

# Unit 6 Assignment

## Scenario 1: Public Corruption

Four men including, two Army Corps of Engineers employees were arrested and charged for taking millions of dollars in fraudulent bribes and kickback payments and planning to give an \$800 million contract to a favored contractor.

A United States District court grand jury indicted Army Corps of Engineers program manager (Defendant A) and program director (Defendant B) charging they had conspired since 2007 with an official of an Alaskan Native-owned small business to funnel more than \$50 million in payments to a subcontractor.

The business is the prime contractor of an indefinite delivery, indefinite quantity Army Corps of Engineers contract for information technology infrastructure and services. About \$25 million in fraudulent expenses were built into the invoices, and payments on those expenses went to Defendant A, Defendant B, Defendant A's son and director of the small business.

The indictment also charged that the men devised a similar scheme for a future IT contract worth up to \$800 million by tailoring the statement of objectives and statement of work to favor the subcontractor and to plant certain Army Corps of Engineers employees who would favor the subcontractor on the selection board.

All four men were indicted on one count of conspiracy to commit bribery and wire fraud as well as one count of conspiracy to commit money laundering.

Defendant A and Defendant B also were indicted on one count of receipt of a bribe by a public official also B was indicted on one count of unlawful kickbacks.

**Source:** Press Releases: U.S. Department of Justice.