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UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

NO. 5:12-CR-85-1BR

**FILED**  
**MAR 09 2012**  
Julie A. Richards  
US DISTRICT COURT, EDNC  
BY RA JLERK  
DEP CLK

UNITED STATES OF AMERICA )  
 )  
 v. ) CRIMINAL INFORMATION  
 ) Fed. R. Crim. P. 7  
DAVID JOHN WELCH )  
 )

THE UNITED STATES ATTORNEY CHARGES THAT:

COUNT ONE

(Title 18, United States Code, Section 371  
(Conspiracy to Commit Offense Against the United States)

FACTUAL BACKGROUND

At all times relevant hereto,

1. In or about June of 2009, defendant DAVID JOHN WELCH ("WELCH") was an employee and agent of Fluor Corporation ("Fluor") working in Iraq. As such, WELCH was an agent of Fluor as defined by Title 18, United States Code, Section 666(d).

2. Fluor was a large United States government contractor that received federal funds for operation and reconstruction efforts in Iraq. Fluor provided numerous services to United States operations in Iraq, including base operations, facilities management, contingency response, and sustainment support. As such, Fluor was an organization as defined by Title 18, United States Code, Section 666(b).

3. Fluor was an organization that received federal benefits in excess of \$10,000.00 under a federal program involving a grant, contract, guarantee, and other forms of federal assistance, during the one-year period from November 1, 2010, through November 1, 2011. Under its contract with the United States, Fluor was responsible for operations & maintenance for the Department of Public Works (DPW) at Victory Base Complex in Iraq.

4. In or around October 2009 through in or about November of 2011, WELCH was the Operations and Maintenance Manager at the Fluor compound on Victory Base Complex in Baghdad, Iraq, including the DPW. In this capacity, WELCH had access to the Fluor compound that contained government-owned generators. In addition, he had the ability to influence the distribution and movement of military equipment as well as United States government equipment that were largely under Fluor's discretion and supervision. WELCH had no authority to sell equipment or generators for personal profit.

5. WELCH currently resides in Hope Mills, North Carolina. Accordingly, venue lies within the Eastern District of North Carolina pursuant to Title 18, United States Code, Section 3238.

#### THE CONSPIRACY

6. Beginning in or about June 2009, and continuing to on or about November 1, 2011, within the Eastern District of North Carolina, within Iraq, and elsewhere, defendant DAVID JOHN WELCH knowingly combined, conspired, confederated and agreed with others,

both known and unknown to the United States Attorney to commit an offense against the United States, that is,

Being an agent of an organization that received federal benefits in excess of \$10,000 in a year, namely, Fluor, knowingly and unlawfully to embezzle, steal, obtain by fraud, and otherwise without lawful authority knowingly convert to the use of himself and the use of another person other than the rightful owner, and intentionally misapply property, namely generators, with an aggregate value of more than \$5,000, which was in Fluor's care, custody, and control, in violation of Title 18, United States Code, Section 666 (a) (1) (A).

PURPOSE OF THE CONSPIRACY

7. It was the purpose of the conspiracy to embezzle, steal and convert United States generators used for war operational and reconstruction efforts, which were under Fluor's control, to sell these generators on the black market for money, and then to send or transport a portion of the money back to the United States.

MANNER AND MEANS

8. In furtherance of the conspiracy, defendant DAVID JOHN WELCH along with others, employed the following manner and means:

a. WELCH was in charge of overseeing the hauling of previously identified generators from the "lay down" yard (located near Fluor's compound) to the Defense Reutilization & Marketing Office (DRMO).

b. WELCH and his co-conspirator agreed 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.

c. WELCH and his co-conspirator agreed to use DRMO cranes and trucks in order to not raise any suspicions about the diversion and stealing of the generators.

d. After the generators were stolen from the "lay down" yard, WELCH received approximately \$38,600.00 from his co-conspirator for his share and involvement in the scheme.

#### OVERT ACTS

9. In furtherance of the conspiracy, and to effect its object, the co-conspirators committed at least one of the following overt acts:

a. Over two days beginning on or about October 13, 2011, WELCH and his co-conspirator supervised the removal of the generators at the "lay down" yard that were loaded by DRMO cranes and trucks onto trailers.

b. On or about October 14, 2011, Welch's co-conspirator provided WELCH with four stacks of one-hundred dollar bills totaling approximately \$38,600.00.

c. On or about October 14, 2011, WELCH placed the money in his desk and subsequently hid it in his briefcase.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE NOTICE

The defendant is given notice of the provisions of Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461, that all of his interest in all property specified herein is subject to forfeiture.

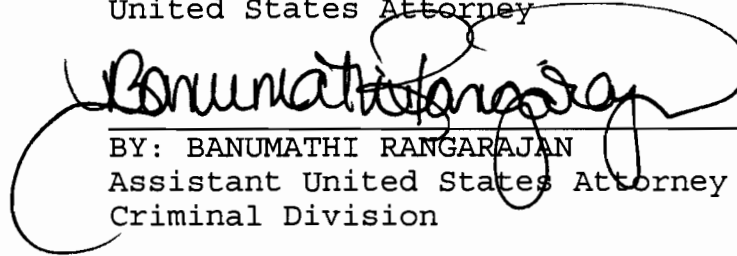
As a result of the foregoing offense as alleged in this criminal information, the defendant shall forfeit to the United States any and all property constituting, or derived from, any proceeds that the defendant obtained directly or indirectly as a result of the said offense. The forfeitable property includes, but is not limited to currency in the amount of \$38,600.00.

If any of the above-described forfeitable property, as a result of any act or omission of the defendant,

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

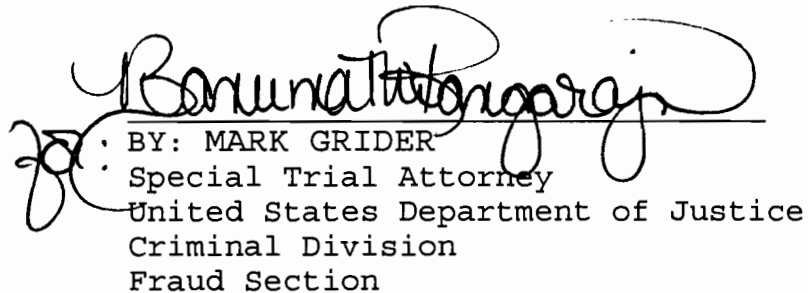
All in accordance with Title 18, United States Code, Section  
981.

THOMAS G. WALKER  
United States Attorney



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