

Special Inspector General for Afghanistan Reconstruction

Closing memos for 10 investigations closed in 2017

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OFFICE OF PRIVACY, RECORDS, AND DISCLOSURES

SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION



April 20, 2018

Mr. Russ Kick
P.O. Box 36914
Tucson, AZ 85740

RE: FOIA REQUEST # 2018-F-018

Mr. Kick,

This is the final response to your Freedom of Information Act (FOIA) request to the Special Inspector General for Afghanistan Reconstruction (SIGAR) dated March 12, 2018, that was received on March 14, 2018. You requested:

. . . closing memo/report/document for the following closed SIGAR investigations: 1) 0135-12-KAF-7-0059; 2) 0074-10-HRT-1-0027; 3) 0087-13-KBL-7-0044; 4) 0443-13-WFO-9-0193; 5) 0538-13-KAF-7-0196; 6) 0375-14-WFO-0-0112; 7) 0187-15-WFO-3-0054; 8) 0406-15-WFO-0-0085; 9) 0513-15-KBL-1-0103; 10) 0172-16-WFO-9-0017; 11) 0003-17-KBL-1-0016; 12) 0232-17-KBL-7-0019.

After review of the relevant documents, it has been determined that your request is to be granted in part subject to Exemptions (b)(6), (b)(7)(A), and (b)(7)(C) of the FOIA, 5 U.S.C. § 552, the descriptions of which are enclosed.

You have the right to appeal our determination and should you wish to do so, please e-mail your appeal within 90 days of the date of this letter to sigar.pentagon.gencoun.mbx.foia@mail.mil, or send it in writing to:

Special Inspector General for Afghanistan Reconstruction
Office of Privacy, Records, and Disclosures
2530 Crystal Drive
Arlington, VA 22202-3940

The Office of Government Information Services (OGIS) is available to help resolve FOIA disputes at <https://ogis.archives.gov/mediation-program>, and if you have any questions you may contact this office at (703) 545-6104 or sigar.pentagon.gen-coun.mbx.foia@mail.mil.

Sincerely,

/s/ Michael Hubbard

Michael Hubbard

THE FREEDOM OF INFORMATION ACT (FOIA) 5 U.S.C. § 552

1550 Crystal Drive, 9th Floor
Arlington, Virginia 22202

Mail: 2530 Crystal Drive
Arlington, Virginia 22202

Tel: 703 545 6000

www.sigar.mil



FOIA Officer

CLAIMED EXEMPTIONS

(b)(6): information that would invade another individual's personal privacy.

(b)(7): information compiled for law enforcement purposes that could:

- (A): reasonably be expected to interfere with enforcement proceedings.
- (C): reasonably be expected to constitute an invasion of personal privacy.

To: SIGAR Investigations Directorate

Contact: SA (b) (6), (b) (7)(C)

Date: 7/4/2017

Title: Procurement Fraud at U.S. Embassy
Kabul: Fraud, Embezzlement

Special Agent (b) (6), (b) (7)(C) (SIGAR) worked this investigation jointly with the Department of State's Office of the Inspector General (DOS/OIG) and Special Agents from USEK's Office of Regional Security (RSO). The investigation confirmed that (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) were both working in USEK in the Procurement and Information Technology Sections respectively.

The investigation also disclosed that (b) (6), (b) (7)(C) had been terminated from his previous position at (b) (6), (b) (7)(C) due to overbilling schemes and procurement irregularities. In an e-mail provided by (b) (6), (b) (7)(C), Regional Security Adviser at the Embassy of the Federal Republic of Germany in Kabul, Afghanistan, Mr. (b) (6), (b) (7)(C) stated that "Mr. (b) (6), (b) (7)(C) was from (b) (6), (b) (7)(C) 2012 until (b) (6), (b) (7)(C) 2014 employed in various capacities at the (b) (6), (b) (7)(C), most recently as (b) (6), (b) (7)(C). His employment was terminated because it was both to irregularities in his care procurement, as well as his attitude towards colleagues was unacceptable." A copy of the e-mail from (b) (6), (b) (7)(C) is included in this case file (Attachment 5 to IR dated October 3, 2016).

