

We've been saving up some news tidbits: each one not really worth an individual article but still somewhat interesting (to us, at least). Here we go—

- Bagram Update – We've written about “issues” at Bagram Airfield [before](#) . We wrote, “we perceive an inequitable distribution of iniquity, with Bagram seemingly receiving more than its fair share of noteworthy corruption stories.” Now comes [word](#) that “Two Afghan trucking companies pleaded guilty today to paying multiple bribes to U.S. public officials in exchange for unfair advantages in procuring contract work at the Bagram Airfield in Afghanistan.” The news story continued—

Afghan International Trucking (AIT) and Afghan Trade Transportation (ATT) each pleaded guilty in the Eastern District of Virginia to one count of bribery.

According to the companies' plea agreements, AIT will pay

\$3.36 million

in criminal fines and ATT will pay

\$1.04 million

in criminal fines.

... AIT made corrupt payments of more than

\$120,000

to military officials in

Afghanistan

, including

James Paul Clifton

,

Ana Chavez

and a third, unnamed individual.

ATT made corrupt payments totaling more than

\$30,000

to Clifton.

According to the statement of facts, employees for AIT started offering money to officials in the transportation office beginning in 2004.

At one point, AIT paid Chavez with a candy box stuffed with

\$70,000

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... in mid-2008, AIT was paying Clifton

\$20,000

a month for preferable treatment.

In

May 2008

, ATT entered into a similar illegal agreement with Clifton by which ATT paid bribes of

\$15,000

a month in exchange for Clifton assigning ATT an additional day of trucking service a month.

- Oil for Food Corruption – The Department of Justice [reported](#) that “Canadian/Lebanese dual national Ousama M. Naaman pleaded guilty today to participating in an eight-year conspiracy to defraud the United Nations Oil for Food Program (OFFP) and to bribe Iraqi government officials in connection with the sale of a chemical additive used in the refining of leaded fuel.” According to the DOJ release, “He pleaded guilty today to a two-count superseding information filed June 24, 2010, charging him with one count of conspiracy to commit wire fraud, violate the Foreign Corrupt Practices Act (FCPA), and falsify the books and records of a U.S. issuer; and one count of violating the FCPA.” The release continued—

From 2001 to 2003, acting on behalf of Innospec, Naaman offered and paid 10 percent kickbacks to the then Iraqi government in exchange for five contracts under the OFFP. Naaman negotiated the contracts, including a 10 percent increase in the price to cover the kickback, and routed the funds to Iraqi government accounts in the Middle East. Innospec inflated its prices in contracts approved by the OFFP to cover the cost of the kickbacks. Naaman also admitted that from 2004 to 2008, he paid and promised to pay more than \$3 million in bribes, in the form of cash, as well as travel, gifts and entertainment, to officials of the Iraqi Ministry of Oil and the Trade Bank of Iraq to secure sales of tetraethyl lead in Iraq, as well as to secure more favorable exchange rates on the contracts. Naaman provided Innospec with false invoices to support the payments, and those invoices were incorporated into the books and records of Innospec. Naaman faces a maximum prison sentence of 10 years. His sentencing has not yet been scheduled.

- **Aerovironment** – Last (but not least), we have to follow-up our very recent [article](#) on a couple of False Claims settlements with news that another defense contractor, Aerovironment, [reported](#) that the Department of Justice is investigating “certain of its billing practices” and that the company “is voluntarily cooperating” with the investigation. According to the report, the investigation is focused on three matters: (1) the appropriateness of certain expenses included in AV’s fiscal year 2006 Incurred Indirect Cost Claim, (2) billing labor rates associated with time and materials government contracts, and (3) billing rates for Small Unmanned Aircraft Systems maintenance and repair contracts. In addition, the company denied that the recent departure of its CFO was unrelated to the investigation. Let’s hope the company comes through the DOJ investigation as well as the other companies did—i.e., by settling the matter quickly.

## Miscellaneous Morsels of Misadventures

Written by Administrator

Wednesday, 30 June 2010 00:00

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