



# Department of Justice

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## **FORMER TAMIMI GLOBAL EXECUTIVE SENTENCED IN KICKBACK SCHEME FOR MILITARY SUBCONTRACTS IN KUWAIT Former KBR Employee Accepting Kickbacks Also Sentenced**

ROCK ISLAND, Ill. - The former Director of Operations in Kuwait and Iraq for Tamimi Global Company, a Saudi Arabian company, Mohammad Shabbir Khan, was sentenced today to a term of 51 months in prison for having paid kickbacks to a Kellogg, Brown & Root Services, Inc. (KBR) employee to secure two military dining subcontracts valued at \$21.8 million. U.S. District Judge Joe B. McDade further ordered Khan to pay a fine of \$10,000 and restitution of \$133,860, the amount Khan admitted he paid to the KBR employee.

Immediately before Khan's sentencing, in a separate hearing, also in Rock Island, the now-former KBR employee, Stephen Lowell Seamans, was sentenced to a term of 12 months and one day in prison for his role in the kickback scheme with Tamimi. Seamans was also ordered to pay restitution of \$380,130. That conduct included Seamans' accepting kickbacks from another company related to the award of a Camp Arifjan, Kuwait, cleaning services subcontract.

"Today's sentences demonstrate the consequences of cheating the system and violating the public's trust," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "We will continue to pursue those that seek to enrich themselves by offering illegal favors at the expense of honest citizens."

"The Department of Justice is committed to prosecuting anyone who manipulates the system for their own benefit," said U.S. Attorney Rodger A. Heaton for the Central District of Illinois. "Today's sentences should help deter others who resort to procurement fraud as a means to scam U.S. taxpayers."

In June 2006, Khan pleaded guilty to 12 counts of wire fraud and one count each of money laundering conspiracy and making a false statement. Seamans pleaded guilty in March 2006 to one count each of wire fraud and money laundering conspiracy.

The scheme, as outlined in court proceedings and documents, resulted in Khan paying \$133,000 in kickbacks to Seamans, one of two KBR procurement materials and property managers in Kuwait responsible for negotiation, execution and administration of subcontracts on KBR's behalf under the U.S. Army's prime contract known as LOGCAP III. Khan paid Seamans the kickbacks to secure two subcontracts for Tamimi Global Company for military dining facilities: a \$14.4 million dollar subcontract at Camp Arifjan, Kuwait, and a subcontract of \$7.4 million dollars at a palace in Baghdad, Iraq.

LOGCAP (Logistics Civil Augmentation Program), a U.S. Army program, uses civilian contractors to support the logistical needs of the U.S. military forces. In December 2001, the LOGCAP III prime contract was awarded to KBR by the U.S. Army Operations Support command, with headquarters at the Rock Island Arsenal in Rock Island, and was administered by the Army Field Support Command, also at the Rock Island Arsenal.

Khan pleaded guilty to offering Seamans a kickback following a birthday party Khan hosted for Seamans in October 2002. Seamans accepted the kickback offer for the Camp Arifjan dining facility subcontract and on Oct. 14, 2002, the one-year \$14.4 million subcontract was awarded to Tamimi. In April 2003, Seamans provided Khan with bid information Tamimi needed to secure the award for another dining facility services subcontract at a palace in Baghdad. Tamimi was subsequently awarded the \$7.4 million subcontract for the six-month period of April through October 2003.

Khan's pleas to the money laundering conspiracy and false statement offense relate to his and a former Tamimi manager's scheme to cover up kickback payments Khan had made to Seamans. This scheme included Khan and the Tamimi manager meeting with Seamans in London and instructing Seamans to use international wire transfers of money to cover up the kickback payments. Khan also made various false statements to federal law enforcement officers in an effort to cover up the kickback payments to Seamans.

Pursuant to a cooperation agreement, Seamans voluntarily disclosed that he also accepted a \$5,000 cash kickback from another company in November 2002 for a cleaning services subcontract. That company's managing partner later offered to employ Seamans or use him as a consultant for \$1.2 million annually. In May 2003, the company paid Seamans \$300,000 as an advance on the \$1.2 million arrangement while Seamans was still employed by KBR. Thereafter, the managing partner and Seamans agreed to terminate their arrangement, and Seamans received no further payment. Seamans disclosed that he did not return any of the \$300,000.

Khan has remained detained in the custody of the U.S. Marshals Service since his arrest in Rock Island in March 2006. He will be transferred to the custody of the Bureau of Prisons to serve his prison sentence. U.S. District Judge McDade ordered Seamans to report to the Bureau of Prisons on Jan. 22, 2007 to begin serving his prison term.

In October 2006, Deputy Attorney General Paul J. McNulty announced the formation of a National Procurement Fraud Task Force 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 Procurement Fraud Task Force, chaired by Assistant Attorney General Fisher, includes the Federal Bureau of Investigation, the U.S. Inspectors General community, the Executive Office for United States Attorneys and others.

Several investigative agencies participated in this criminal investigation, including: the Federal Bureau of Investigation, Springfield Division; the Internal Revenue Service Criminal Investigation Division, Chicago Field Office; the Defense Criminal Investigative Service, Central Field Office, St. Louis, Mo.; the U.S. Army Criminal Investigation Command, North Central Fraud Field Office, Detroit, Mich.; and, New Scotland Yard Metropolitan Police Service.

The cases were prosecuted by Supervisory Assistant U.S. Attorney Jeffrey B. Lang, Assistant U.S. Attorney Gregory R. Walters and Senior Trial Attorney John Michelich of the Criminal Division's Fraud Section.

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