



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

John E. Murphy, U.S. Attorney

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**U.S. ARMY CAPTAIN PLEADS GUILTY TO RECEIVING KICKBACKS
FOR AWARDING CONTRACTS IN IRAQ**

United States Attorney John E. Murphy announced that 38-year-old United States Army Captain Faustino L. Gonzales of Killeen, Texas, faces up to two years in federal prison and a maximum \$250,000 fine after admitting to receiving approximately \$25,000 in kickbacks in exchange for awarding reconstruction contracts in Iraq.

Appearing before United States District Judge Walter S. Smith, Jr., this afternoon in Waco, the U.S. Army Project Purchasing Officer pleaded guilty to one count of gratuity received by a public official. By pleading guilty, Gonzales admitted that in September 2006, he conspired with Chasib Mahdi d/b/a/ General Contracting Company, to receive cash bribes for awarding contracts under the Commander's Emergency Relief Program for Iraq Reconstruction. Gonzales further admitted that the contracts he awarded to Mahdi, designated for projects near Forward Operating Base, Rustimayyah, Iraq, were based on inflated prices. Gonzales also admitted that portions of the bribe money were deposited into banks accounts located in Killeen and San Antonio and that he used some of the bribe money to purchase a vehicle in Killeen.

"I applaud the work the joint investigations team has done to bring justice in this case. It is unfortunate that some individuals seek to enrich themselves while their colleagues risk their lives to rebuild Iraq," said Stuart Bowen, the Special Inspector General for Iraq Reconstruction.

"This case highlights the need to strengthen the internal controls that help to monitor the distribution of reconstruction money in Iraq," Bowen said. "Greater oversight of funds from the outset of an overseas conflict would reduce the ability of criminals such as Gonzales to steal reconstruction money."

Sentencing is scheduled for 1:00pm on September 8, 2010.

This case is being investigated by agents with the United States Army, Criminal Investigation Command, Defense Criminal Investigation Service, Special Inspector General for Iraq Reconstruction and the United States Postal Inspection Service. Assistant United States Attorney Greg Gloff is prosecuting this case on behalf of the Government..

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