony paperwork to keep the scheme going. This sentence sends the message loud and clear that we will not tolerate corruption of any kind, and are determined to hold corrupt officials accountable."

"This contracting scheme was driven by greed and is in no way representative of the vast majority of public officials and government contractors who work hard to serve our military," said James McJunkin, Assistant Director of the FBI's Washington Field Office. "The FBI will continue to investigate contracting fraud which deprives the U.S. government of taxpayer dollars, regardless of where it occurs."

"I am pleased to see a perpetrator of criminal activity in Iraq justly sentenced," said Stuart W. Bowen Jr., Special Inspector General for Iraq Reconstruction (SIGIR). "This individual sought to enrich himself at the expense of U.S. taxpayers. SIGIR's investigations team will continue to pursue criminals operating in Iraq and bring them to justice."

"This sentence sends a clear message of deterrence to anyone contemplating such an egregious breach of public trust. It is not a matter of if you will be caught, but a matter of when," said James K. Podolak, director of Army CID's Major Procurement Fraud Unit (MPFU). "The outcome of this investigation is yet another testament to the teamwork among the special agents of the U.S. Army Criminal Investigation Command's MPFU and our fellow federal law enforcement agencies."

"This sentencing represents the seriousness with which the government will pursue corruption among its ranks," said Special Agent in Charge Robert E. Craig for the Defense Criminal Investigative Service. "The Defense Criminal Investigative Service stands with our service members as they deploy throughout the world and will root out shameless bribery schemes such as this one perpetrated by Mr. Pressley. DCIS continues to work alongside our investigative partners at Army CID, SIGIR, FBI, IRS-CI, and Public Integrity to jointly bring these matters to justice."

Eddie Pressley, and his wife Eurica Pressley, were found guilty at trial on March 1, 2011, 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. A sentencing date for Eurica Pressley has not yet been scheduled by the court.

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, 17 individuals, including the Pressleys, have pleaded guilty or been found guilty at trial for their roles in the scheme.

Evidence presented at trial showed that Eddie Pressley took various 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 to receive the bribes. On March 9, 2005, he sent his wife an email 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 the Pressleys, 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. Evidence 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 Eddie 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.

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.

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. He is scheduled to be sentenced on Feb. 23, 2012.

On Aug. 13, 2009, Momon pleaded guilty to receiving approximately \$1.6 million in bribes and agreed to pay \$5.7 million in restitution. Momon’s sentencing has not yet been scheduled. 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.

The case is being prosecuted by Trial Attorneys Peter C. Sprung and Edward J. Loya, Jr. of the Criminal Division’s Public Integrity Section. Assistance was also provided by the Criminal Division’s Office of International Affairs. The cases are being investigated by the Army CID, DCIS, ICE, FBI, IRS-CI, SIGIR and the International Contract Corruption Task Force (ICCTF). The ICCTF is a joint law enforcement agency task force that seeks to detect, investigate and dismantle corruption and contract fraud resulting from U.S. Overseas Contingency Operations worldwide, including in Kuwait, Afghanistan and Iraq.