

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA \* CRIMINAL NO. 20-61

v. \* SECTION: "T"

CAJAN WELDING & RENTALS, LTD. \*

\* \* \*

**FACTUAL BASIS**

The United States and the defendant agree that, had this case gone to trial, the United States would have presented evidence sufficient to prove the following facts:

- a. For the purposes of this Plea Agreement, the "relevant period" is that period from at least as early as February 2002 and continuing until at least October 2016.
- b. Cajan Welding & Rentals, Ltd. ("the defendant") is a Louisiana company located in Opelousas, Louisiana and was owned by Co-conspirator B prior to his death in 2019.
- c. During the relevant period, the defendant was a subcontractor to the U.S. Department of Energy that primarily provided maintenance services and equipment rentals to the sites of the U.S. Strategic Petroleum Reserve (SPR).
- d. During the relevant period, the defendant, through Co-conspirator B and its officers, directors, and employees, knowingly and willfully participated in a conspiracy (1) to defraud the United States of and concerning its governmental functions and rights to have its business and its affairs, and particularly the function of the United States to have a competitive and unbiased procurement process, and transaction of the official business of the U.S. Department of Energy, conducted honestly and impartially, free from corruption, fraud, improper and undue influence, dishonesty, unlawful impairment and obstruction; and (2) to knowingly disclose and obtain contract bid and proposal information, and source selection information, before the award of federal procurement contracts to which the information related, in connection with solicitations issued on behalf of the U.S.

Department of Energy for operation of the SPR to obtain or give a person a competitive advantage in the award of the contracts.

- e. Co-conspirator A worked as a Subcontract Management Technical Representative (“SMTR”) at Fluor Federal Petroleum Operations LLC (“Fluor”), which was contracted as a prime contractor by the U.S. Department of Energy to manage the SPR along the Gulf of Mexico in Louisiana and Texas. Fluor has held this contract since 2013. During the relevant period prior to 2013, DynMcDermott Petroleum Operations Company (“DynMcDermott”) held this contract. Co-conspirator A held the same position at DynMcDermott. Fluor and DynMcDermott conducted federal procurements for the U.S. Department of Energy.
- f. Co-conspirator A and Co-conspirator B had a personal, familial and business relationship predating the formation of Cajan. Co-conspirator A was previously married to Co-conspirator B’s sister. Co-conspirator A also had a financial relationship with the defendant. Co-conspirator A and Co-conspirator B jointly operated a farm, and the defendant paid farm-related expenses that benefitted Co-conspirator A. The defendant also employed relatives of Co-conspirator A.
- g. Co-conspirator A and defendant had an agreement and understanding that Co-conspirator A would provide the defendant with non-public information in order to give the defendant a competitive advantage in obtaining subcontracts through the U.S. Department of Energy’s procurement process, in order for the defendant to receive subcontract awards and payments under those subcontracts.
- h. As part of his employment with Fluor and DynMcDermott, Co-conspirator A in his official capacity as SMTR, created internal non-public pricing and cost estimates for equipment and services needed to operate the SPR. These pricing and cost estimates were provided to procurement officials to prepare bid solicitations and to evaluate bid proposals received from vendors.
- i. During the relevant period, Co-conspirator A also provided the same non-public source selection information, specifically, the pricing and cost estimates, to the defendant prior to the award to which it related in order to give the defendant a competitive advantage in the U.S. Department of Energy’s procurement process. Co-conspirator A sometimes provided this information to the defendant by leaving a paper copy in the defendant’s office, and Co-conspirator A sometimes emailed the information to the defendant’s email address.
- j. The defendant was aware that these non-public pricing and cost estimates were not disclosed in the official bid solicitation packages that it and other vendors received from the relevant procurement official for each subcontract solicitation.
- k. The defendant received and used the government’s non-public pricing and cost estimates to determine pricing on bids submitted to Fluor and DynMcDermott

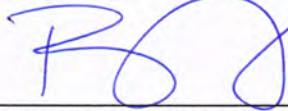


during the relevant period, and this information gave the defendant a competitive advantage.

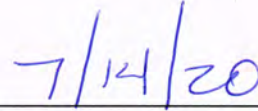
- l. The defendant did not disclose to Fluor, DynMcDermott, or the U.S. Department of Energy, that it received non-public procurement information prior to its submission of bids and used it in connection with its bid submissions. On certain items and bids the defendant varied its bid pricing slightly up or down to conceal that it was relying on the non-public information provided by Co-conspirator A.
- m. The defendant did not disclose to Fluor, DynMcDermott, or the U.S. Department of Energy that the defendant had a substantial financial relationship with Co-conspirator A.
- n. During the relevant period, the defendant was awarded over 50 subcontracts and received payments in excess of \$15,000,000.00 from U.S. Department of Energy funds, including payments of \$102,820.65 on or about October 24, 2016, \$5,091.68 on or about October 26, 2016, and \$7,103.84 on or about December 12, 2016.
- o. From approximately 2010 through 2017, the defendant provided financial benefits to Co-conspirator A in excess of \$800,000.00.

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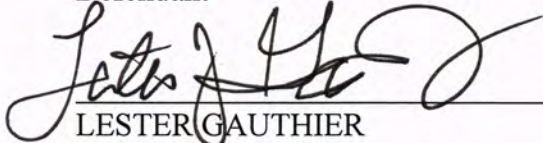
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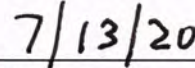
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BENJAMIN TRANT  
Receiver and Duly Authorized Representative  
For Cajan Welding & Rental, Ltd.  
Defendant



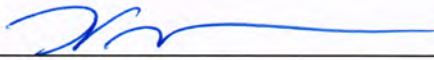
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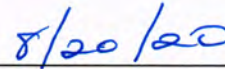
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LESTER GAUTHIER  
Defense Counsel



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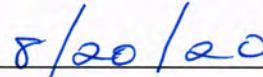
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TRACEY KNIGHT  
Assistant United States Attorney



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Date



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MEGAN LEWIS  
Assistant Chief, Washington Criminal II Section  
Antitrust Division



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Date