

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

THE UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

GLENN ALLEN POWELL,)

Defendant.)

Case No. 05- 40075

Violations: Title 18, United
States Code, Sections 1031(a)
and 2; Title 41, United
States Code, Section 53

FILED

JUN 16 2005

U.S. CLERK'S OFFICE
ROCK ISLAND, ILLINOIS

INFORMATION

JAN PAUL MILLER, UNITED STATES ATTORNEY, CHARGES:

COUNT ONE

(Major Fraud Against The United States)

A. Introductory Allegations

Overview

1. The defendant, GLENN ALLEN POWELL, devised a scheme to defraud the United States Government of over \$100,000 by accepting kickbacks from a subcontractor under a government prime contract.

2. The defendant developed and executed the fraud under the prime contract known as LOGCAP III that the United States Army had awarded for the logistical support of United States military operations.

The LOGCAP III Prime Contract

3. The United States Army administered a program to use civilian contractors to provide the Army with additional means to support the logistical needs of the United States military forces in wartime and other operations. One of the contracts the Army awarded for that purpose was known as the Logistics Civil Augmentation Program III ("LOGCAP III") prime contract, DAAA09-02-D-0007.

4. The United States Army Operations Support Command was headquartered at the Rock Island Arsenal at Rock Island, Illinois, within the Central District of Illinois.

5. On or about December 14, 2001, the Operations Support Command awarded the LOGCAP III prime contract to Brown & Root Services, a division of Kellogg Brown & Root, Inc. Brown & Root Services thereafter transferred the responsibilities for the LOGCAP III prime contract to Kellogg Brown & Root Services, Inc., a subsidiary of Kellogg Brown & Root, Inc. Brown & Root Services and Kellogg Brown & Root Services, Inc. are collectively referred to in this Indictment as "KBR."

6. The Army Field Support Command was located at the Rock Island Arsenal and administered the LOGCAP III prime contract.

7. As the prime contractor under LOGCAP III, KBR was to provide property and services to the United States military at locations around the world, including Iraq.

The Task Order and Payment Process

8. The Army Field Support Command issued Task Orders to KBR under the LOGCAP III prime contract. Each Task Order incorporated a statement of the work to be performed by KBR and the period of time to perform the work.

9. To accomplish a given Task Order, KBR commonly utilized subcontractors. These subcontractors invoiced KBR for their work and were paid by KBR. KBR thereafter sent vouchers to the government for the cost of the work done by the subcontractors, plus KBR's allowable fees under the LOGCAP III prime contract. The vouchers were then paid by the Defense Finance and Accounting Service ("DFAS").

10. The Resource Management Unit of the Army Field Support Command managed the money for the LOGCAP III prime contract. This included the Resource Management Unit obligating funding in Rock Island, Illinois for the payment of Task Orders.

Contract Requirements Relating to Renovating Buildings

11. Among the Army's requirements to be accomplished through the LOGCAP III prime contract was the renovation of four existing buildings in Iraq for office and warehouse space.

The Defendant

12. From in or about October 2003 through in or about January 6, 2005, POWELL, a U.S. citizen, was a subcontracts administrator for KBR and was located in Iraq . His duties then included the negotiation, execution, and administration of subcontracts with subcontractors on behalf of KBR under the LOGCAP III prime contract.

13. POWELL then knew that he was prohibited from accepting any bribes, kickbacks, or payoffs from any company or person.

The Subcontractor

14. The person referred to herein as "T.H." was the managing partner of an Iraqi business referred to herein as "Company A." Company A provided subcontracting services to KBR under the LOGCAP III prime contract.

B. The Scheme and Artifice

15. From in or about July 2004 and continuing to on or about January 6, 2005, in the Central District of Illinois and elsewhere, the defendant,

GLENN A. POWELL,

knowingly devised a scheme and artifice to defraud the United States, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice is described below.

The Manner and Means of the Scheme

16. It was part of the scheme that POWELL received a kickback from T.H. after Company A was awarded the building renovation subcontract. The amount of the kickback POWELL and T.H. agreed POWELL would receive on the subcontract was 20% of the subcontract price.

17. Powell caused Company A to send invoices to KBR under the subcontract and to receive payment from KBR on those invoices. A part of the monies KBR paid to Company A under these invoices was then secretly diverted to Powell as a kickback.

18. POWELL also caused KBR to submit a voucher to the United States Government for the costs KBR incurred under the subcontract with Company A, plus KBR's allowable fees under the LOGCAP III prime contract.

