

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
AT ROCK ISLAND

FILED

SEP 16 2011

PAMELA E. ROBINSON, CLERK
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff,

vs.

TAMIMI GLOBAL CO., LTD, a/k/a "TAFGA,"

Defendant.

Case No. 11- 40083

DEFERRED PROSECUTION AGREEMENT

Defendant Tamimi Global Co., Ltd., also known as "TAFGA" (and hereafter referred to as "TAFGA"), by its undersigned attorneys, pursuant to authority granted by TAFGA's Executive Board, and the United States Attorney for the Central District of Illinois (at times referred to herein as the "Government"), enter into this deferred prosecution agreement (the "Agreement").

The terms and conditions of the deferred prosecution agreement are as follows:

1. TAFGA acknowledges and agrees that the Government will file a two-count criminal Information, attached as Exhibit 1 ("Information"), in the United States District Court for the Central District of Illinois charging in Count 1 Conspiracy to Pay Kickbacks in violation of Title 18, United States Code, Section 371, and charging in Count 2 Conspiracy to Pay Gratuities in violation of Title 18, United States Code, Section 371. In doing so, TAFGA (a) knowingly waives its right to indictment on these charges, as well as all rights to a Speedy Trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Central District of Illinois.

2. TAFGA admits that it is responsible for the acts of its officers, employees and agents as set forth in the Information and the Statement of Facts, attached hereto as Attachment A (incorporated by reference in this Agreement), with the exception of the paragraphs in the Statement of Facts beginning with the phrase "According to the government's evidence." Should the Government pursue the prosecution that is deferred by this Agreement, TAFGA agrees that it will neither contest the admissibility of nor contradict the Statement of Facts, with the exception of the paragraphs beginning "According to the government's evidence," in any criminal proceeding, including during any guilty plea or sentencing proceedings. Subject to the provisions of this Agreement, however, TAFGA is free to defend any criminal, civil, or administrative action brought by the Government.

Term of the Agreement

3. This Agreement is effective for a period beginning on the date of the signing of this Agreement, and ending eighteen (18) months from that date (the "Term").

Relevant Considerations

4. The Government enters into this Agreement based on the individual facts and circumstances presented by this case. Among the facts considered were the following: (a) TAFGA's acknowledgment of past crimes by employees as described in the attached Statement of Facts; and (b) TAFGA's implementation and maintenance of remedial measures and compliance program, including the installation of a new Kuwait management team and an ethics and compliance team with oversight over U.S. government contracts and subcontracts, strengthening of its Code of Business Conduct, modernization of its Standard Operating Procedures for financial and accounting functions, institution of a compliance hotline, and retaining of a contract and compliance consultant to evaluate and monitor its compliance program; and (c) collateral consequences, including whether there would be disproportionate

harm to employees and other persons not culpable of the conduct arising from the prosecution as set forth in the Statement of Facts.

Payment of Monetary Criminal Penalty

5. The Government and TAFGA agree that application of the United States Sentencing Guidelines (“USSG” or “Sentencing Guidelines”) to determine the applicable fine range yields the following for Count 2:

Base offense level:	USSG §2C1.2(a)(2)	9
More than one gratuity:	(b)(1)	2
More than \$400,000: ¹	(b)(2)	<u>14</u>
Total:		25

6. The Government and TAFGA agree that Counts 1 and 2 constitute “Closely Related Counts” under §3D1.2, and, as such, no increase in the offense level results from those counts.

7. The Government and TAFGA agree on the remaining calculations of the applicable fine range for TAFGA’s criminal conduct under the Sentencing Guidelines:

Base Fine for Offense Level 25:	§8C2.4(a)(1)	\$2.8 Million
Base Culpability Score:	§8C2.5(a)	5 points
More than 1,000 employees in Unit:	(b)(2)(B)(i)	4 points
Obstruction of Justice	(e)	3 points
Acceptance of Responsibility	(g)(3)	<u>-1</u> point
Total:		11 points
Multiplier range	§8C2.6	2.00 - 4.00
Fine range	§8C2.7	\$5.6 to \$11.2 Million

¹ This figure includes relevant criminal conduct that is attributable for sentencing purposes.

8. TAFGA agrees to pay a monetary criminal penalty in the amount of \$5.6 million. TAFGA and the Government agree that this fine is appropriate given the nature and extent of the criminal conduct of the TAFGA employees described in the Statement of Facts, the degree to which TAFGA has instituted programs by which to ensure future compliance, and TAFGA's agreement to comply with the other terms of this Agreement. The monetary criminal penalty in the amount of \$5.6 million shall be paid in three equal installments in October 2011, April 2012, and September 2012. The payments are due by the 15th day of each of those months. This criminal fine is final and shall not be refundable under any circumstances. Furthermore, nothing in this Agreement shall be deemed a concession by the Government that \$5.6 million is the maximum penalty that may be imposed in any future prosecution, and the Government is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Government agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as a part of a future judgment.

Conditional Release from Criminal Liability as to Past Misconduct

9. In return for TAFGA's compliance with the terms and conditions of this Agreement, the Government agrees not to use any information related to the conduct described in the attached Statement of Facts, or any information TAFGA disclosed to the United States Attorney for the Central District of Illinois, or which was otherwise known by the United States Attorney for the Central District of Illinois, prior to the date of this Agreement, against TAFGA, or any of its wholly-owned or controlled subsidiaries, in any criminal case, except: (a) in a prosecution or other proceeding relating to any crime of violence; (b) in a prosecution for making false statements or perjury under Title 18 of the United States Code; (c) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code;

or (d) any crime related to national security matters of the United States. In addition, the Government agrees, except as provided herein, that it will not bring any criminal prosecution against TAFGA, or any of its wholly-owned or controlled subsidiaries, related to the conduct of present and former officers, directors, managers, employees, agents, consultants, contractors and subcontractors, as described in the attached Statement of Facts, or relating to information TAFGA disclosed to the United States Attorney for the Central District of Illinois, or was otherwise known by the United States Attorney for the Central District of Illinois, prior to the date of this Agreement. This Paragraph does not provide any protection against the civil or criminal prosecution for any crimes or violations, if any, committed in the future by TAFGA, any of its wholly-owned or controlled subsidiaries, or any TAFGA owner, director, officer, manager, employee, or agent. In addition, this Paragraph does not provide any protection against civil or criminal prosecution of any present or former officer, director, employee, shareholder, agent, consultant, contractor, or subcontractor of TAFGA for crimes or violations, if any, committed by them.

Corporate Compliance Program

10. TAFGA represents that it has implemented and will continue to implement a compliance and ethics program designed to detect and prevent the types of offenses described in the attached Statement of Facts, and any other crimes under the laws of the United States, throughout its operations, including those of its affiliates. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Government or not otherwise known to the Government as of the date of signing of this Agreement for which TAFGA would otherwise be responsible.

11. In order to address any deficiencies in its internal controls, policies, and procedures, TAFGA represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures, in compliance with Federal Acquisition Regulation 52 203-13. TAFGA will adopt new or modify existing internal controls, policies, and procedures, designed to ensure compliance with FAR 52 203-13. The internal compliance code, standards, and procedures will include, but not be limited to, the minimum elements set forth in Attachment B, which is incorporated by reference into this Agreement.

Corporate Compliance Reporting

12. TAFGA agrees that within six months of signing this Agreement it will submit a written report to the Government regarding remediation and implementation of the compliance measures described in Attachment B. The report shall be transmitted to the United States Attorney's Office for the Central District of Illinois, 318 South Sixth Street, Springfield, IL 62701. TAFGA may extend the time period for issuance of the report with prior written approval of the Government based upon good cause shown therefore. TAFGA shall designate its Corporate Ethics Director as the person responsible for overseeing TAFGA's corporate compliance reporting obligations. During the Term of this Agreement, should there be reasonable grounds to believe that a violation of United States law has occurred or that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any TAFGA entity or person, or any entity or person working directly for TAFGA, or that related false books and records have been maintained, in connection with contracts with the United States government or subcontracts that relate to United States government contracts, TAFGA shall promptly report such conduct to the United States Attorney's Office for the Central District of Illinois.

