



Department of Justice

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TWO DEPARTMENT OF DEFENSE CONTRACTORS CHARGED IN BRIBERY CONSPIRACY RELATED TO DOD CONTRACTS IN AFGHANISTAN

Lebanese Contracting Company Also Charged in Conspiracy

WASHINGTON — Two Department of Defense (DOD) contractors were charged with conspiracy and bribery relating to their roles involving DOD contracts in Afghanistan, the Department of Justice today announced. A Lebanese contracting company is also charged with participating in the same conspiracy.

The criminal complaint, unsealed today and originally filed on April 3, 2009, in U.S. District Court in Alexandria, Va., charges Dinorah Cobos with bribery and conspiracy to commit bribery. Cobos, a U.S. citizen living in Dubai, United Arab Emirates, worked as a contractor with the U.S. Army Corps of Engineers at the Afghanistan Engineer District in Kabul, Afghanistan. The criminal complaint also charged Afghanistan Engineer District contractor Raymond Azar, a citizen of Lebanon, with conspiracy to commit bribery, and Sima Salazar Group, a Lebanese military contracting company, with bribery and conspiracy to commit bribery.

Cobos and Azar were located in Afghanistan at the time the charges were filed. They were taken into U.S. custody and transferred to the United States, with the authorization of Afghan authorities. Cobos and Azar made their initial appearance on Thursday, April 9, 2009, in front of U.S. Magistrate Judge T. Rawle Jones Jr., in Alexandria, Va.

According to the court documents, beginning in 2008, Cobos and Azar conspired to bribe a U.S. Army Corps of Engineers contracting officer in exchange for approval of payment of fraudulent invoices on contracts that Sima Salazar Group held with the U.S. Army Corps of Engineers in Afghanistan. The court documents allege that Cobos offered to pay the contracting officer up to 1.5 percent of any payments made by U.S. Corps of Army Engineers to Sima Salazar Group and that \$16,789 in bribe money was, in fact, wired to the contracting officer in the United States.

“We will aggressively prosecute military contractors who attempt to bribe government officials in order to line their own pockets,” said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department’s Antitrust Division. “The alleged conduct is particularly egregious because the contracts at issue were intended to assist U.S. soldiers abroad serving their country.”

“The FBI remains committed to ensuring a fair and honest procurement process,” said Assistant Director Kenneth W. Kaiser of the FBI’s Criminal Investigative Division. “Working with our partners, we will continue to pursue all individuals who engage in bid rigging, bribery or other criminal conduct that impact our U.S. military operations and soldiers overseas.”

“Today’s announcement is a testament to our solid and continued partnership with the Department of Justice and other law enforcement agencies in the fight against fraud and greed here and abroad,” said Brig. Gen. Rodney Johnson, commander of the U.S. Army’s Criminal Investigation Command.

“The Department of Defense requires contractors to adhere to ethical standards designed to guarantee the integrity of the acquisition process,” said Sharon Woods, Director of the Defense Criminal Investigative Service. “Individuals who engage in disreputable activity which compromises the process undermine principles of fair and open competition government agencies strive to support. The Defense Criminal Investigative Service remains committed to ensuring military contractors who engage in fraudulent activity are held firmly accountable.”

“As part of its continuing work to prevent fraud, the Afghanistan Engineer District of the U.S. Army Corps of Engineers actively supported these agencies in their investigation. The developments of this case should serve as a warning to other contractors of the consequences they face for criminal actions aimed at the United States and the people of Afghanistan,” said Col. Thomas E. O’Donovan, Commander of the Afghanistan Engineer District of the U.S. Army Corps of Engineers.

Cobos faces up to 15 years in prison and a fine of \$250,000 or twice the thing of value offered for the bribery count, and Cobos and Azar each face up to five years in prison and a fine of \$250,000 for the conspiracy count. Sima Salazar Group faces fines of up to \$500,000 for bribery and \$500,000 for conspiracy. The maximum fine for each of these violations may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

This case is being prosecuted by the Antitrust Division’s National Criminal Enforcement Section, with assistance from the Criminal Division’s Office of International Affairs and the U.S. Attorney’s Office for the Eastern District of Virginia. The investigation of this case is being conducted by the FBI’s Washington Field Office, U.S. Army Criminal Investigation Command, Defense Criminal Investigative Service, and members of 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, including in Afghanistan, Iraq and Kuwait. Additional assistance was provided by the U.S. Army Corps of Engineers.

Today's charges reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, 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.

Anyone with information concerning bid rigging, bribery or other criminal conduct regarding DOD contracts is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694; the FBI at 800-225-5324; Defense Criminal Investigative Service at 800-424-9098 or hotline@dodig.mil; or Army Criminal Investigation Division at www.cid.army.mil.

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