



Department of Justice

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FORMER CONSTRUCTION COMPANY EXECUTIVE DOING BUSINESS IN COLORADO PLEADS GUILTY TO PROVIDING AN ILLEGAL GRATUITY

WASHINGTON — A former managing executive of a construction company that had substantial business at Fort Carson, a U.S. Army installation in Colorado Springs, Colo., pleaded guilty to providing an illegal gratuity to a contracting officer, the Department of Justice announced today.

According to a one-count felony charge filed on Dec. 2, 2010, in U.S. District Court in Denver, Wendel P. Torres provided an illegal gratuity to William T. Armstrong, the former chief of the construction division of the Fort Carson Directorate of Contracting, who was authorized to award contracts for construction projects on behalf of the U.S. Army.

According to the court documents, prior to April 2007, Armstrong had awarded multiple construction contracts at Fort Carson to Torres' company. Armstrong contacted Torres in approximately April 2007 regarding construction materials he needed for his home. After some discussion, in May of 2007, Torres arranged for delivery of the construction materials to Armstrong's home. Torres informed Armstrong that he did not need to pay for the materials and Armstrong did not pay for the materials. On Sept. 2, 2010, Armstrong pleaded guilty to providing a false statement to the U.S. Army when he did not report the receipt of the materials in his annual financial disclosure report. The department said that Torres has agreed to cooperate with the department's ongoing investigation related to anticompetitive conduct at Fort Carson.

Torres faces a maximum sentence of two years in prison and a \$250,000 fine. The maximum fine 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.

Today's plea arises from an ongoing investigation related to the award of construction contracts at Fort Carson. This investigation is being conducted jointly by the Department of Justice Antitrust Division's Chicago Field Office, the U.S. Army Criminal Investigation Command and the Defense Criminal Investigative Service, with the assistance of the U.S. Attorney's Office in Denver.

Anyone with information concerning suspicious activity relating to the award of construction contracts at Fort Carson or other military bases should contact the Antitrust Division's Chicago Field Office at 312-353-7530 or visit www.justice.gov/atr/contact/newcase.htm.

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