Deferred Prosecution

13. In consideration of (a) TAFGA's acknowledgment of past crimes by employees described in the attached Statement of Facts; (b) TAFGA's payment of a monetary criminal penalty of \$5.6 million; and (c) TAFGA's continued compliance management; the Government agrees that any prosecution of TAFGA for the conduct set forth in the Information and the attached Statement of Facts, and for the conduct that TAFGA disclosed to the Government or is otherwise known by the Government prior to the signing of this Agreement, be and hereby is deferred for the Term of this Agreement. Conduct is only considered disclosed to the Government if TAFGA provides written notification to the U.S. Attorney's Office for the Central District of Illinois, 318 S. 6th Street, Springfield, IL, prior to the signing of this Agreement.

14. The Government further agrees that if TAFGA fully complies with all of its obligations under this Agreement, the Government will not continue the criminal prosecution against TAFGA described in Paragraph 1 and, at the conclusion of the Term, this Agreement shall expire. Within thirty (30) days of this Agreement's expiration, the Government shall seek dismissal with prejudice of the criminal Information filed against TAFGA described in Paragraph 1.

Breach of the Agreement and Statute of Limitations Waiver

15. If, during the Term of this Agreement, the Government concludes and the Court determines that TAFGA has (a) committed any felony under federal law subsequent to the signing of this Agreement, and that substantial authority personnel (as defined in the Commentary to §8A1.2 of the United States Sentencing Guidelines ["Substantial Authority

Personnel”²) of TAFGA participated in, condoned, or directed that crime, or (b) Substantial Authority Personnel of TAFGA otherwise knowingly committed or directed a material, substantial breach of this Agreement, TAFGA shall thereafter be subject to prosecution for any federal criminal violation of which the Government has knowledge, including the charges in the Information, which may be pursued by the Government in the U.S. District Court for the Central District of Illinois or in any other federal district. TAFGA agrees that it will consent to U.S. personal jurisdiction for any such criminal prosecution, and TAFGA specifically appoints its legal counsel, currently the law firm of Schiff Hardin LLP, as the designee to accept service of legal process, to include a summons, for such action. In the event of a breach of this Agreement, any count of prosecution that is not time-barred by the applicable statute of limitations as of the date of the signing of this Agreement may be commenced against TAFGA notwithstanding the expiration of the statute of limitations between the date of the signing of this Agreement and the expiration of the Term. In addition, by signing this Agreement, TAFGA further agrees that the statute of limitations with respect to the offenses charged in the Information were not time-barred as of the date of the signing of this Agreement, and shall be tolled from that date through the expiration of the Term.

16. In the event that the Government concludes that TAFGA has breached this Agreement, the Government agrees to provide TAFGA with written notice of its intent to file with the Court a request that the Court find that TAFGA has breached the Agreement and that

² The commentary provides that “Substantial authority personnel” means individuals who within the scope of their authority exercise a substantial measure of discretion in acting on behalf of an organization. The term includes high-level personnel of the organization, individuals who exercise substantial supervisory authority (*e.g.*, a plant manager, a sales manager), and any other individuals who, although not a part of an organization’s management, nevertheless exercise substantial discretion when acting within the scope of their authority (*e.g.* an individual with authority in an organization to negotiate or set price levels or an individual authorized to negotiate or approve significant contracts).

the Government is seeking to continue or initiate a criminal prosecution resulting from such breach. TAFGA shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the Government in writing to explain the nature and circumstances of the alleged breach, as well as the actions TAFGA has taken to address and remediate the situation, which explanation the Government shall consider in determining whether to seek to continue or institute a prosecution.

17. In the event that the Government concludes and the Court determines that TAFGA has breached this Agreement: (a) all statements made by or on behalf of TAFGA to the Government or to the Court, including the attached Statement of Facts, with the exception of the paragraphs beginning "According to the government's evidence," and any leads derived from such statements, shall be admissible in evidence in any and all criminal proceedings brought by the Government against TAFGA; and (b) TAFGA shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by or on behalf of TAFGA prior or subsequent to this Agreement, and any leads derived therefrom, should be suppressed. The decision whether the conduct or statements of any current director or employee, or any person acting on behalf of, or at the direction of, TAFGA, will be imputed to TAFGA for the purpose of determining whether TAFGA has violated any provision of this Agreement shall be made by the Court.

18. TAFGA acknowledges that the Government has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if TAFGA breaches this Agreement and this matter proceeds to judgment. TAFGA further acknowledges

that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

Sale or Merger of TAFGA

19. TAFGA agrees that in the event it sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, merger or transfer, it shall include in any contract for sale, merger, or transfer a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement.

Public Statements by TAFGA

20. TAFGA expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for TAFGA, make any public statement, except in civil, administrative, or regulatory proceedings as set forth below, contradicting the acceptance of responsibility by TAFGA set forth above or the facts described in the attached Statement of Facts, with the exception of statements made in a criminal proceeding as to paragraphs in the Statement of Facts beginning "According to the government's evidence." Any such contradictory statement shall, subject to (a) the cure rights of TAFGA described below, and (b) a determination by the Court, constitute a breach of this Agreement, and TAFGA thereafter shall be subject to prosecution as set forth in Paragraphs 15 through 18 of this Agreement. If the Government concludes that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts as described above, the Government shall, prior to seeking to initiate a prosecution resulting from such breach, so notify TAFGA, and TAFGA may avoid a breach of this Agreement by publicly repudiating such statements(s) within five (5) business days after notification. Consistent with the obligations of TAFGA as set forth above, TAFGA shall be permitted to raise defenses and to

assert affirmative claims in civil, administrative, or regulatory proceedings relating to the matters set forth in the Statement of Facts, or in criminal proceedings relating to the paragraphs of the Statement of Facts beginning “According to the government’s evidence.” This Paragraph does not apply to any statement made by any present or former employee of TAFGA in the course of any criminal, civil, administrative, or regulatory case initiated against such individual, unless such individual is speaking on behalf of TAFGA.

21. TAFGA agrees that if it or any of its direct or indirect affiliates or subsidiaries issues a press release or holds any press conference in connection with this Agreement, TAFGA shall first consult the Government to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Government and TAFGA; and (b) whether the Government has any objections to the release.

22. The Government agrees to bring to the attention of other government authorities, including debarment officials, the facts and circumstances relating to this Agreement, including the nature of the underlying conduct and TAFGA’s acceptance of responsibility for the unlawful conduct described in the Statement of Facts. By agreeing to provide this information to debarment authorities, the Government is not agreeing to advocate on behalf of TAFGA, but rather providing facts to be evaluated independently by debarment authorities.

Limitations on Binding Effect of Agreement

23. This Agreement is binding on TAFGA and the Government but specifically does not bind any other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Government will bring TAFGA’s acceptance of responsibility and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by TAFGA.

Notice

24. Any notice to the Government under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, to the United States Attorney for the Central District of Illinois, 318 South Sixth Street, Springfield, IL 62701. Any notice to TAFGA under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, to its current counsel, which is, as of the date of this Agreement, Schiff Hardin LLP, Suite 6600, 233 South Wacker Drive, Chicago, IL 60606.

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Complete Agreement

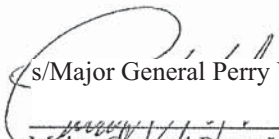
25. This Agreement sets forth all the terms of the agreement between TAFGA and the Government. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the Government, the attorneys for TAFGA, and a duly authorized representative of TAFGA.

