

More Stories of Government Corruption

Written by Administrator
Monday, 26 April 2010 00:00

Okay, even we are getting a bit tired of reporting, over and over, stories of corrupt military and civilian officials doing what they inherently know is wrong, what they have been trained to know is wrong, and what they should expect to get caught for doing. Last time, we [told](#) you about an Army Colonel (well, now a *mer* *for* Colonel) who sold-out his commission as an “officer and a gentleman” for a paltry \$50,000 in cash and \$12,500 in plane tickets. That fraudster was not only a commissioned officer, he was a Contracting Officer’s Technical Representative (COTR, sometimes also called COR) and *the senior member* of a source selection board—*i.e.*, he led the team that picked the winning bidder. As such, he had to have *beaucoup* training in procurement integrity, ethics, and the standards of conduct expected of someone in whom trust had been vested.

For instance, a quick visit to the Department of Defense Standards of Conduct Office in the General Counsel's office ([OSDGC-SOCO](#)) reveals:

- An Ethics Resources Library
- Link to Joint Ethics Regulation (JER) 5500-7-R
- Link to the website of the Government Ethics Office ([OGE](#))
- Link to on-line training in standards of conduct (note the 2009 training is off-line and the site does not yet have the 2010 training)

So there is no question that the former Army Colonel, COTR, and Senior Source Selection Board member could not plead ignorance of the standards of conduct to which he was expected to adhere. But maybe he *could* plead not guilty by reason of insanity, because he sold his pension for \$62,500. Our opinion: loser.

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And we are back again with yet two more stories of government corruption—two men who both violated the expected standards of conduct and accepted “gratuities” for giving special treatment to contractors.

Our first story today concerns Bill Collins, of Bartlett, Tennessee. Mr. Collins was a U.S. Army Contracting Officer who pleaded guilty to soliciting “more than \$17,000 in bribes and other payments from an Egyptian businessman in Kuwait,” according to this Department of Justice

[press release](#)

. In other words, he’s another sell-out who received next-to-nothing for his corrupt actions—which were described with the wonderful euphemism, “unlawful salary supplementation

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According to the DOJ release—

Collins was employed by the U.S. Army Area Support Group-Kuwait (ASG-KU). ASG-KU is responsible for maintaining Camp Arifjan, a U.S. military installation providing support for operations in Afghanistan, Iraq and other locations in the Southwest Asian Theater. As part of those responsibilities, ASG-KU maintains an off-post housing office, located in downtown Kuwait City, which

procures,
leases and supervises off-post housing for government employees and military service members stationed at Camp Arifjan

. According to court records, Collins worked in ASG-KU's off-post housing office as a housing specialist responsible for supervising private contractors and procuring off-post apartment rentals.

In his guilty plea, Collins admitted that between July and December 2009 he solicited more than \$11,000 in bribes from an Egyptian businessman in exchange for submitting an inflated off-post apartment lease for approval. Collins also admitted that between July and December 2009 he received at least \$5,600 from the Egyptian businessman as compensation for Collins's services in connection with a fixed-price U.S. government contract awarded to the Egyptian businessman's company. The government contract was for maintenance services for off-post housing managed by Collins and the ASG-KU off-post housing office.

At sentencing, Collins faces a maximum penalty of 20 years in prison and a \$500,000 fine.

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Let's do the math, gentle readers. Collins received less than \$20,000 for which he may have to pay \$500,000 and spent up to 20 years in a Federal prison. Our opinion: another loser.

Our second story concerns a more intelligent fraudster—this time a (former) Sergeant with the U.S. Army. This Sergeant, Ray Chase, pleaded guilty to accepting “approximately \$1.4 million in illegal gratuities from private contractors during his deployment in Kuwait in 2002 and 2003,” according to [this DOJ announcement](#).

The announcement provides the following details—

Chase was a sergeant first class during his deployment to Kuwait from January 2002 through December 2003. Chase served as the contracting officer's representative and the non-commissioned officer in charge of the military dining facility at U.S. Central Command at Camp Doha, Kuwait. During 2003, Chase also served as the non-commissioned officer in charge for the military dining facility at Camp Arifjan, Kuwait. Chase supervised the food procurement, preparation and service operations at Camp Doha and Camp Arifjan.

As a part of his official duties, Chase also coordinated orders for certain blanket purchase agreements the U.S. Army had with various private contractors to

provide supplies and services to both of those dining facilities.

During ... court proceeding and according to court documents, Chase admitted that he received approximately \$1.4 million from private contractors for official acts he performed and was going to perform in 2002 through the end of 2003. According to court documents, he was paid by private contractors that included Tamimi Global Company Ltd., LaNouvelle General Trading & Contracting Corp., and another unnamed company.

In addition to accepting the illegal gratuities, Chase admitted that after he returned to the United States in 2004, he structured various financial transactions to avoid currency transaction reporting requirements. Chase also admitted at today's hearing that he made false statements when interviewed by federal authorities in February 2007.

At sentencing, scheduled for Aug. 6, 2010 ... Chase faces a maximum sentence of five years in prison. Chase has agreed to forfeit assets traceable to the proceeds of his crimes.

First, let us acknowledge that Sergeant Chase at least got decent money for selling-out. Sure, he's going to have to pay it back, and spend up to 5 years in a Federal prison, but compare his math to Collins and you'll have to agree that it at least makes more sense. Looks to us like he had a decent defense attorney, who helped him avoid the punishments associated with violations of wire fraud, money laundering, and the False Statements Act. Perhaps we should be unsurprised. After all, he was a non-commissioned officer and would thus be expected to be clued-in to what was what—as opposed to, say, a Colonel or a Contracting Officer.

But we also noticed that Sergeant Chase was *yet another* Contracting Officer's Technical Representative (COTR/COR) who decided to take a little more than he was legally entitled to receive. Plus he was the non-commissioned officer-in-charge (NCOIC) of the military dining “facility”—and, as such, he would have received much of the standards of conduct training we discussed at the beginning of this article.

To conclude, we know that there are corrupt contractors. We know that fraud is rampant, especially in the Southwest Asia Area of Operations. But we continue to be shocked and amazed as the number of well-trained, experienced, civilian and military officials in the public procurement process that are crooked. We are doing our part to publicize the cases and highlight the penalties and punishments, but the word does not seem to be getting out to the troops. Do we need to bring capital punishment back in order to create a decent deterrent?

More seriously, where are the controls on this type of behavior? We understand there is a war or two going on, and things get messy in a combat zone ... but as taxpayers we expect better of our government personnel—and we expect better controls to prevent and/or detect the wrongdoing at the time the wrongdoing is committed, and not six or seven years after the fact.

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