Special Agents of SIGAR obtained documentation from the Regional Security Office (RSO) at the U.S. Embassy in Kabul, Afghanistan. As part of the subject interview paperwork, (b) (6), (b) (7)(C) completed a New Subject Interview Questionnaire. In the questionnaire, (b) (6), (b) (7)(C) was asked, among other things, if he had ever been fired from a job (Question # 42 on Questionnaire). (b) (6), (b) (7)(C) responded "No" to this question. The form was signed and dated, October 16, 2015, by (b) (6), (b) (7)(C) at the bottom of the form. A copy of this New Applicant Questionnaire can be found in this case file (Attachment 3 to IR dated October 3, 2016).

On May 25, 2017, both (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) consented to take a polygraph test. U.S. Department of State's Polygraph Division and both suspects failed the polygraph test (See Attachments 1 and 2 of IR-05-25-17).

On July 2, 2017, USEK served both (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) with Letters of Termination of Employment. Both (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) were "terminated for cause" and their Security Clearance revoked. They were both entered in the Biometrically Enabled Watch List (BEWL), by the RSO. Being entered in the BEWL bars both (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) from employment in any Embassy or Military facility.

LEAD(s):**Set Lead 1: (Info)**SIGAR – HQ:

For information.

WARNING**CLASSIFICATION:**~~CUI//FOUO~~

CCN: 0003-17-KBL-1-0016

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To: SIGAR Investigations Directorate

Contact: SA ~~(b) (6), (b) (7)(C)~~

Date: 7/4/2017

Title: Procurement Fraud at U.S. Embassy
Kabul: Fraud, Embezzlement

Set Lead 2: (Info)

SIGAR – Kabul:

Close as a General Information File (GIF).

WARNING

CLASSIFICATION:

~~CUI//FOUO~~

CCN: 0003-17-KBL-1-0016

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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication - General

Precedence: Routine

Date: 2/17/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Washington Field Office, Arlington, VA

Contact: (b) (6), (b) (7)(C), Assistant Special Agent-in-Charge

Created By: (b) (6), (b) (7)(C)

CCN: 0074-10-HRT-1-0027

Lead Agency: DOS OIG - Department of State, Office of the Inspector General

ICCTF Case: Yes No

Title: Alan SIMMONS; Dimitri JEAN-NOEL; (b) (6), (b) (7)(C); (b) (6), (b) (7)(C)

Details:

Investigation was initiated upon receipt of information from SA (b) (6), (b) (7)(C), Department of State (DOS), Office of Inspector General (OIG) who requested SIGAR assistance after she was contacted by DOS contractor Pacific Architects and Engineers (PAE) / Lockheed, who self-reported an alleged scheme of kickbacks and embezzlement.

PAE self-reported that contract (b) (7)(A) was a contract with the Corrections System Support Program (CSSP) in Kabul, Afghanistan and PAE employees were involved in a scheme to embezzle funds associated with this contract. The allegations centered on Alan SIMMONS, Program Training Director, Dimitri JEAN-NOEL, Logistics Manager, (b) (6), (b) (7)(C), (b) (6), (b) (7)(C), (b) (6), (b) (7)(C), (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C).

Investigation proved false invoices and financial transactions between an alleged subcontractors named (b) (7)(A), who submitted invoices for prisoner

CLASSIFICATION:
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To: SIGAR Investigations Directorate

Contact: (b) (6), (b) (7)(C), Special Agent

Date: 2/17/2017

Title: Alan SIMMONS; Dimitri JEAN-NOEL;
(b) (6), (b) (7)(C); (b) (6), (b) (7)(C)