AGREED:

FOR TAMIMI GLOBAL CO., LTD.:

Date: September 9, 2011

By:


s/Major General Perry V Dalby

Major General Perry V. Dalby (Ret.)
General Manager, TAFGA

Date: September 9, 2011

By:


s/Matthew C Crowl

Ronald S. Safer
Matthew C. Crowl
Schiff Hardin LLP
Counsel for TAFGA

FOR THE UNITED STATES OF AMERICA:

JAMES A. LEWIS
United States Attorney

Date: September 9, 2011

By:


MATTHEW J. CANNON
Supervisory Assistant U.S. Attorney
318 South Sixth Street
Springfield, IL 62701
(217) 492-4450

Friday, 09 September, 2011 03:07:55 PM

Clerk, U.S. District Court, ILCD

SEALED**FILED**

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
AT ROCK ISLAND**

SEP 09 2011

CLERK OF THE COURT
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff,

vs.

TAMIMI GLOBAL CO., LTD, a/k/a TAFGA,

Defendant.

Case No. 11- 40083

VIOLATIONS: Title 18, United States
Code, Sections 371, 201(c)(1)(A),
and 2; Title 41, United States
Code, Section 53

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At all times relevant to this Information:

A. Defendant and Defendant's Employees

1. Defendant TAMIMI GLOBAL COMPANY, LTD., also known as "TAFGA," and hereinafter referred to as "TAFGA," was a Saudi Arabian-based company that provided dining facility and other services to U.S. military personnel in the Middle East. TAFGA operated dining facilities ("DFACS") at U.S. military bases in Kuwait and Iraq as a prime contractor to the U.S. Army, as a subcontractor to a prime contractor to the U.S. Army, and as a contractor to the Kuwait government. During the period from 2002 through the date of this Information, TAFGA has received hundreds of millions of U.S. dollars as the result of contracts and subcontracts to provide services to U.S. military personnel in the Middle East.

2. Mohammad Shabbir Khan ("Shabbir Khan") was TAFGA's Director of Operations for Kuwait and Iraq, whose duties included overseeing DFAC operations. Shabbir

Khan was a naturalized U.S. citizen. Shabbir Khan acted with the intent to benefit TAFGA, and his acts were committed within the authority and scope of his employment.

3. Zubair Khan Ahmed Khan ("Zubair Khan") was TAFGA's Operations Manager for Iraq, whose duties included supervising DFAC operations. Zubair Khan acted with the intent to benefit TAFGA, and his acts were committed within the authority and scope of his employment.

4. An individual herein identified as "MSK" was a management-level employee of TAFGA whose duties included managing food service operations at DFACS operated by TAFGA in Kuwait. "MSK" acted with the intent to benefit TAFGA, and his acts were committed within the authority and scope of his employment.

5. An individual herein identified as "MM" was a management-level employee of TAFGA in Bahrain whose responsibilities included renewing employee visa and identification cards. "MM" acted with the intent to benefit TAFGA, and his acts were committed within the authority and scope of his employment.

B. Coconspirators

6. Stephen Lowell Seamans ("Seamans") was employed by the company now known as Kellogg Brown & Root Services, Inc. ("KBR") from approximately March 1999 through approximately May 2003. From approximately October 2002 through November 2002 and from approximately March 2003 through May 2003, Seamans worked for KBR in Kuwait as a Procurement Materials and Property Manager. His duties as a Procurement Materials and Property Manager included the negotiation and awarding of subcontracts under the U.S. Army's

prime contract called the Logistics and Civil Augmentation Program III ("LOGCAP III"). As such, Seamans was a public official.

7. Ray Scott Chase ("Chase"), served as a Sergeant First Class in the United States Army. From approximately January 2002 through December 2003, Chase was deployed to Kuwait in connection with Operation Iraqi Freedom. As part of his official duties in 2002 and 2003, Chase served as the Contracting Officer's Representative ("COR") and the Non-commissioned Officer in Charge ("NCOIC") for the military dining facility located at the United States Central Command at Camp Doha, Kuwait and U. S. Army contracts related thereto. As the COR and NCOIC, Chase supervised the food procurement, preparation and service operations at Camp Doha. In 2003, Chase also served as the NCOIC for a military dining facility at Camp Arifjan, Kuwait, and had similar responsibilities to those he had at Camp Doha. As such, Chase was a public official.

C. LOGCAP III Contract

8. In December 2001, a United States Army contracting command located at the Rock Island Arsenal in Rock Island, Illinois, which is within the Central District of Illinois, awarded the LOGCAP III prime contract to KBR. The Army Field Support Command, also located at the Rock Island Arsenal, was the procurement command for LOGCAP III. As the procurement command for LOGCAP III, the Army Field Support Command obligated and committed the funding for this prime contract.

9. Under LOGCAP III, KBR provided goods and services to the Army in Kuwait, Iraq, and other locations around the world, including DFACS at U.S. military bases in Kuwait and Iraq. The specific requirements under LOGCAP III were set forth in "Task Orders" that the

Army Field Support Command issued to KBR. Under LOGCAP III, the United States Government paid KBR for the costs KBR incurred, plus an award fee. KBR commonly used subcontractors that invoiced KBR for their work. KBR thereafter invoiced the government which included the costs of subcontracts. KBR engaged TAFGA as a subcontractor to fulfill some of its DFAC obligations under the prime contract. The Resource Management Unit of the Army Field Support Command at the Rock Island Arsenal managed the money for the LOGCAP III prime contract, including the obligating of funding for the payment of Task Orders for DFAC operations.

10. The LOGCAP III prime contract incorporated the Anti-Kickback Procedures set forth in Title 48, Code of Federal Regulations, Section 52.203-7. KBR's subcontracts with TAFGA likewise incorporated those same Anti-Kickback Procedures set forth in that section.

11. KBR's subcontracts with TAFGA also contained a specific Anti-Kickback

Notice:

Subcontractors and suppliers are prohibited from offering any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind directly or indirectly to [KBR] employees for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

12. In or about October 2002, a LOGCAP III task order required KBR to establish a DFAC at Camp Arifjan in Kuwait, known as the Camp Arifjan Zone 2 DFAC. On or about October 14, 2002, KBR awarded the Camp Arifjan DFAC subcontract to TAFGA.

13. In or about April 2003, a LOGCAP III task order required KBR to establish a DFAC at a palace in Baghdad, Iraq. On or about April 14, 2003, KBR awarded the Baghdad Palace DFAC subcontract to TAFGA.

COUNT 1
(Conspiracy to Pay Kickbacks)

14. The allegations contained in paragraphs 1 through 6 and 8 through 13 of the General Allegations section of this Information are realleged and incorporated by reference as though fully set forth herein.

A. The Charge

15. Beginning in or about October 2002, and continuing through at least on or about March 22, 2006, in the Central District of Illinois, and elsewhere, the defendant,

TAMIMI GLOBAL CO., LTD., a/k/a TAFGA,

did knowingly and intentionally combine, conspire, confederate and agree with Stephen Lowell Seamans and others to commit certain offenses against the United States, namely, to provide, attempt to provide, and offer to provide any kickback, in violation of Title 41, United States Code, Section 53.

B. Purposes and Objects of the Conspiracy

16. The purposes and objects of the conspiracy were for the defendant to unlawfully enrich itself through the payment of kickbacks to obtain and maintain contracts to provide services to U.S. Troops and other military and government personnel, and to conceal from U.S. Government officials the payment of such kickbacks.

