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FORMER EMPLOYEE OF U.S. ARMY CONTRACTOR IN AFGHANISTAN
SENTENCED IN MANHATTAN FEDERAL COURT TO 41 MONTHS
IN PRISON FOR ACCEPTING CORRUPT PAYMENTS

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DANIEL FREEMAN, formerly an employee of U.S. Army contractor KBR in Afghanistan, was sentenced today in Manhattan federal court to 41 months in prison for accepting approximately \$200,000 in corrupt payments from sub-contractors in Afghanistan and for laundering the illicit funds. FREEMAN previously pled guilty in August to one count each of accepting illegal gratuities and money laundering. U.S. District Judge COLLEEN MCMAHON imposed the sentence.

Manhattan U.S. Attorney PREET BHARARA said: "Daniel Freeman now is paying the appropriate price for cashing in on our country's war effort in Afghanistan. American lives are on the line in Afghanistan and Iraq. Together with our law enforcement partners, we will continue prosecuting people who try to exploit the conditions under which our bravest men and women risk their lives for their own personal gain."

According to the Information, other documents previously filed in Manhattan federal court, and statements made during court proceedings:

From in or about 2002 and up to and including in or about 2009, KBR performed contract work worth millions of dollars on numerous projects for the U.S. government in Afghanistan. Specifically, through KBR's contract with the U.S. Army under the Logistics Civil Augmentation Program ("LOGCAP"), KBR provided logistics support to the U.S. Army in Afghanistan, such as providing meals, delivering mail, and transporting supplies and equipment. KBR entered into sub-contracts with other entities to assist it with some of its work under its LOGCAP contract. These sub-contracts were typically worth tens of thousands of dollars.

From in or about September 2004 through in or about May 2009, FREEMAN worked for KBR in Afghanistan. Among other positions he held with KBR in Afghanistan, FREEMAN worked as a senior sub-contracts supervisor. FREEMAN's duties in this position included evaluating bids for sub-contracts, awarding those sub-contracts to bidders, and overseeing the administration of these sub-contracts after they were awarded.

Between January 2007 and May 2009, FREEMAN accepted numerous cash payments from individuals who were representatives of several entities which had been awarded KBR sub-contracts (the "Representatives") in connection with the award of those sub-contracts. The Representatives gave FREEMAN a total of approximately \$200,000 in cash.

FREEMAN transferred some of this cash out of Afghanistan to the United States through wire transfers in amounts designed to avoid cash transaction reporting requirements. For example, FREEMAN instructed others in Afghanistan to use some of this cash to wire money to individuals in the United States on FREEMAN's behalf. FREEMAN specifically instructed these individuals not to send more than \$3,000 via wire transfer at a time so that the wire service company would not record certain personal information of the senders as required by Federal law. Most of these wire transfers were received by an associate of FREEMAN's in New York ("Associate-1").

FREEMAN also purchased (or had others purchase for him) numerous money orders in Afghanistan using cash that the Representatives had paid to him, and mailed many of these money orders from Afghanistan to Associate-1 in New York. Many of the money orders bore the name of Associate-1 as both the payor and the payee. Associate-1 cashed many of the money orders and subsequently deposited a substantial amount of cash into a bank account s/he controlled. Associate-1 also deposited some of the money orders directly into the bank account and then transferred much of these criminal proceeds out to various accounts for the benefit of FREEMAN.

In addition to the prison term, Judge MCMAHON sentenced FREEMAN to two years of supervised release and ordered him to forfeit \$200,000.

Mr. BHARARA praised the investigative work of the U.S. Postal Inspection Service, the Federal Bureau of Investigation, Department of Defense, Office of the Inspector General, Defense Criminal Investigative Service, and the U.S. Army Criminal Investigation Command.

This case is being handled by the Office's Public Corruption Unit. Assistant U.S. Attorneys WILLIAM HARRINGTON and BRENT WIBLE are in charge of the prosecution.

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