uniforms. In 2008-2009 SIMMONS went on vacation and requested via e-mails that PAE employee (b) (6), (b) (7)(C), who worked under the Deputy Program Manager provide a payment check for a \$70,000 (b) (6), (b) (7)(C) invoice to (b) (6), (b) (7)(C). This was out of the ordinary and in this case (b) (6), (b) (7)(C) was to obtain the check and pay the vendor for the prisoner uniforms. (b) (6), (b) (7)(C), was the named Afghan vendor. (b) (6), (b) (7)(C) authorized the payment. During this time PAE had no written policy on how to pay vendors and the Deputy Program Manager had the discretion to pay vendors in cash or check. (b) (6), (b) (7)(C) advised he and a PAE auditor traveled to the Kabul Bank and requested a copy of the \$70,000 check made payable to (b) (6), (b) (7)(C) to verify the endorsement on the back of the check. The bank showed them photographs of (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C), who were listed as the owners of the bank account. The Bank representative explained that when a customer opens a bank account, the bank photographs the customers that open the account. It was at this time PAE discovered that (b) (6), (b) (7)(C) owned (b) (6), (b) (7)(C). Upon this discovery, (b) (6), (b) (7)(C) departed PAE in Kabul and was never seen again.

Subsequent reviews of invoices verified SIMMONS and JEAN – NOEL’s signatures on summer and winter uniform orders for Afghan correctional facility personnel. Financial records disclosed suspicious financial transactions to SIMMONS and JEAN – NOEL’s bank accounts and family member’s bank accounts. SIMMONS and JEAN – NOEL were interrogated and admitted submitting false invoices to PAE for correctional uniforms that were never ordered and the proceeds would be shared between (b) (6), (b) (7)(C), (b) (6), (b) (7)(C), SIMMONS and JEAN – NOEL.

JEAN – NOEL plead guilty in the U.S. District Court, District of Massachusetts, Worcester, MA for conspiracy to defraud the U.S. Government and was sentenced to one year and a day to prison. SIMMONS plead guilty in the Middle District of Florida, Jacksonville, FL, to conspiracy to defraud the U.S. Government and was sentenced to one year and a day to prison. Total restitution to be paid back to the DOS, between SIMMONS and JEAN – NOEL is \$189,000. Prosecution was conducted by Special Inspector Prosecutor (SIGPRO), (b) (6), (b) (7)(C).

The DOS Suspended and Debarred (S&D) SIMMONS, JEAN-NOEL and (b) (6), (b) (7)(C). There was insufficient evidence to S&D (b) (6), (b) (7)(C).

SIGPRO (b) (6), (b) (7)(C) advised there was insufficient evidence against (b) (6), (b) (7)(C), therefore he declined prosecution. (b) (6), (b) (7)(C) authorized the proper disposal of Grand Jury material in this investigation. This investigation is closed.

To: SIGAR Investigations Directorate

Contact: (b) (6), (b) (7)(C), Special Agent

Date: 2/17/2017

Title: Alan SIMMONS; Dimitri JEAN-NOEL;
(b) (6), (b) (7)(C); (b) (6), (b) (7)(C)

LEAD(s):

Set Lead 1: (Info)

SIGAR Kabul

Set Lead 2: (Info)

SIGAR WFO

Investigation is complete. Close Investigation



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication - General

Precedence: Routine

Date: 8/16/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: Investigations Directorate-Washington Field Office

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

CCN: 0087-13-KBL-7-0044

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: Yes No

Title: Task Force 2010 Kabul Intelligence File

Details: This is a file was crteated as a central filing index in ICMS for information obtained from Task Force 2010. Task Force 2010 previously maintained a significant presence in Afghanistan but that mission has since moved out of the country. No new significant intelligence has been gleaned for inclusion is this file, and as such it is being closed.

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To: SIGAR Investigations Directorate

Contact: ~~(b) (6), (b) (7)(C)~~, ASAC-SIGAR
Washington Field Office

Date: 8/16/2017

Title: Task Force 2010 Kabul Intelligence File

Exhibits(s):

LEAD(s):

Set Lead 1: (Info)

SIGAR WFO: Close file

Set Lead 2: (Info)

SIGAR



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication – General

Precedence: Routine

Date: 8/30/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Kabul, Afghanistan

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0135-12-KAF-7-0059

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: No

Title: KAF Criminal Intelligence

Details: On March 11, 2012, the KAF Criminal Intelligence file was created to capture interviews of sources, criminal intelligence and receipts of administrative, civil, and criminal information relating to SIGAR's Kandahar Air Field (NATO Base) area of responsibility. On June 06, 2015, the Chief of Mission (DoS) living compound was closed and SIGAR agents were transferred to the US Embassy / Kabul. As a result, there is no longer a need to keep this file open. It is requested that this file be closed at this time.