C. Manner and Means of the Conspiracy

17. The defendant and coconspirators carried out the conspiracy in the following manner and by using the following means, among others:

a. Shabbir Khan would and did provide and cause to be provided to Seamans the services of a prostitute and use of the private residence known as the “Tamimi Party House” in Kuwait which included free alcoholic beverages and food;

b. Shabbir Khan would and did pay and cause to be paid kickbacks to Seamans for Seamans’ favorable treatment and assistance with subcontracts under the LOGCAP III prime contract;

c. Shabbir Khan, Zubair Khan, and other TAFGA employees would and did wire transfer and cause to be wire transferred kickback payments from locations in the Middle East, including from accounts owned and controlled by TAFGA, to bank accounts in the United States designated by Seamans; and

d. Shabbir Khan, Zubair Khan, and other TAFGA employees would and did provide and cause to be provided materially false and misleading information to federal law enforcement personnel based in the Central District of Illinois, who were investigating TAFGA as part of a grand jury investigation in the Central District of Illinois into allegations of fraud and corruption in the award of subcontracts under the LOGCAP III prime contract.

e. Shabbir Khan and Zubair Khan met with Seamans in London, England on October 28, 2005, in an effort to have materially false and misleading information provided to federal law enforcement personnel based in the Central District of Illinois and to coordinate the process by which a sum of money would be wire transferred to Zubair Khan and then back to

Seamans in a manner that would make the fictitious story provided to law enforcement as part of a cover up of the kickback arrangement appear legitimate.

D. Overt Acts

18. In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one of the coconspirators committed or caused to be committed in the Central District of Illinois, and elsewhere, at least one of the following overt acts, among others:

a. On or about October 9, 2002, Shabbir Khan hosted a birthday party for Seamans in Kuwait. At the party, Shabbir Khan provided Seamans with the services of a prostitute. When Shabbir Khan drove Seamans back to his quarters following the party, he offered to pay Seamans a kickback in connection with the Camp Arifjan Zone 2 DFAC;

b. On or about October 14, 2002, Seamans awarded the Camp Arifjan Zone 2 DFAC to TAFGA in the not-to-exceed amount of US\$14,398,505 for a one-year period. Seamans executed the subcontract on behalf of KBR, and Shabbir Khan executed the subcontract on behalf of TAFGA;

c. In or about April 2003, Seamans provided Shabbir Khan with bid information pertaining to the Baghdad Palace Subcontract. Seamans, knowing the amount of the bid submitted by another bidder, provided Shabbir Khan with the price TAFGA needed to bid to secure the award of the subcontract;

d. On or about April 14, 2003, Seamans awarded the Baghdad Palace subcontract to TAFGA in the not-to-exceed amount of US\$2,000,000. Seamans awarded the subcontract by way of a document entitled "Letter Subcontract Anticipating a Fixed Price Type of Subcontract," which provided for the parties to enter into negotiations for a firm-fixed-price

subcontract by April 24, 2003. Seamans executed the letter subcontract on behalf of KBR, and Shabbir Khan executed the letter subcontract on behalf of TAFGA;

e. On or about May 21, 2003, Seamans awarded to TAFGA a change order to the Baghdad Palace subcontract that increased the amount of the subcontract from US\$2,000,000 to US\$7,381,725.90 and specified the period of performance as six months from April 14, 2003, or through October 13, 2003. Seamans executed the change order on behalf of KBR, and Shabbir Khan executed the change order on behalf of TAFGA;

f. From in or about October 2002 through in or about October 2003, on or about the below-listed dates, in connection with the Camp Arifjan Zone 2 DFAC and Baghdad Palace DFAC subcontracts, Shabbir Khan paid and caused to be paid kickbacks to Seamans in the total amount of approximately US\$133,000 in the form of U.S. currency, and wire transfers from bank accounts in the Middle East to accounts in the United States, including the following:

- (i) 10/29/02 Wire transfer of US\$2,965 from Kuwait;
- (ii) 11/25/02 Wire transfer of US\$20,965 from Kuwait;
- (iii) 4/17/03 Wire transfer of US\$8,000 from Bahrain;
- (iv) 4/18/03 Wire transfer of US\$9,465 from Kuwait;
- (v) 4/23/03 Wire transfer of US\$9,000 from Bahrain;
- (vi) 4/28/03 Wire transfer of US\$8,500 from Bahrain;
- (vii) 5/12/03 Wire transfer of US\$9,500 from Bahrain;
- (viii) 5/15/03 Wire transfer of US\$8,500 from Bahrain;
- (ix) 5/16/03 Wire transfer of US\$7,500 from Bahrain;
- (x) 5/19/03 Wire transfer of US\$6,500 from Bahrain;

- (xi) 5/21/03 Wire transfer of US\$3,000 from Saudi Arabia; and
- (xii) 10/2/03 Wire transfer of \$9,965 from Kuwait.

g. On or about August 27, 2005, federal law enforcement personnel from the Central District of Illinois interviewed Zubair Khan in Kuwait. During the interview, Zubair Khan:

- (i). Falsely stated, in sum and substance, that he and Seamans agreed in February or March 2003 to enter into a business venture to purchase armor plated, United States-made vehicles for sale in Iraq;

- (ii). Falsely stated, in sum and substance, that he directed TAFGA employee "MM" to wire transfer more than US\$60,000 to Seamans as his investment in the business venture; and

- (iii). Falsely stated, in sum and substance, that the armored vehicle deal with Seamans fell through, and, thereafter, he tried to get Seamans to purchase a recreational vehicle ("RV") in the United States to sell in the Middle East, but the RV deal also fell through.

h. On or about August 26 and 28, 2005, federal law enforcement personnel from the Central District of Illinois interviewed Shabbir Khan in Kuwait. During the interview, Shabbir Khan:

- (i). Falsely stated, in sum and substance, that he thought certain wire transfers of money that persons affiliated with TAFGA made to Seamans were for a business venture between Zubair Khan and Seamans for the purchase of armored cars in the United States for sale in the Middle East for profit; and

(ii). Falsely stated, in sum and substance, that he was unaware of any kickbacks and gratuities paid to Seamans by TAFGA personnel.

i. On or about August 28, 2005, during the interview in Kuwait with federal law enforcement personnel from the Central District of Illinois, Shabbir Khan provided the law enforcement personnel with false and misleading documents to support his and Zubair Khan's fictitious story about a business venture between Zubair Khan and Seamans. These documents included a document Shabbir Khan represented as an April 10, 2003, memorandum from Zubair Khan to Shabbir Khan in which Zubair Khan requested that Shabbir Khan advise the TAFGA finance department to give US\$67,000 of Zubair Khan's year 2002 bonus to TAFGA employee "MM." These documents also included a document Shabbir Khan represented as an April 13, 2003, memorandum between TAFGA finance department employees stating that the Operations Manager of TAFGA had approved Zubair Khan's April 10, 2003, request.

j. On or about the dates below, in an effort to support the fictitious business venture story, defendant TAFGA caused the Rock Island Division of the United States Attorney's Office, Central District of Illinois, to receive the following false and misleading documents from TAFGA's legal counsel:

(i). September 12, 2005: documents relating to wire transfers made to Seamans by one or more TAFGA employees in the Spring of 2003;

(ii). September 16, 2005: e-mails between Zubair Khan and Seamans concerning the fictitious business venture; and

(iii). September 26, 2005: a memorandum repeating and crediting the fictitious business venture story.

k. In or about April 2005, Shabbir Khan spoke with and otherwise communicated with Seamans, who was in the United States at the time, informing Seamans that an attache from the embassy or consulate in Bahrain had recently inquired into the source of wire transfers that TAFGA or one or more of its managers had paid to Seamans as kickbacks in the spring of 2003. Shabbir Khan suggested to Seamans, in sum and substance, that if Seamans were to have a business deal with Zubair Khan, purportedly involving the joint purchase of a vehicle in the United States for sale in the Middle East, this would make the wire transfers the authorities inquired about appear to be a legitimate business investment by Zubair Khan.

l. On or about October 28, 2005, Shabbir Khan and Zubair Khan met with Seamans in London, England. During the meeting, the three discussed the following, in sum and substance, among other things:

