

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

MARINE STAFF SERGEANT ADMITS RECEIVING \$150,000 IN BRIBES FROM MILITARY CONTRACTORS WHILE DEPLOYED AT CAMP FALLUJAH, IRAQ

NEWS RELEASE SUMMARY - December 6, 2012

United States Attorney Laura E. Duffy announced that Gilbert Mendez, a Staff Sergeant in the United States Marine Corps, pled guilty today before Magistrate Judge Jan M. Adler to conspiring to defraud the United States by accepting hundreds of thousands of dollars in payments from companies that received millions of dollars in military contracts.

According to court documents, Mendez was a Staff Sergeant in the United States Marines Corps, deployed to Camp Fallujah, Iraq as a warranted Contracting Officer from January 2006 to January 2007. In that capacity, Mendez was responsible for awarding and administering contracts for goods and services in support of Operation Iraqi Freedom.

According to court records and admissions in his guilty plea, Mendez abused his position as Contracting Officer by obtaining at least \$150,000 in bribes from three foreign-owned military

contractors doing business at Camp Fallujah. Mendez received the bribe money either directly, or via his friend, Francisco Mungia (who was previously charged in the District of Hawaii and has already pled guilty). Mendez discussed with Mungia ways to bring money into the United States without being detected by military or law enforcement officials and agreed to deal only in cash in an effort to avoid currency transaction laws. Mendez agreed to share a percentage of the proceeds with Mungia that were collected from the military contractors on Mendez's behalf.

As detailed in court proceedings, Mungia flew from San Diego to New York City (on or about March 9, 2006) to pick up a \$28,500 cash payment for Mendez provided by one of the defense contractors ("Company 1"). Company 1 also paid Mendez (via Mungia) an additional \$60,000 via international wire transfer – for a total of almost \$90,000. During this same time, Mendez awarded Company 1 approximately \$1 million in Department of Defense (DoD) contracts at Camp Fallujah.

Court papers also revealed that, in or about May 2006, Mendez provided Mungia's name and telephone number to a representative of another defense contractor ("Company 2") for the purpose of receiving cash payments. After Mungia gave the representative of Company 2 his Washington Mutual Bank account information, \$20,000 was deposited into the account on Mendez's behalf on or about May 30, 2006. During his deployment, Mendez awarded Company 2 approximately \$1,663,000 in DoD contracts.

Finally, in or about Summer 2006, Mendez discussed with Mungia plans to obtain a Cadillac Escalade in lieu of cash from yet another defense contractor ("Company 3"). Due to concerns about appearing to live above his means, Mendez decided to demand a cash payment. Thereafter, Company 3 (between June 26, 2006 and July 10, 2006) deposited into Mungia's bank accounts approximately \$50,000 in wire transfers – on behalf of Mendez.

Upon receipt of all this money from Company 1, Company, 2, and Company 3, Mungia deducted his portion, and remitted the remainder to Mendez or his designee by cash, money order, and check.

United States Attorney Duffy praised the thorough investigative work by Defense Criminal Investigative Service (“DCIS”), Army Criminal Investigations Command (“Army CID”), Naval Criminal Investigative Service (“NCIS”), the FDIC – Office of the Inspector General, and all the members of the International Contract Corruption Task Force (“ICCTF”), who diligently pieced together the full scope of this conspiracy.

The defendant’s plea is subject to final acceptance by United States District Court Judge Janis L. Sammartino. Sentencing is scheduled for March 1, 2013, at 9:00 a.m. before Judge Sammartino.

DEFENDANT **Criminal Case No. 12-CR4248-JLS**

Gilbert Mendez

SUMMARY OF CHARGES

Count 1: Title 18, United States Code, Section 1349 – Conspiracy To Commit Wire Fraud
Maximum Penalties: 20 years custody; \$250,000 fine; \$100 S/A; 3 year supervised release.

INVESTIGATING AGENCIES

Defense Criminal Investigative Service (“DCIS”)
Army Criminal Investigations Command (“Army CID”)
Naval Criminal Investigative Service (“NCIS”)
FDIC – Office of the Inspector General