



Department of Justice

Acting United States Attorney Sally Quillian Yates
Northern District of Georgia

FOR IMMEDIATE RELEASE

09/14/09

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

**FORMER ARMY OFFICIAL AND FORMER MILITARY
CONTRACTOR SENTENCED FOR MULTI-MILLION DOLLAR
BRIBERY AND KICKBACK SCHEME**

Scheme Involved Payoffs on Water Contracts for U.S. Troops in Iraq

Atlanta, GA - RICHARD E. LONG, 63, of St. Augustine, Florida, and MACK S. SMITH, 56, of Bladenboro, North Carolina, were sentenced to federal prison today by United States District Judge Clarence Cooper on charges of bribery of a public official, wire fraud and money laundering.

Acting United States Attorney Sally Quillian Yates said of the case, "There is no greater priority than ensuring the support and well-being of the men and women who put themselves in harm's way to protect our freedom. The bribery scheme devised by these defendants undermined that objective by guaranteeing that the water supply for Army personnel in Iraq and elsewhere came not from the most capable supplier, but from the one most willing to bribe the key decision-maker. We will prosecute corrupt public officials and the defense contractors with whom they do business, particularly those who put into their own pocket money intended for the benefit of American soldiers."

Brigadier General Rodney Johnson, the Commanding General of the U.S. Army Criminal Investigation Command said, "Today's sentencing is a reminder to all that the Army will not tolerate contract fraud, bid rigging, conspiracy or any other criminal activity and we will tirelessly and relentlessly investigate and help bring to justice those who violate the public's trust and put our service members at risk."

Sharon Woods, Director of the Defense Criminal Investigative Service (DCIS), said, "Public corruption threatens the integrity of government contracting and betrays the public's trust. These men placed their own greed and self interests above those of the American people and the U.S. soldiers overseas who depended on the water supplied through the effected contracts. As in this case, DCIS remains committed to aggressively investigating public corruption and related crimes and to protecting the interests of the American people and the brave men and women who proudly serve in the Department of Defense."

LONG was sentenced to 17 years, 6 months in federal prison, to be followed by 3 years of supervised release. SMITH was sentenced to 12 years, 6 months in federal prison, to be followed by 3 years of supervised release. LONG and SMITH were convicted of these charges on February 19, 2009, following a three-week-long jury trial. The court ordered LONG to pay a forfeiture money judgement in the amount of \$317,000. The court ordered SMITH to pay a forfeiture money judgment in the amount of \$549,700.

According to Acting United States Attorney Yates and the information presented in court: LONG worked as a civilian employee of the United States Department of the Army Forces Command in the position of “Water and Petroleum Program Manager,” from approximately November 1996 through approximately December 2004. While in that position, LONG was based at Fort McPherson, in the Atlanta area, and was considered the Army’s expert in matters relating to water for the troops. LONG’s duties included reviewing bids submitted by private contractors for water-related military contracts, and recommending which contractors should be awarded those contracts.

MACK S. SMITH was the owner of “WATEC, Inc.,” a Tennessee company that provided water-purification equipment, training and servicing. Starting in approximately October 1998, LONG entered into an agreement by which SMITH would make secret payments to LONG in exchange for LONG’s recommendation that every water-purification and training contract be awarded to WATEC. Evidence at trial showed that during LONG’s tenure as Water and Petroleum Manager, WATEC was continually awarded, either as the primary contractor or as a subcontractor, the water contracts on which it bid. Based on LONG’s recommendations, WATEC was ultimately awarded contracts valued at more than \$66,000,000, with at least one contract worth over \$32,000,000. Meanwhile, from 2001 to 2007, SMITH made payments to LONG totaling approximately \$549,700. LONG was convicted by the jury of 18 counts of bribery, 6 counts of wire fraud, and one count of money laundering. SMITH was convicted of 38 counts of bribery, 15 counts of wire fraud, and one count of money laundering.

This case was investigated by special agents of the Department of the Army, Criminal Investigation Command, and the Department of Defense Criminal Investigative Service.

Assistant United States Attorney Glenn D. Baker, former Assistant United States Attorney Jon-Peter F. Kelly, and Assistant United States Attorney Michael J. Brown prosecuted the case.

For further information please contact Sally Q. Yates, Acting United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The

Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.