(i). Zubair Khan explained to Seamans the fictitious story he had told to the federal law enforcement personnel in Kuwait in August 2005;

(ii). Zubair Khan instructed Seamans to tell this same false story to federal law enforcement personnel when they questioned him concerning the wire transfers from TAFGA;

(iii). Shabbir Khan and Zubair Khan told Seamans that they needed documentation showing that Seamans had wired approximately US\$65,000 back to Zubair Khan's bank account in order to support the fictitious story they had told federal law enforcement personnel; and

(iv). Shabbir Khan and Zubair Khan further instructed Seamans to wire transfer a sum of money to Zubair Khan's bank account, that they would then transfer the same

sum of money back to Seamans, and that this process was to continue until Seamans had sent a total of US\$65,000 to Zubair Khan's bank account, and had received a total of US\$65,000 in return, in order to support the fictitious story they had told federal law enforcement personnel.

m. On March 22, 2006, federal law enforcement personnel interviewed Shabbir Khan at the United States Attorney's Office in Rock Island, Illinois, in the Central District of Illinois. During the interview, Shabbir Khan:

(i). Falsely stated, in sum and substance, that in 2003, Zubair Khan had a private side business deal with Seamans for the purchase of an armored vehicle in the United States for resale in the Middle East;

(ii). Falsely stated, in sum and substance, that to obtain money for Zubair Khan's investment in the armored car deal with Seamans, Zubair Khan asked TAFGA to give US\$67,000 of his year 2002 bonus to TAFGA employee "MM;"

(iii). Falsely stated, in sum and substance, that none of the money provided to Seamans by TAFGA employee "MM" had anything to do with TAFGA's business with KBR;

(iv). Falsely stated, in sum and substance, that the armored vehicle deal with Seamans fell through;

(v). Falsely stated, in sum and substance, that neither Shabbir Khan, Zubair Khan nor TAFGA intended to pay kickbacks to Seamans through the payments made to Seamans; and

(vi). Falsely stated, in sum and substance, that the payments to Seamans were not made because Seamans was involved in awarding or administering any subcontracts between KBR and TAFGA.

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

COUNT 2
(Conspiracy to Pay Gratuities)

19. The allegations contained in paragraphs 1, 2, 4 and 7 of the General Allegations section of this Information are realleged and incorporated by reference as though fully set forth herein.

A. Tamimi Contract with the Kuwait Government And the Camp Arifjan DFAC

20. In 2002 and 2003, defendant TAFGA provided dining facility services to the United States military at Camp Doha in Kuwait through a contract with the Kuwait government. TAFGA likewise provided the dining facility services at one of the Camp Arifjan DFACS, known as the Camp Arifjan Zone 1 DFAC, after that facility was set up in 2003.

21. Ray Scott Chase was responsible for supervising all food procurement, preparation, and service at the Camp Doha DFAC and the Camp Arifjan Zone 1 DFAC. Chase was also responsible for ordering food, supplies, and services for those DFACS and this required him to place orders with private contractors that held Blanket Purchase Agreements with the U.S. Army. Accordingly, Chase was a public official.

B. The Charge

22. Beginning in or about 2002, and continuing through at least December 2003, in Kuwait and elsewhere, the defendant,

TAMIMI GLOBAL CO., LTD., a/k/a TAFGA,

did knowingly and intentionally combine, conspire, confederate and agree with Ray Scott Chase and others to commit certain offenses against the United States, namely, the payment of unlawful gratuities, in violation of Title 18, United States Code, Section 201(c)(1)(A), that is, TAFGA employees gave Chase things of value, including United States currency and use of an apartment, because of official acts performed, and that were to be performed, by Chase in connection with contracts for dining facility services at Camp Doha and Camp Arifjan in Kuwait, with such gratuities being unlawfully provided to Chase, that is, the gratuities were not provided to Chase as part of the proper discharge of his official duties.

C. Purpose and Object of the Conspiracy

23. It was a purpose and object of the conspiracy for the defendant to unlawfully enrich itself through the payment of gratuities to obtain, maintain, and increase the profitability of contracts to provide services to U.S. Troops and other military and government personnel.

D. Manner and Means of the Conspiracy

24. The defendant and coconspirators carried out the conspiracy in the following manner and by using the following means, among others:

a. Shabbir Khan and "MSK" would and did pay gratuities to Ray Scott Chase with the intent to obtain Chase's assistance in ensuring that TAFGA obtained and maintained government contracts;

b. Shabbir Khan and “MSK” would and did pay gratuities to Ray Scott Chase for Chase’s assistance in ordering food for the Camp Doha DFAC, thereby reducing TAFGA’s obligation to provide food under its contract with the Kuwait government, resulting in reduced costs and increased profits for TAFGA. Shabbir Khan and “MSK” also paid gratuities to Chase to obtain favorable treatment for TAFGA from Chase in the performance of his official duties at the Camp Arifjan Zone 1 DFAC; and

c. Shabbir Khan would and did provide Chase with use of an apartment in Kuwait City free of charge.

E. Overt Acts

25. In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one of the co-conspirators committed or caused to be committed at least one of the following overt acts, among others:

a. In approximately mid-2002, “MSK” met with Chase and solicited Chase to use Chase’s position to order food for the Camp Doha DFAC, in order to reduce TAFGA’s obligation to provide food under its contract with the Kuwait government, thereby reducing TAFGA’s costs and increasing its profits;

b. In approximately mid-2002, “MSK” gave Chase an envelope containing approximately US\$10,000;

c. Between approximately mid-2002 and December 2003, at monthly or bi-monthly intervals, “MSK” paid Chase cash amounts between approximately US\$8,000 and US\$20,000 because of official acts he performed and was going to perform in relation to the Camp Doha DFAC and the Camp Arifjan Zone 1 DFAC. This included Chase’s ordering of food

in a manner that reduced TAFGA's obligation to provide food under its contract with the Kuwait government, thereby reducing TAFGA's costs and increasing its profits; and

d. Between approximately mid-2002 and December 2003, on two or three separate occasions, Shabbir Khan paid Chase cash amounts between approximately USD\$8,000 and US\$20,000.

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

UNITED STATES OF AMERICA

JAMES A. LEWIS
United States Attorney

s/ Matthew J. Cannon

By:

~~MATTHEW J. CANNON~~
Supervisory Assistant United States Attorney
318 South 6th Street
Springfield, Illinois 62701
(217) 492-4450

ATTACHMENT A**STATEMENT OF FACTS**

1. The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the U.S. Attorney's Office for the Central District of Illinois (the "Government"), and Tamimi Global Co., Ltd., a/k/a "TAFGA," which is hereinafter referred to as "TAFGA". With the exception of the paragraphs below beginning, "According to the government's evidence," TAFGA admits, agrees, and stipulates to the following: (a) TAFGA is responsible for the acts of its officers, employees, and agents as set forth below; (b) the facts set forth below are true and accurate; (c) should the government pursue the prosecution deferred by this Agreement, TAFGA will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding; and (d) if this matter was to proceed to trial, the Government would prove beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in the criminal Information attached to the Agreement as Exhibit 1. Should this matter proceed to trial, TAFGA reserves the right to contest the facts set forth in paragraphs below that begin with the phrase, "According to the government's evidence." The evidence would establish the following:

TAFGA and TAFGA Managers

2. Defendant TAMIMI GLOBAL COMPANY, LTD., also known as "TAFGA," and hereinafter referred to as "TAFGA," was a Saudi Arabian-based company that provided dining facility and other services to U.S. military personnel in the Middle East. TAFGA operated dining facilities ("DFACS") at U.S. military bases in Kuwait and Iraq as a prime contractor to the U.S. Army, as a subcontractor to a prime contractor to the U.S. Army, and as a contractor to the Kuwait government. During the period from 2002 through the date of this Information, TAFGA has received hundreds of millions of U.S. dollars as the result of contracts and subcontracts to provide services to U.S. military personnel in the Middle East.

