



# Department of Justice

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## **THIRD DEFENDANT PLEADS GUILTY TO MONEY LAUNDERING SCHEME INVOLVING BRIBES FOR CONTRACTS AT KUWAIT ARMY BASE**

WASHINGTON — The sister of a U.S. Army officer has pleaded guilty for her participation in a money-laundering scheme related to bribes paid for contracts awarded in support of the Iraq war, Acting Assistant Attorney General Rita M. Glavin of the Criminal Division and Acting Assistant Attorney General Scott D. Hammond of the Antitrust Division announced today

Carolyn Blake, of Sunnyvale, Texas, pleaded guilty to one count of money laundering conspiracy after accepting more than \$3 million in bribe proceeds on behalf of her brother, Major John Cockerham. Blake admitted she expected to keep 10 percent of the money she collected. Blake pleaded guilty on March 18, 2009, before U.S. Magistrate Judge John W. Primomo in the Western District of Texas, San Antonio Division. At sentencing, Blake faces up to 20 years in prison and a fine of up to \$500,000 or two times the value of the laundered funds. A sentencing date has not yet been set by the court.

John Cockerham pleaded guilty in January 2008 to participating in a complex bribery and money laundering scheme while working as an Army contracting officer in Kuwait. According to court documents, he was responsible for awarding contracts for services to be delivered to troops in Iraq, including bottled water. In return for awarding illegal contracts, Cockerham admitted to receiving more than \$9 million in bribe proceeds. Once Cockerham agreed to take money in exchange for awarding contracts, he admitted he directed the contractors to pay Blake, his wife Melissa Cockerham, and others in order to conceal the receipt of bribe payments. Melissa Cockerham pleaded guilty in January 2008 to accepting more than \$1 million on John Cockerham's behalf, and admitted that she stored the cash in safe deposit boxes at banks in Kuwait and Dubai.

"By accepting bribe proceeds, Carolyn Blake aided a scheme that steered contracts to those willing to make illegal payments for contracts," said Acting Assistant Attorney General Rita M. Glavin. "The Department of Justice is committed to protecting the integrity of contracts involving U.S. funds and supplies for men and women in uniform."

"The Antitrust Division is committed to rooting out corruption that threatens the competitive bidding process, particularly where public funds are involved," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "Those who scheme to line their pockets with kickbacks made at the expense of U.S. taxpayer dollars will be vigorously prosecuted."

“Today’s plea agreement clearly demonstrates that the Special Agents from my command, along with our law enforcement and Department of Justice partners, will follow every lead and turn over every stone to bring those who commit crimes against the Army to justice,” said Brigadier General Rodney Johnson, Commanding General of the U.S. Army Criminal Investigation Command. “We’ve had great success in investigating these cases and will continue to pursue those who choose to defraud the Army at such a critical time in our nation’s history.”

“The public deserves assurances that tax dollars will be spent in a scrupulous manner,” said Sharon Woods, Director, Defense Criminal Investigative Service. “When government representatives place personal gain above taxpayers’ interests, the legitimacy of public institutions is undermined. Corruption of the nature uncovered throughout the course of this investigation results in a pervasive atmosphere of distrust which causes Americans to question the integrity of all government employees and institutions. The Defense Criminal Investigative Service remains committed to working with law enforcement partners and the Department of Justice to ensure conspirators who willingly assist individuals who betray the public trust are held firmly accountable.”

“This latest guilty plea by Carolyn Blake, a co-conspirator in a large contract fraud scheme, evidences SIGIR’s continuing commitment to root out corruption and enforce accountability within the Iraq program,” said Stuart W. Bowen, Jr. Special Inspector General for Iraq Reconstruction (SIGIR). “In concert with our partner law enforcement agencies, SIGIR is pursuing cases of alleged criminal wrongdoing in Iraq, ranging from kickbacks and bribery to theft and double billing. With the support of Department of Justice prosecutors, we expect significant progress on these cases.”

The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. The National Procurement Fraud Task force is currently chaired by Acting Assistant Attorney General Rita M. Glavin for the Criminal Division.

The case is being prosecuted by Trial Attorney Richard B. Evans of the Criminal Division’s Public Integrity Section, and Trial Attorneys Mark W. Pletcher and Emily W. Allen of the National Criminal Enforcement Section of the Antitrust Division. These cases are being investigated by the Army Criminal Investigations Division, the Defense Criminal Investigative Service, the FBI, the IRS, SIGIR, and U.S. Immigration and Customs Enforcement at the Department of Homeland Security in support of the Justice Department’s National Procurement Fraud Task Force and the International Contract Corruption Initiative.

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