19. POWELL caused the United States Government to pay the KBR voucher. The payment made by the United States Government to KBR included reimbursement for monies that had been secretly diverted by Company A to POWELL. The money used for the payment from United States Government to KBR was obligated by the Resource Management Unit of the Army Field Support Command, Rock Island, Illinois.

Acts in Furtherance of the Scheme

20. On or about July 24, 2004, KBR subcontracted under LOGCAP III with Company A to perform renovations on four existing facilities in Iraq and convert the facilities into office and warehouse space. The amount of the subcontract, not including change orders thereto, was \$609,000 and was designated with the subcontract number GU68-CP-SG00362 ("Subcontract 362").

21. As the subcontracts administrator, Powell had recommended KBR award Subcontract 362 to Company A after a competitive bidding process.

22. In or about July 2004, POWELL and T.H. agreed that POWELL would receive a 20% kickback of the \$609,000 subcontract price awarded to Company A, or approximately, \$121,800.

23. On or about August 30, 2004, Powell caused Company A to submit an invoice to KBR on Subcontract 362 in the amount of \$243,800, where said invoice included a portion of the 20% kickback T.H. agreed to pay to Powell.

24. On or about August 30, 2004, POWELL signed an invoice transmittal form as part of the KBR approval process for the payment of \$243,800 to Company A. POWELL signed the invoice transmittal form with the knowledge that the invoiced amount included a portion of the 20% kickback T.H. had agreed to pay POWELL. Moreover, POWELL failed to inform KBR or the United States Army that the amount of the invoice included a portion of the 20% kickback to POWELL.

25. On or about September 15, 2004, POWELL caused KBR to pay to Company A \$243,800.

26. On or about September 22, 2004, Powell caused Company A to submit an invoice to KBR on Subcontract 362 in the amount of \$465,480, where said invoice included a portion of the 20% kickback T.H. agreed to pay to Powell.

27. On or about September 22, 2004, POWELL signed an invoice transmittal form as part of the KBR approval process for the payment of \$465,480 to Company A. POWELL signed the invoice transmittal form with the knowledge that the invoiced amount included a portion of the 20% kickback T.H. had agreed pay to POWELL. Moreover, POWELL failed to inform KBR or the United States Army that the amount of the invoice included a portion of the 20% kickback to POWELL.

28. On or about September 24, 2004, POWELL caused KBR to pay Company A \$465,480.

29. On or about September 30, 2004, Powell caused KBR to submit to the United States Government a public voucher that included therein the costs incurred by KBR in paying Company A's \$243,800 and \$465,480 invoices on Subcontract 362.

30. On or about October 15, 2004, Powell caused the DFAS to pay the public voucher, where said payment included reimbursement to KBR for the monies it paid to Company A that were secretly diverted by Company A to Powell as a kickback on Subcontract 362.

31. From in or about July 2004 and continuing to on or about January 6, 2005, T.H. of Company A paid POWELL approximately \$110,300 as a kickback on Subcontract 362.

32. From in or about July 2004 and continuing to on or about January 6, 2005, in the Central District of Illinois and elsewhere, the defendant,

GLENN ALLEN POWELL

knowingly executed and attempted to execute the above-described scheme and artifice with the intent to defraud the United States, and to obtain money and property by means of materially false and fraudulent pretenses, representations,

and promises, in the procurement of property and services as a prime contractor with the United States, where the value of the prime contract for such property and services was in excess of \$1,000,000.

All in violation of Title 18, United States Code, Sections 1031(a) and 2.

COUNT TWO
(Anti-Kickback Act)

From in or about July 2004 and continuing to on or about January 6, 2005,
the defendant,

GLENN ALLEN POWELL

solicited, accepted, and attempted to accept a kickback in the amount of
approximately \$121,800, and included, directly and indirectly, the amount of the
kickback in the contract price charged by the subcontractor under subcontract
GU68-CP-SG00362 to the prime contractor under prime contract DAAA09-02-D-
0007 and in the contract price charged by the prime contractor under prime
contract DAAA09-02-D-0007 to the United States.

All in violation of Title 41, United States Code, Section 53 and Title 18,
United States Code, Section 2.

THE UNITED STATES OF AMERICA

JAN PAUL MILLER
UNITED STATES ATTORNEY

By: S/Greggory R. Walters
Greggory R. Walters
Assistant United States Attorney
One Technology Plaza
211 Fulton Street, Suite 400
Peoria, Illinois 61602
Tel: (309) 671-7050
Fax: (309) 671-7259
Ill. Reg. No. 6256826