



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 22, 2008
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AT
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TDD (202) 514-1888

A U.S. ARMY RESERVE MAJOR PLEADS GUILTY FOR ROLE IN BRIBERY SCHEMES INVOLVING DEPARTMENT OF DEFENSE CONTRACTS IN IRAQ

WASHINGTON — A major in the U.S. Army Reserve, Theresa Jeanne Baker, pleaded guilty today for her role in two bribery schemes involving U.S. Department of Defense (DOD) contracts at Camp Victory, Iraq, the Department of Justice announced today.

Baker pleaded guilty in U.S. District Court in Oklahoma City to conspiracy and bribery charges. The plea is subject to court approval, and Baker's sentence will be determined by the court.

As part of the same investigation, Elie Samir Chidiac, a former employee of a defense contractor, Raman International Inc., which does business as Raman Corporation (Raman), was indicted in January 2008 on conspiracy to commit bribery in connection with the same activity. Chidiac is currently a fugitive. On June 3, 2008, Cypress, Texas-based Raman pleaded guilty to an indictment charging conspiracy to commit bribery and agreed to pay a \$500,000 criminal fine and restitution in the amount of \$327,192 to the DOD for its role in one of these schemes. Raman's plea agreement is subject to court approval.

According to the charging document, in the first conspiracy, Baker received money and other items from Raman and Chidiac, including a new Harley Davidson motorcycle, in return for conveying sensitive information and fraudulently awarding contracts to Raman. Upon performance of these contracts, Chidiac received payment from the DOD on Raman's behalf and kicked back a portion of that profit to Baker. In the second conspiracy, Baker canceled contracts that were awarded to third party contractors and fraudulently re-awarded them to Chidiac. Baker then authorized Chidiac to receive cash payments for those contracts, totaling more than \$700,000, despite the fact that Chidiac had neither delivered any goods nor performed any services. In return, Chidiac gave a portion of the money back to Baker. Baker then sent cash, concealed in packages, through the U.S. mail.

"The Department of Justice will vigorously prosecute those who defraud our military of necessary goods and services," said Deborah A. Garza, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "We commend the detection efforts of the federal agents assigned to this investigation."

The U.S. Army procures goods and services in support of Operation Iraqi Freedom, including critical infrastructure, technological components and construction services. Camp

Victory is the primary component of the Victory Base Complex, which occupies the area surrounding the Baghdad International Airport.

Baker was charged with two counts of bribery, with a maximum penalty of 15 years in prison for each count and the greater of a \$250,000 fine or three times the monetary equivalent of the thing of value. She also was charged with two counts of conspiracy, with a maximum penalty of five years in prison for each count and a \$250,000 fine. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either amount is greater than the statutory maximum fine.

Today's charges represent 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, prosecution, and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

This case is part of an ongoing investigation being conducted by the Antitrust Division's National Criminal Enforcement Section (NCEs) along with Special Agents from the Defense Criminal Investigative Service (DCIS) and the U.S. Army Criminal Investigation Division (Army CID). Agents from the U.S. Immigrations and Customs Enforcement and the U.S. Postal Inspection Service are providing additional assistance to the investigation.

Anyone with information concerning bid rigging, bribery or other criminal conduct in the procurement of goods and services in Iraq is urged to contact NCEs at 202-307-6694, DCIS at 800-424-9098 or hotline@dodig.mil or Army CID at www.cid.army.mil.

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