Set Lead 1: (Info)

SIGAR – HQ:
For information.

Set Lead 2: (Action)

SIGAR – Kabul
Close investigation.

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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication - General

Precedence: Routine

Date: 10/30/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate – Washington Field Office, Arlington, VA

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0187-15-WFO-3-0054

Lead Agency: European Commission’s Anti-Fraud Office (OLAF)

ICCTF Case: Yes No

Title: Afghan National Police (ANP) Payments,
Assistance to the European Commission’s Anti-Fraud Office (OLAF)

Details: In 2002, the United States and other international donors established the Law and Order Trust Fund for Afghanistan (LOTFA), administered by the United Nations Development Programme (UNDP), to fund ANP salaries and other payroll costs. As of July 2014, the international community had contributed \$3.6 billion to the fund, with the United States contributing \$1.3 billion of the total.

UNDP, Office of Audit and Investigations (OIA) Audit staff issued an audit critical of UNDP’s LOTFA police payment monitoring agent. OLAF has expressed ongoing concerns about LOTFA police payment system fraud. OLAF plans to talk to UNDP’s LOTFA police payment monitoring agent after reviewing the audits conducted by UNDP and SIGAR of the police payment system, as well as an Afghan internal investigation of the police payment system. After that, OLAF will decide if further investigation is warranted; however, they feel any additional investigation may be unlikely because as a practical matter it can’t be conducted. OLAF has no authority over Afghan nationals in Afghanistan nor does it have a structure to support an investigation on the ground in Afghanistan. SIGAR Investigations is coordinating closely with OLAF investigators and has offered full assistance. OLAF asked SIGAR to assist in this investigation.

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To: SIGAR Investigations Directorate

Contact: ASAC (b) (6), (b) (7)(C)

Date: 10/30/2017

Title: Afghan National Police (ANP) Payments,
Assistance to the European Commission's
Anti-Fraud Office (OLAF)

In March, 2015 SIGAR Agents accompanied OLAF investigators to Katmandu, Nepal to interview (b) (6), (b) (7)(C), partner in the accounting/consulting firm of (b) (7)(A)(b) (7)(A)(b) (7)(A)(b) (7)(A) (b) (7)(A)(b) (7)(A)(b) (7)(A), and (b) (6), (b) (7)(C), monitoring agent for (b) (7)(A). The interviews focused on any prior connection to the UNDP County Director and the circumstances surrounding the awarding of the contract for the Afghan National Police (ANP) payment monitoring agent to (b) (7)(A). No prior connection was found and it appeared that the contract along with subsequent extensions were awarded following UNDP guidelines.

No further investigation indicated.

LEAD(s):

Set Lead 1: (Info)

SIGAR at Washington Field Office

Close investigation.

Set Lead 2: (Info)

SIGAR at Kabul

For information.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication - Close

Precedence: Routine

Date: 8/2/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Washington Field Office, Arlington, VA

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0375-14-WFO-0-0112

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: Yes No

Title: PROJECT: U.S. Special Operations Command (SOCOM)

Details: In May 2014, SIGAR assigned SA (b) (6), (b) (7)(C) to the SOCOM as a liaison officer to assist the SOCOM Counter Threat Finance Directorate with the sharing of information between SIGAR and SOCOM. The primary focus of this project involved the review of U.S. Government contracts and financial transactions between the United States and Afghanistan to include the tracing of funds to terrorist organizations. Financial transactions were reviewed to determine if any criminal or civil violations of U.S. laws occurred to include money laundering.

During a recent case review with Assistant Special Agent in Charge (ASAC) (b) (6), (b) (7)(C), it was determined that this investigative project would be closed due to other operational priorities.

