



Department of Justice

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**CONTRACTING OFFICER'S NIECE PLEADS GUILTY TO
OBSTRUCTING MONEY LAUNDERING INVESTIGATION
RELATED TO BRIBE PAYMENTS**

WASHINGTON - The niece of a U.S. Army major pleaded guilty today for her role in a conspiracy to cover up her uncle's role in accepting more than \$9 million in bribes as a contracting officer in Kuwait, Assistant Attorney General Lanny A. Breuer of the Criminal Division and Assistant Attorney General Christine A. Varney of the Antitrust Division announced.

Nyree Pettaway, 37, of Houston, pleaded guilty in U.S. District Court for the Western District of Texas to one count of conspiring with her uncle, John C. Cockerham, Carolyn Blake (her aunt and Cockerham's sister) and others, to obstruct the investigation of money laundering related to Cockerham's receipt of bribes. Pettaway admitted that, as Cockerham learned that he was under investigation in late 2006, he solicited her assistance to create cover stories for the millions of dollars he had received and to return \$3 million in cash to co-conspirators for safekeeping. Pettaway admitted she traveled to Kuwait, received the cash from Blake, and gave it to others to hold for Cockerham. Pettaway also admitted that she delivered fraudulent documents to contractors in Kuwait, attempting to make the bribe payments look to investigators like legitimate loans.

Pettaway faces up to five years in prison and a fine of \$250,000. In addition, she agreed to pay \$5 million in restitution to the United States.

Cockerham pleaded guilty in January 2008 to participating in the complex bribery and money-laundering scheme. 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 had stored the cash in safe deposit boxes at banks in Kuwait and Dubai.

Blake pleaded guilty in March 2009 to one count of money laundering conspiracy after accepting more than \$3 million in bribe proceeds on behalf of John Cockerham. Blake admitted she had expected to keep 10 percent of the money she collected.

This case is being prosecuted by Trial Attorney Richard B. Evans of the Criminal Division's Public Integrity Section, which is headed by Chief William M. Welch, II and Trial Attorneys Mark W. Pletcher and Emily W. Allen of the Antitrust Division's National Criminal Enforcement Section, which is headed by Chief Lisa Phelan. The case is being investigated by the Army Criminal Investigations Division, the Defense Criminal Investigative Service, the FBI, the Internal Revenue Service, the Special Inspector General for Iraq Reconstruction, and the U.S. Immigration and Customs Enforcement at the Department of Homeland Security.

The National Procurement Fraud Task Force, created in October 2006 by the Department of Justice, was designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs.

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