

Last week, the Department of Justice [announced](#) that U.S. Army Reserve Sergeant Amasha King, age 33, had pleaded guilty to one count of “conspiracy to defraud the Department of Defense.”

Sergeant King served at Camp Arifjan, Kuwait. We’ve [written](#) about Camp Arijfan before. We had more to say about the rather infamous Camp [here](#)

, where we noted “nearly unbelievable levels of corruption.” At least sixteen individuals have pleaded guilty to bribery and money laundering and other counts of fraud and corruption. Sergeant King makes seventeen—so far as we know. The true count may be higher.

Sergeant King served in the 347th Finance Battalion where she “was responsible for receiving and processing pay vouchers and invoices from military contractors for various contracts and blanket purchase agreements (BPAs), including BPAs for bottled potable water.” King was responsible for approving contractor payments and for issuing payment checks.

King took money from one contractor—about \$20,500, according to the DOJ announcement—in order to ensure that the contractor’s invoices were processed “much faster than usual.” King directed the contractor to make wire payments to people in the United States, and to ensure that the individual wire transfer amounts were less than \$10,000, so as to avoid bank reporting requirements.

According to the DOJ announcement—

King agreed to receive money from a military contractor in return for defrauding the United States by preferentially processing the contractor’s invoices outside of the proper procedures and protocols for payment. This allowed the contractor to be paid much faster than usual and ultimately to bid for more contracts than it otherwise could have financed.

We are against government employee corruption as much as the next guy, perhaps more than most (based on the word count we’ve devoted to the topic). But in this case, we’re unsure how heinous the crime actually was.

This strikes us as a case of “facilitation payments.” Facilitation payments, according to this [anti-corruption website](#), are defined as “a form of bribery made with the purpose of expediting or facilitating the performance by a public official of a routine governmental action and not to obtain or retain business or any other undue advantage.”

The website goes on to say—

“But it was a Facilitation Payment, I Swear!”

Written by Nick Sanders

Thursday, 23 February 2012 00:00

A distinction is generally made between facilitation payments and outright bribery and corruption. In some countries, it may be considered normal to provide small unofficial payments under certain circumstances, although this practice is illegal in most countries.

Facilitation payments are one of the unsettled questions in the [OECD Convention](#), meaning that the convention does not establish them as an offence....

Some countries i.e. the United Kingdom and Germany criminalise facilitation payments abroad. Other countries, such as the United States, do not prohibit such payments abroad and have no upper limit for them, although only very low amounts of money would be regarded as facilitation payments.

It's very clear that U.S. Government officials and military service men and women cannot accept “facilitation payments” in order to expedite execution of their duties. On the other hand, it's not like the Sergeant's actions as reported here were, themselves, violations of any laws. She simply ensured that contractually obligated payments were made, albeit faster than would normally be the case.

Despite the DOJ attorneys trying to make the point that early receipt of contractually due payments permitted the contractor to “bid for more contracts than it otherwise could have financed,” we think that's a fairly speculative stretch. That's a pretty tenuous benefit, if benefit it was.

We have an out-of-the-box idea. Make it an official practice: offer expedited payment processing to *all* government contractors. How much would your company pay to receive DFAS payments in ten days? One week? Three days? How much would it be worth to you, in terms of the time value of money?

Look: there's a budget deficit at the moment. (Maybe you've heard about it?) Our idea would generate some cash that would seemingly help with that problem. Maybe the Pentagon should consider it.