LEAD(s):

Set Lead 1: (Info)

SIGAR WFO:

Close investigation

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To: SIGAR Investigations Directorate

Contact: ASAC (b) (6), (b) (7)(C)

Date: 8/2/2017

Title: PROJECT: U.S. Special Operations
Command (SOCOM)

Set Lead 2: (Info)

SIGAR AFG:

CLASSIFICATION:
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Page 2 of 2

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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication - General

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Kabul, Afghanistan

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0406-15-WFO-0-0085

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: Yes No

Title: (b) (6), (b) (7)(C); SMUGGLES \$30,000 EVERY TWO WEEKS TO DUBAI

Details: This case was initiated based on a SIGAR Hotline complaint alleging (b) (6), (b) (7)(C) was smuggling \$30,000 from Kabul Afghanistan to Dubai every two weeks. The complainant stated (b) (6), (b) (7)(C)'s last known employer was RM Asia in Kabul and that he owes spousal support.

FinCEN queries generated a Report of International Transportation of Currency or Monetary Instruments (CMIR) indicating that in June 2009, (b) (6), (b) (7)(C) departed Houston, TX on a flight to Dubai with \$20,200.00 in currency.

The complainant, who wished to remain anonymous, indicated he/she had second hand information (b) (6), (b) (7)(C) was smuggling money from Kabul to Dubai. The complainant raised no allegations of criminal activity in relation to the funds (b) (6), (b) (7)(C) was allegedly smuggling to Dubai, but indicated he/she would not be surprised if (b) (6), (b) (7)(C) had obtained the funds illegally somehow. The complainant also indicated he/she had personal knowledge that (b) (6), (b) (7)(C) gambled frequently.

(b) (6), (b) (7)(C) was interviewed regarding the CMIR and his work in Afghanistan. (b) (6), (b) (7)(C) indicated he worked for RM Asia in Afghanistan from 2004-2011 and played poker weekly while he worked there, betting as much as \$1,000 per week. The most (b) (6), (b) (7)(C) won playing poker in Afghanistan was \$9,000 at one time. When (b) (6), (b) (7)(C) won cash in Afghanistan, he would purchase money

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To: SIGAR Investigations Directorate

Contact: SA (b) (6), (b) (7)(C)

Date: 1/13/2017

Title: (b) (6), (b) (7)(C) ;
SMUGGLES \$30,000 EVERY TWO
WEEKS TO DUBAI

orders. In June 2009, (b) (6), (b) (7)(C) participated in a World Series of Poker (WSOP) poker tournament in Las Vegas, Nevada. The price to play in the tournament was \$10,000. This tournament was particularly expensive; generally, (b) (6), (b) (7)(C) paid \$1,500 for poker tournaments in Las Vegas. Following the tournament, (b) (6), (b) (7)(C) returned to Kabul via Dubai with over \$20,000 in cash, which he declared on his customs form. (b) (6), (b) (7)(C) is adamant the source of these funds is not criminal in nature and agreed to forward SA (b) (6), (b) (7)(C) the names and contact information of other individuals who played poker with him in Afghanistan.

On January 4, 2017, (b) (6), (b) (7)(C), Associate General Counsel (SIGAR) concurred that no suspension and debarment action would be pursued in this investigation.

On January 11, 2017, SIGPRO (b) (6), (b) (7)(C) advised that the Fraud Section, Criminal Division, U.S. Department of Justice, has declined federal criminal prosecution of this matter.

It is recommended that this investigation be closed at this time.

Exhibits(s): None

LEAD(s):

Set Lead 1: (Info)

SIGAR - HQ:

For awareness and record.

Set Lead 2: (Action)

SIGAR - Kabul:

Close investigation.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication - General

Precedence: Routine

Date: 7/28/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Washington Field Office, Arlington, VA

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0443-13-WFO-9-0193

Lead Agency: DCIS - Defense Criminal Investigative Service

ICCTF Case: Yes No

Title: Afghan Special Mission Wing

Details: The investigation of captioned mater is complete, therefore this AC is to close this matter. SIGAR joined this investigation in August 2013 based on a Hotline complaint from an individual who requested confidentiality. The Defense Criminal Investigative Service served as the lead investigative agency for the investigation. In addition to SIGAR, The Federal Bureau of Investigation and US Army Criminal Investigative Command were participants in the investigation. The investigation was multi-faceted and concerned fraud and an illicit relationship between the Non-Standard Rotary Wing Program (NSRWA) office at Redstone Arsenal with primary focus on its former Program Manager, US Army Colonel Norbert Vergez and two contractors: (b) (7)(A) headed by (b) (6), (b) (7)(C); and (b) (7)(A)(b) (7)(A)(b) (7)(A)(b) (7)(A)(b) (7)(A) headed by (b) (6), (b) (7)(C).