3. Mohammad Shabbir Khan ("Shabbir Khan") was TAFGA's Director of Operations for Kuwait and Iraq, whose duties included overseeing DFAC operations. Shabbir Khan was a

naturalized U.S. citizen.

4. Zubair Khan Ahmed Khan ("Zubair Khan") was TAFGA's Operations Manager for Iraq, whose duties included supervising DFAC operations.

5. An individual herein identified as "MSK" was a Project Manager for TAFGA whose duties included managing food service operations at DFACS operated by TAFGA in Kuwait.

6. An individual herein identified as "MM" was an employee of TAFGA in Bahrain whose responsibilities included renewing employee visa and identification cards.

Other Persons

7. Stephen Lowell Seamans ("Seamans") was employed by the company now known as Kellogg Brown & Root Services, Inc. ("KBR") from approximately March 1999 through approximately May 2003. From approximately October 2002 through November 2002 and from approximately March 2003 through May 2003, Seamans worked for KBR in Kuwait as a Procurement Materials and Property Manager. His duties as a Procurement Materials and Property Manager included the negotiation and awarding of subcontracts under the U.S. Army's prime contract called the Logistics and Civil Augmentation Program III ("LOGCAP III"). As such, Seamans was a public official.

8. Ray Scott Chase ("Chase") served as a Sergeant First Class in the United States Army. From approximately January 2002 through December 2003, Chase was deployed to Kuwait in connection with Operation Iraqi Freedom. As part of his official duties in 2002 and 2003, Chase served as the Contracting Officer's Representative ("COR") and the Non-commissioned Officer in Charge ("NCOIC") for the military dining facility located at the United States Central Command at Camp Doha, Kuwait and U.S. Army contracts related thereto. As the COR and NCOIC, Chase supervised the food procurement, preparation and service operations at Camp Doha. In 2003, Chase also served as the NCOIC for a military dining facility at Camp Arifjan, Kuwait, and had similar responsibilities to those he had at Camp Doha. As such, Chase was a public official.

LOGCAP III Contract

9. In December 2001, a United States Army contracting command located at the Rock Island Arsenal in Rock Island, Illinois, which is within the Central District of Illinois, awarded the LOGCAP III prime contract to KBR. The Army Field Support Command, also located at the Rock Island Arsenal, was the procurement command for LOGCAP III. As the procurement command for LOGCAP III, the Army Field Support Command obligated and committed the funding for this prime contract.

10. Under LOGCAP III, KBR provided goods and services to the Army in Kuwait, Iraq, and other locations around the world, including DFACS at U.S. military bases in Kuwait and Iraq. The specific requirements under LOGCAP III were set forth in "Task Orders" that the Army Field Support Command issued to KBR. Under LOGCAP III, the United States Government paid KBR for the costs KBR incurred, plus an award fee. KBR commonly used subcontractors that invoiced KBR for their work. KBR thereafter invoiced the government which included the costs of subcontracts. KBR engaged TAFGA as a subcontractor to fulfill some of its DFAC obligations under the prime contract. The Resource Management Unit of the Army Field Support Command at the Rock Island Arsenal managed the money for the LOGCAP III prime contract, including the obligating of funding for the payment of Task Orders for DFAC operations.

11. The LOGCAP III prime contract incorporated the Anti-Kickback Procedures set forth in Title 48, Code of Federal Regulations, Section 52.203-7. KBR's subcontracts with TAFGA likewise incorporated those same Anti-Kickback Procedures set forth in that section.

12. KBR's subcontracts with TAFGA also contained a specific Anti-Kickback Notice:

Subcontractors and suppliers are prohibited from offering any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind directly or indirectly to [KBR] employees for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

13. In or about October 2002, a LOGCAP III task order required KBR to establish a DFAC at Camp Arifjan in Kuwait, known as the Camp Arifjan Zone 2 DFAC. On or about October 14, 2002, KBR awarded the Camp Arifjan DFAC subcontract to TAFGA.

14. In or about April 2003, a LOGCAP III task order required KBR to establish a DFAC at a palace in Baghdad, Iraq. On or about April 14, 2003, KBR awarded the Baghdad Palace DFAC subcontract to TAFGA.

Criminal Conduct -Count 1 of the Information

15. On or about October 9, 2002, Shabbir Khan hosted a birthday party for Seamans in Kuwait. At the party, Shabbir Khan provided Seamans with the services of a prostitute. When Shabbir Khan drove Seamans back to his quarters following the party, he offered to pay Seamans a kickback in connection with the Camp Arifjan Zone 2 DFAC.

16. On or about October 14, 2002, Seamans awarded the Camp Arifjan Zone 2 DFAC to TAFGA in the not-to-exceed amount of US \$14,398,505 for a one-year period. Seamans executed the subcontract on behalf of KBR, and Shabbir Khan executed the subcontract on behalf of TAFGA.

17. According to the government's evidence, in or about April 2003, Seamans provided Shabbir Khan with bid information pertaining to the Baghdad Palace Subcontract. Seamans, knowing the amount of the bid submitted by another bidder, provided Shabbir Khan with the price TAFGA needed to bid to secure the award of the subcontract.

18. On or about April 14, 2003, Seamans awarded the Baghdad Palace subcontract to TAFGA in the not-to-exceed amount of US \$2,000,000. Seamans awarded the subcontract by way of a document entitled "Letter Subcontract Anticipating a Fixed Price Type of Subcontract," which provided for the parties to enter into negotiations for a firm-fixed-price subcontract by April 24, 2003. Seamans executed the letter subcontract on behalf of KBR, and Shabbir Khan executed the letter subcontract on behalf of TAFGA.

19. On or about May 21, 2003, Seamans awarded to TAFGA a change order to the Baghdad Palace subcontract that increased the amount of the subcontract from US \$2,000,000 to US

\$7,381,725.90 and specified the period of performance as six months from April 14, 2003, or through October 13, 2003. Seamans executed the change order on behalf of KBR, and Shabbir Khan executed the change order on behalf of TAFGA.

20. From in or about October 2002 through in or about October 2003, on or about the below-listed dates, in connection with the Camp Arifjan Zone 2 DFAC and Baghdad Palace DFAC subcontracts, Shabbir Khan paid and caused to be paid kickbacks to Seamans in the total amount of approximately US \$133,000 in the form of U.S. currency, and wire transfers from bank accounts in the Middle East to accounts in the United States, including the following:

- a. 10/29/02 Wire transfer of US \$2,965 from Kuwait;
- b. 11/25/02 Wire transfer of US \$20,965 from Kuwait;
- c. 4/17/03 Wire transfer of US \$8,000 from Bahrain;
- d. 4/18/03 Wire transfer of US \$9,465 from Kuwait;
- e. 4/23/03 Wire transfer of US \$9,000 from Bahrain;
- f. 4/28/03 Wire transfer of US \$8,500 from Bahrain;
- g. 5/12/03 Wire transfer of US \$9,500 from Bahrain;
- h. 5/15/03 Wire transfer of US \$8,500 from Bahrain;
- i. 5/16/03 Wire transfer of US \$7,500 from Bahrain;
- j. 5/19/03 Wire transfer of US \$6,500 from Bahrain;
- k. 5/21/03 Wire transfer of US \$3,000 from Saudi Arabia; and
- l. 10/2/03 Wire transfer of US \$9,965 from Kuwait.

21. In or about April 2005, Shabbir Khan spoke with and otherwise communicated with Seamans, who was in the United States at the time, informing Seamans that an attaché from the embassy or consulate in Bahrain had recently inquired into the source of wire transfers that TAFGA or one or more of its managers had paid to Seamans as kickbacks in the spring of 2003. Shabbir Khan suggested to Seamans, in sum and substance, that if Seamans were to have a business deal with Zubair Khan, purportedly involving the joint purchase of a vehicle in the United States for sale in the

Middle East, this would make the wire transfers the authorities inquired about appear to be a legitimate business investment by Zubair Khan.

