



Department of Justice

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DEFENSE CONTRACTOR PLEADS GUILTY TO WIRE FRAUD IN CONNECTION WITH THE PROCUREMENT OF A BULLET-PROOF VEST CONTRACT IN IRAQ

WASHINGTON – A defense contractor has pleaded guilty to wire fraud and has admitted to engaging in other bribery-related conduct in connection with contracts in Iraq, the Department of Justice today announced.

According to the plea agreement filed in the U.S. District Court in the District of Columbia on Dec. 18, 2007, and unsealed today, Diana Bakir Demilta, a U.S. citizen, pleaded guilty to one count of wire fraud. Demilta, the President of Global-Link Distribution LLC, a defense contracting company with operations in the International Zone, Baghdad, Iraq, subverted the competitive bidding process used by the Department of Defense and the Multi-National Security Transition Command - Iraq for a bullet-proof vest contract by submitting multiple sham bids from about September 2004 until about March 2005.

In addition, Demilta admitted that she paid at least \$60,000 to an unnamed public official to induce that person to influence the award of contracts and to induce expedited payments for contracts awarded to Demilta's company.

"The Department of Justice will prosecute those who corrupt the competitive bidding process and who undermine the military's efforts to obtain equipment that is critical to protecting lives, such as bullet proof vests," said Christine A. Varney, Assistant Attorney General in charge of the Department's Antitrust Division. "The Division will not tolerate anticompetitive schemes that affect the men and women serving in our nation's armed forces."

According to the court documents, Demilta devised a scheme and instructed a co-conspirator to submit sham bids from dormant and/or related companies for the bullet-proof vest contract. The sham bids were submitted with intentionally increased prices so that one company, a Kuwaiti general trading firm, would win the contract at a lower price. The owner of the Kuwaiti general trading firm then authorized Demilta to negotiate and receive all funds related to the contract.

"Today's announcement demonstrates that our commitment to rooting out fraud in the Department of the Army is stronger than ever," said Brigadier General Rodney Johnson, the commanding general of the U.S. Army Criminal Investigation Command. "This plea agreement should send a crystal clear message that we will aggressively pursue allegations of wrongdoing wherever the leads take our special agents. We will continue our fight against fraud and our

unwavering commitment to the Department of Justice and our fellow agencies who stand shoulder to shoulder with us in this fight.”

“Today’s criminal action demonstrates the ongoing commitment of SIGIR and the U.S. Army - Criminal Investigation Command to aggressively pursue those who have committed fraud and bribery in connection with the U.S.-funded effort to rebuild Iraq,” said Stuart W. Bowen, Jr., Special Inspector General for Iraq Reconstruction (SIGIR). “We owe nothing less to the dedicated military and civilian personnel, and contractors who are serving, or have served, in Iraq, and to the Iraqis, and, of course, to the U.S. taxpayers.”

Demilta pleaded guilty to one count of conspiracy to commit wire fraud, which has a maximum penalty of 20 years in prison and a fine of \$250,000. The fine 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 SIGIR, the U.S. Army Criminal Investigation Division (Army CID), the Defense Criminal Investigative Service, the FBI and U.S. Immigrations and Customs Enforcement.

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, SIGIR at 1-866-301-2003 or hotline@sigir.mil; or Army CID at www.cid.army.mil.

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