The investigation was divided into two parts. Part I of the investigation focused NSRWA employees and their relationship with the aforementioned contractors. Part II of the investigation focused on illicit Requests for Equitable Adjustment (REA) pursued by (b) (7)(A) and supported by NSRWA employees.

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To: SIGAR Investigations Directorate

Contact: (b) (6), (b) (7)(C)

Date: 7/28/2017

Title: Afghan Special Mission Wing

Part I of the investigation resulted in federal convictions for Vergez; Theresa Mayberry, NSRWA Supervisory Contract Officer; and Willis Epps, NSRWA Director of Contracts. Vergez pled guilty to two counts of Title 18 USC 1001 (False Statements) and one count of Title 18 USC 208 and 216(a)(2) (Conflict of Interest - Felony) and was sentenced to eight months home confinement, five years' probation, \$10,000 fine and a \$300 special assessment. Additionally, Vergez was debarred for one year by the US Army. The investigation substantiated allegations that Vergez took gratuities from (b) (7)(A) in exchange for facilitating contracts and facilitated contract terms favorable for (b) (7)(A). Additionally, Vergez obstructed DOD-IG in the conduct of audits concerning (b) (7)(A) contracts.

Mayberry pled guilty to one count of Title 18 U.S.C. 1516 (Obstruction to a Federal Audit) and was sentenced to three years' probation; six months home confinement; and fined \$5,000. Additionally Mayberry was debarred from January 14, 2016 to June 24, 2020. Mayberry's conviction stemmed from her actions during a DOD-IG audit of the NSRWA Mi-17 program. The investigation yielded evidence that Mayberry prepared, and directed her subordinates to prepare, a variety of false, fictitious and back-dated documents that she provided to DOD-IG in response to its requests.

Epps was convicted after a jury trial for one count of 26 U.S.C. 7206(1) (Tax Evasion) and was sentenced to five months incarceration; five months home detention while on one supervised release; and was ordered to pay \$16,470 in restitution. Epps was also debarred by the US Army from December 19, 2016 until May 14, 2022. Epps' conviction stemmed from actions he took after retiring from NSRWA. EPPS and two other individuals were awarded a consultation contract under the business name of "(b) (7)(A)." The contract was awarded to (b) (7)(A) by (b) (7)(A) for \$250,000 for the company to provide contract award related consultation services. During this time frame Vergez had retired from the military and was serving as an Executive Vice President for (b) (7)(A), the parent company for (b) (7)(A). Investigation revealed Vergez influenced the award of the contract to EPPS and (b) (7)(A) when (b) (7)(A) had no experience in this area. EPPS received the unclaimed income as a result of the contract and when interviewed, he refused to admit that he was affiliated with the contract.

Part II of the investigation focused on three Requests for Equitable Adjustments (REAs) submitted by (b) (7)(A) to Flight Test Aerospace (FTA), Northrop Grumman (NG) and the NSRWA totaling \$12.6 million. (b) (7)(A) immediately denied the REA claims. (b) (7)(A) conducted two separate reviews of the REAs and concluded the REAs were not justified. (b) (7)(A) forwarded the REAs to the NSRWA without any recommendation as to payment by NSRWA.