22. On or about August 27, 2005, federal law enforcement personnel from the Central District of Illinois interviewed Zubair Khan in Kuwait. During the interview, Zubair Khan:

- a. Falsely stated, in sum and substance, that he and Seamans agreed in February or March 2003 to enter into a business venture to purchase armor plated, United States-made vehicles for sale in Iraq;
- b. Falsely stated, in sum and substance, that he directed TAFGA employee "MM" to wire transfer more than US \$60,000 to Seamans as his investment in the business venture; and
- c. Falsely stated, in sum and substance, that the armored vehicle deal with Seamans fell through, and, thereafter, he tried to get Seamans to purchase a recreational vehicle ("RV") in the United States to sell in the Middle East, but the RV deal also fell through.

23. On or about August 26 and 28, 2005, federal law enforcement personnel from the Central District of Illinois interviewed Shabbir Khan in Kuwait. During the interview, Shabbir Khan:

- a. Falsely stated, in sum and substance, that he thought certain wire transfers of money that persons affiliated with TAFGA made to Seamans were for a business venture between Zubair Khan and Seamans for the purchase of armored cars in the United States for sale in the Middle East for profit; and
- b. Falsely stated, in sum and substance, that he was unaware of any kickbacks and gratuities paid to Seamans by TAFGA personnel.

24. According to the government's evidence, by at least August 26, 2005, when interviews of Zubair Khan, Shabbir Khan, and others commenced in Kuwait by federal law enforcement personnel from the Central District of Illinois, TAFGA was told of the kickback payments made to Seamans, and that there were efforts to conceal those past payments through a false cover story presented by Zubair Khan, Shabbir Khan, and, unwittingly, by Tamimi's then-counsel, to the law enforcement personnel on and after August 26, 2005.

25. On or about August 28, 2005, during the interview in Kuwait with federal law enforcement personnel from the Central District of Illinois, Shabbir Khan provided the law enforcement personnel with false and misleading documents to support his and Zubair Khan's fictitious story about a business venture between Zubair Khan and Seamans. These documents included a document Shabbir Khan represented as an April 10, 2003, memorandum from Zubair Khan to Shabbir Khan in which Zubair Khan requested that Shabbir Khan advise the TAFGA finance department to give US \$67,000 of Zubair Khan's year 2002 bonus to TAFGA employee "MM." These documents also included a document Shabbir Khan represented as an April 13, 2003, memorandum between TAFGA finance department employees stating that the Operations Manager of TAFGA had approved Zubair Khan's April 10, 2003, request.

26. On or about the dates below, defendant TAFGA caused the Rock Island Division of the United States Attorney's Office, Central District of Illinois, to receive the following false and misleading documents from TAFGA's then legal counsel:

- a. September 12, 2005: documents relating to wire transfers made to Seamans by one or more TAFGA employees in the Spring of 2003;
- b. September 16, 2005: e-mails between Zubair Khan and Seamans concerning the fictitious business venture; and
- c. September 26, 2005: a memorandum repeating and crediting the fictitious business venture story.

27. On or about October 28, 2005, Shabbir Khan and Zubair Khan met with Seamans in London, England. During the meeting, the three discussed the following, in sum and substance, among other things:

- a. Zubair Khan explained to Seamans the fictitious story he had told to the federal law enforcement personnel in Kuwait in August 2005;
- b. Zubair Khan instructed Seamans to tell this same false story to federal law enforcement personnel when they questioned him concerning the wire transfers from TAFGA;

c. Shabbir Khan and Zubair Khan told Seamans that they needed documentation showing that Seamans had wired approximately US \$65,000 back to Zubair Khan's bank account in order to support the fictitious story they had told federal law enforcement personnel; and

d. Shabbir Khan and Zubair Khan further instructed Seamans to wire transfer a sum of money to Zubair Khan's bank account, that they would then transfer the same sum of money back to Seamans, and that this process was to continue until Seamans had sent a total of US \$65,000 to Zubair Khan's bank account, and had received a total of US \$65,000 in return, in order to support the fictitious story they had told federal law enforcement personnel.

28. On March 22, 2006, federal law enforcement personnel interviewed Shabbir Khan at the United States Attorney's Office in Rock Island, Illinois, in the Central District of Illinois. During the interview, Shabbir Khan:

a. Falsely stated, in sum and substance, that in 2003, Zubair Khan had a private side business deal with Seamans for the purchase of an armored vehicle in the United States for resale in the Middle East;

b. Falsely stated, in sum and substance, that to obtain money for Zubair Khan's investment in the armored car deal with Seamans, Zubair Khan asked TAFGA to give US \$67,000 of his year 2002 bonus to TAFGA employee "MM;"

c. Falsely stated, in sum and substance, that none of the money provided to Seamans by TAFGA employee "MM" had anything to do with TAFGA's business with KBR;

d. Falsely stated, in sum and substance, that the armored vehicle deal with Seamans fell through;

e. Falsely stated, in sum and substance, that neither Shabbir Khan, Zubair Khan nor TAFGA intended to pay kickbacks to Seamans through the payments made to Seamans; and

f. Falsely stated, in sum and substance, that the payments to Seamans were not made because Seamans was involved in awarding or administering any subcontracts between KBR and TAFGA.

Criminal Conduct -Count 2 of the Information

29. In 2002 and 2003, defendant TAFGA provided dining facility services to the United States military at Camp Doha in Kuwait through a contract with the Kuwait government. TAFGA likewise provided the dining facility services at one of the Camp Arifjan DFACS, known as the Camp Arifjan Zone 1 DFAC, after that facility was set up in 2003.

30. Ray Scott Chase was responsible for supervising all food procurement, preparation, and service at the Camp Doha DFAC and the Camp Arifjan Zone 1 DFAC. Chase was responsible for ordering food, supplies, and services for those DFACS from private contractors that held Blanket Purchase Agreements with the U.S. Army.

31. According to the government's evidence, in approximately mid-2002, "MSK" met with Chase and solicited Chase to use Chase's position to order food for the Camp Doha DFAC, and according to government evidence was done to reduce TAFGA's obligation to provide food under its contract with the Kuwait government, thereby reducing TAFGA's costs and increasing its profits.

32. According to the government's evidence, in approximately mid-2002, "MSK" gave Chase an envelope containing approximately US \$10,000.

33. According to the government's evidence, between approximately mid-2002 and December 2003, at monthly or bi-monthly intervals, "MSK" paid Chase cash amounts between approximately US \$8,000 and US \$20,000 because of official acts Chase performed and was going to perform in relation to the Camp Doha DFAC and the Camp Arifjan Zone 1 DFAC. According to the government's evidence, this included Chase's ordering of food in a manner that reduced TAFGA's obligation to provide food under its contract with the Kuwait government, thereby reducing Tamimi's costs and increasing its profits.

34. According to the government's evidence, between approximately mid-2002 and December 2003, on two or three separate occasions, Shabbir Khan paid Chase cash amounts between approximately USD\$8,000 and US \$20,000.

35. In addition, Shabbir Khan provided Chase with use of an apartment in Kuwait City

free of charge.

36. In sum, TAFGA admits that it is responsible for the misconduct of its employees, who (a) agreed to provide Chase illegal gratuities; (b) in furtherance of that conspiracy gave Chase things of value, that is, United States currency and the use of an apartment, because of official acts performed, and that were to be performed, by Chase during the year 2002 through the end of the year 2003 in connection with contracts for dining facility services at Camp Doha in Kuwait and the Camp Arifjan Zone 1 DFAC; and (c) paid these gratuities unlawfully to Chase, that is, the gratuities were not provided to him as part of the proper discharge of his official duties.

