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Department of Justice

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Former Civilian Contractor Pleads Guilty in North Carolina for Role in Scheme to Steal and Sell Military Equipment in Iraq

WASHINGTON – A former U.S. civilian contractor pleaded guilty today in the Eastern District of North Carolina to conspiring to steal military generators in Iraq in 2011 and selling them on the black market, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division and U.S. Attorney Thomas G. Walker for the Eastern District of North Carolina.

David John Welch, 36, of Hope Mills, N.C., pleaded guilty before U.S. District Judge W. Earl Britt to a criminal information charging him with one count of conspiracy to steal property under the control of a government contractor.

According to court documents, in 2011, Welch was the operations and maintenance manager of a U.S. government contractor on Victory Base Complex in Baghdad. In this capacity, Welch had the ability to influence the distribution and movement of military equipment as well as U.S. government equipment. In addition, Welch was in charge of overseeing the movement of generators from the compound to the Defense Reutilization & Marketing Office (DRMO). In October 2011, Welch and a co-conspirator entered into a scheme to steal and later sell approximately 38 generators on the black market in Iraq to unknown co-conspirators by diverting these generators from the DRMO to an undisclosed location off-base in Iraq.

After the generators were stolen from the compound, Welch's co-conspirator provided him with four stacks of \$100 bills, totaling approximately \$38,600.

At sentencing, scheduled for July 9, 2012, Welch faces a maximum penalty of five years in prison, a \$250,000 fine and three years of supervised release following his prison term. As part of his guilty plea, Welch agreed to pay \$160,000 in restitution to the United States.

This case is being prosecuted by Special Trial Attorney Mark Grider of the Criminal Division's Fraud Section, on detail from the Special Inspector General for Iraq Reconstruction (SIGIR), and by Assistant U.S. Attorney Banumathi Rangarajan of the U.S. Attorney's Office for the Eastern District of North Carolina. The case is being investigated by the FBI, SIGIR and the Major Procurement Fraud Unit of the U.S. Army Criminal Investigative Command.

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Criminal Division



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