In late 2012, Vergez without consulting the Defense Contract Audit Agency (DCAA) or his superiors agreed to pay an initial payment to (b) (7)(A) on the REAs in the amount of \$1.2 million. After paying the initial payment to (b) (7)(A), Vergez attempted to pay an additional \$3.6 million to

To: SIGAR Investigations Directorate

Contact: (b) (6), (b) (7)(C)

Date: 7/28/2017

Title: Afghan Special Mission Wing

Exhibits(s):

LEAD(s):

Set Lead 1: (Info)

SIGAR

Set Lead 2: (Info)

SIGAR

CLASSIFICATION:
~~CUI//FOUO~~

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SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication – General

Precedence: Routine

Date: 9/3/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Kabul, Afghanistan

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0513-15-KBL-1-0103

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: Yes No

Title: Fraud and Corruption in the Afghan Mining Industry

Details: This investigation was initiated based on information received from (b) (6), (b) (7)(C), (b) (7)(D) (b) (6), (b) (7)(C), (b) (7)(D)(b) (6), (b) (7)(C), (b) (7)(D)(b) (6), (b) (7)(C), (b) (7)(D) that there is extensive fraud, theft and corruption in the mining industry in Afghanistan. The information provided has frequently included (b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C) (b) (6), (b) (7)(C)(b) (6), (b) (7)(C)(b) (6), (b) (7)(C) who allegedly corrupt mining contracts and mining activity and then profit from the mining projects. These projects include mines in which contracts were issued by GIROA as well as other mining projects where minerals are being illegally extracted without any type of contract and without any payments to GIROA for mining taxes, royalties and other fees, thus depriving GIROA of badly needed revenue.

In the course of this investigation, SIGAR investigators conducted dozens of interviews with industry experts, Non-Governmental Organizations (NGOs), Afghan government officials and various other sources of information. While this effort did develop a great deal of intelligence and confirmation of the systemic corruption in the Afghan mining industry, it did not produce any actionable information that could be used in a U.S. or Afghan criminal prosecution. Therefore, it is recommended that this case be closed at this time. One of the purposes for initiating this investigation was to bring matters of corruption in the

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To: SIGAR Investigations Directorate

Contact: (b) (6), (b) (7)(C)

Date: 9/3/2017

Title: Fraud and Corruption in the Afghan Mining Industry

Mining Industry to the attention of President Ghani for further action by GIROA. In one instance, it is believed that information provided by SIGAR to President Ghani, via official SIGAR letter, contributed to the dismissal to (b) (6), (b) (7)(C) as a result of allegations of corruption against the Minister.

During this investigation, no U.S. or Afghan individuals or companies were identified that would have any American government suspension and debarment potential. As such, no S&D declination or DOJ prosecution declination was sought in this investigation.

It is recommended that this case be closed at this time.

LEAD(s):

Set Lead 1: (Action)

SIGAR - Kabul:
Close Investigation.

Set Lead 2: (Info)

SIGAR - HQ:
For Information.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

Administrative Communication – General

Precedence: Routine

Date: 11/20/2017

To: SIGAR Investigations Directorate

Attn: (b) (6), (b) (7)(C), Assistant Inspector General for Investigations

From: SIGAR Investigations Directorate, Kabul, Afghanistan

Contact: (b) (6), (b) (7)(C), Assistant Special Agent in Charge

Created By: (b) (6), (b) (7)(C), Special Agent

CCN: 0538-13-KAF-7-0196

Lead Agency: SIGAR - Special Inspector General for Afghanistan Reconstruction

ICCTF Case: No

Title: Human Trafficking Issues at Kandahar Airfield.

Details: On August 21, 2013 an intelligence file was created to monitor and initiate cases concerning human trafficking issues on Kandahar Airfield. On June 06, 2015, the Chief of Mission (DoS) living compound was closed and SIGAR agents were transferred to the US Embassy, Kabul, Afghanistan. Neither SIGAR nor the U.S. State Department maintain a presence at Kandahar Airfield. As such, there is no longer a need to maintain this general file.

No Suspension and Debarment concurrence was sought since this was a general investigation.

No DOJ declination to prosecute was sought since this was a general investigation.

It is requested this file be closed at this time.

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To: SIGAR Investigations Directorate

Contact: SA (b) (6),
(b) (7)

Date: 11/20/2017

Title: Human Trafficking Issues at KAF.

Set Lead 1: (Info)

SIGAR - HQ:
For Information.

Set Lead 2: (Info)

SIGAR - Kabul:
Close Investigation.