Other Relevant Conduct and Illicit Payments

37. An individual herein identified as "TA" was TAFGA's Area Manager for the Balad Area in Iraq whose duties included managing the DFACS operated by TAFGA in that area.

38. John Rivard (Rivard) served as a Major in the United States Army. From approximately March 2004 through February 2005, Rivard served as the Army's Chief of Contracting for Camp Anaconda which was located north of Baghdad in Iraq. His duties included supervising the process of awarding contracts for obtaining goods and services needed at and near Camp Anaconda.

39. Theresa Russell (Russell) served as a Sergeant in the United States Army and worked and associated with Rivard at Camp Anaconda.

40. According to the government's evidence, in or about 2004, Rivard participated in the awarding of a contract to TAFGA for DFAC operations at several forward operating bases in the vicinity of Camp Anaconda in Iraq. Approximately a month and a half after the contract was awarded, "TA" provided Rivard with US \$10,000 in cash on account of Rivard's efforts in awarding the contract to TAFGA, and another US \$10,000 in cash that "TA" directed be given to Russell.

41. Terry Hall was employed by KBR in Kuwait as a Food Service Manager from approximately October 2002 through approximately April 2004. His duties included overseeing KBR food service operations in Kuwait and Iraq, primarily concerning the technical side of DFAC contract administration.

42. An individual herein identified as "Person A" was employed by KBR in Kuwait during the time beginning in approximately February 2003 as a Food Service Technician, Food Service Supervisor, and ultimately the Deputy Regional Food Service Manager of LOGCAP III for Kuwait and Iraq.

43. According to the government's evidence, between the end of 2002 and the beginning of 2004, Shabbir Khan paid Hall and "Person A" a combined total of approximately US \$40,000 in connection with DFAC subcontracts that TAFGA had been awarded under LOGCAP III. Khan did so in order to ensure that TAFGA kept the DFAC subcontracts that it had, and to ensure that TAFGA would continue to get additional subcontracts as they became available.

44. From approximately March 2003 through early 2005, an individual herein identified as "Person B" was employed by KBR. He served primarily as a Subcontracts Administrator in Iraq.

45. According to the government's evidence, in early 2005, Zubair Khan paid "Person B" approximately US \$40,000 as a gratuity for the renewal of a KBR subcontract awarded to TAFGA for a DFAC in Iraq.

46. In 2005, Peleti "Pete" Peleti, Jr., was serving in Kuwait as a U.S. Army Chief Warrant Officer and the Army's Chief Food Service Advisor for the Middle East Region. He was the advisor to the Commander on all facets of the Army's food service program. Among his duties was the monitoring of food service contracts in Kuwait, Iraq and Afghanistan, including the acquisition and distribution of food and related food service supplies at Army bases and camps.

47. According to the government's evidence, during Peleti's time as Food Service Advisor, Shabbir Khan provided him with airline tickets, food, drinks, several thousands of U.S. dollars, and the use of a "Party House" maintained by a TAFGA executive and other TAFGA representatives. Khan provided these gratuities to Peleti in light of Peleti's prominent position with the Army concerning food service and dining facilities.

Medical Records

48. In furtherance of TAFGA's operation of DFACS under the LOGCAP III contract,

TAFGA employed and transported into Kuwait and Iraq several thousand food service workers from Bangladesh, Nepal, Sri Lanka, and elsewhere.

49. One provision of the LOGCAP III task orders relating to DFACS required that food service personnel shall receive appropriate medical screening prior to employment. Screening was to include testing for infectious diseases, such as tuberculosis, typhoid fever, and hepatitis A. Food service workers' medical records were required to be maintained, and could be located at the respective DFACS.

50. In March 2004, the Defense Contract Management Agency (DCMA), an agency responsible for oversight of the LOGCAP III prime contract, initiated a routine inspection of some of the DFACS operated by TAFGA, including one at Camp Arifjan in Kuwait. During the inspection, DCMA reviewed what was purported to be the medical records of TAFGA food service workers. DCMA questioned the legitimacy of some of the records, and requested additional medical information on TAFGA food service workers through the prime contractor, KBR.

51. In response to a KBR demand for TAFGA's employees' medical screening records, TAFGA delivered to KBR in Kuwait City sets of photocopied documents purported to be the medical records of TAFGA's food service workers. Many of the records raised suspicion because they contained identical lab test results for multiple different food service workers. DCMA then conducted inspections at three other TAFGA operated DFACS in Kuwait and determined that all the purported medical records for TAFGA employees at each of those DFACS were forgeries. As a result, a federal investigation was initiated in the Central District of Illinois at Rock Island.

52. In February 2005, a federal grand jury in the Central District of Illinois issued a subpoena to TAFGA requiring production of all of the company's food service workers' medical screening records. In response to the grand jury subpoena, from in or about May 2005 through in or about August 2005, TAFGA caused to be produced to the United States Attorney's Office in Rock Island, Illinois, in the Central District of Illinois, as the representative of the grand jury, approximately 300 personnel files for TAFGA food service employees. The medical records

contained in those personnel files were different from, and much more elaborate than, the medical records that TAFGA had provided to DCMA and KBR in Kuwait in March 2004. It was subsequently determined that many of the purported medical records contained within the personnel files produced by TAFGA in 2005 to the grand jury were not legitimate and had been fabricated. The personnel files were produced as follows:

- a. On or about May 6, 2005, via hand delivery in Chicago, Illinois;
- b. On or about May 19, 2005, via commercial interstate carrier, from Chicago, Illinois to Rock Island, Illinois;
- c. On or about June 22, 2005, via commercial interstate carrier, from Chicago, Illinois to Rock Island, Illinois;
- d. On or about July 7, 2005, via commercial interstate carrier, from Chicago, Illinois to Rock Island, Illinois;
- e. On or about July 28, 2005, via commercial interstate carrier, from Chicago, Illinois to Rock Island, Illinois; and
- f. On or about August 18, 2005, via commercial interstate carrier, from Chicago, Illinois to Rock Island, Illinois.

ATTACHMENT B**CORPORATE COMPLIANCE PROGRAM**

In order to address past deficiencies in its internal controls, policies, and procedures regarding compliance with the applicable United States anti-corruption laws, TAFGA agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, TAFGA agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that TAFGA makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures, in compliance with Federal Acquisition Regulation 52 203-13. At a minimum, this should include, but not be limited to, the following elements:

1. Retention of a government contract compliance specialist to monitor TAFGA's compliance program and report to TAFGA's Legal Department.
2. A clearly articulated corporate policy against violations of the anti-corruption laws of the United States.
3. Promulgation of compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and TAFGA's compliance code. These standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of TAFGA in a foreign jurisdiction, including but not limited to, agents, consultants, representatives, and distributors (collectively, "agents");
4. The assignment of responsibility to two or more senior corporate executives of TAFGA for the implementation and oversight of compliance with policies, standards, and

procedures regarding the anti-corruption laws. Such corporate officials shall have the authority to report matters directly to TAFGA's Executive Board or any appropriate committee thereof;

5. Mechanisms designed to ensure that the policies, standards, and procedures of TAFGA regarding the anti-corruption laws are effectively communicated to all directors, officers, employees, and, where appropriate, agents. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents; and (b) annual certifications by all such directors, officers, and employees, and, where necessary and appropriate, agents, certifying compliance with the training requirements;

6. An effective system for reporting suspected criminal conduct and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents;

7. Appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and TAFGA's compliance code by TAFGA's directors, officers, and employees;

8. Appropriate due diligence requirements pertaining to the retention and oversight of agents;

9. Standard provisions in agreements, contracts, and renewals thereof with all agents that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; and

10. Periodic testing of the compliance code, standards, and procedures designed to evaluate their effectiveness in detecting and reducing violations of anti-corruption laws and TAFGA's compliance code.