

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO. 1:15-CR-143-GBL
)	
JAMES MICHAEL RAMA,)	
)	
Defendant.)	

STATEMENT OF FACTS

The parties stipulate and agree that the allegations set forth in the Criminal Information and the following facts are true and correct, and that had this matter proceeded to trial, the United States would have proven them beyond a reasonable doubt through competent and admissible evidence.

1. Between in or about August 2005 and in or about March 2007, defendant James Michael Rama (“defendant” or “Rama”) was Vice President of Special Projects at IAP Worldwide Services, Inc. (“IAP”).¹ Previously, he worked in Kuwait for a large American defense contractor. The defendant was and is a U.S. citizen.

2. The Kuwait Security Program (“KSP”) was a homeland security project in Kuwait that was started in or about 2004 by Kuwait’s Ministry of the Interior (“MOI”). The KSP was intended to provide nationwide surveillance for several Kuwaiti government agencies, primarily through the use of closed-circuit television cameras. Its implementation was divided into two parts. The first part, a planning and feasibility period, was referred to as “Phase I” of the KSP. The second part, when the equipment, methods, and programs recommended during

¹ Defendant understands and agrees that the defined terms and anonymized references used herein have the same meaning as set forth in the Criminal Information.

Phase I would be installed, was referred to as “Phase II.” Revenues from the Phase II contract were expected to be substantially greater than revenues from the Phase I contract. The MOI was responsible for overseeing and implementing the KSP.

3. In or about August 2004, before defendant worked at IAP, he was introduced to an individual referred to herein as “Kuwaiti Consultant.” Kuwaiti Consultant was a liaison with the Kuwaiti MOI and the individual who Defendant later understood was paying bribes to Kuwaiti government officials. During a meeting with Kuwaiti Consultant, defendant learned that the Kuwaiti MOI was planning to hire companies to implement the KSP.

4. Defendant joined IAP and began pursuing the KSP Phase I contract with the ultimate goal of obtaining the more lucrative Phase II contract. Defendant determined that if IAP worked as the MOI’s consultant in Phase I, it could tailor the Phase II contract to IAP’s strengths and thereby give it an advantage in the Phase II contract bidding process.

5. Defendant and his co-conspirators, while in the Eastern District of Virginia and elsewhere, discussed how IAP would establish a shell company to bid on the Phase I consultancy contract for the KSP while concealing IAP’s role in providing the actual services for Phase I. IAP wanted to conceal its involvement in Phase I of the KSP so it could still bid on the Phase II contract without creating the appearance of a conflict of interest. In February 2006, at the direction of the MOI and Kuwaiti Consultant, defendant and others agreed to and did set up Ramaco International Consulting, LLC (“Ramaco”) as a shell company to “bid” on the Phase I contract, thus allowing IAP to hide its involvement and participate in the later Phase II without any apparent conflict of interest. Defendant understood Ramaco to be the agent for IAP with respect to the KSP.

6. IAP agreed with the MOI that it would perform the KSP Phase I contract for approximately \$4 million. Of that amount, defendant and others agreed that a significant share of the contract would not be used for actual work executing the KSP Phase I contract, but instead would be diverted to Kuwaiti Consultant. Defendant and others devised a way to hide these payments and distance IAP from them by using a series of intermediaries to transfer the funds. Defendant knew and understood that Kuwaiti Consultant was using the money that IAP was paying him to pay Kuwaiti government officials so that IAP and Ramaco could win and keep the KSP Phase I contract.

7. In or about 2006, defendant, with the help of others, structured a payment scheme to funnel a significant share of the payments received on the Phase I contract to Kuwaiti Consultant so that he could pay bribes to Kuwaiti government officials and took numerous steps to hide these payments and prevent the detection of their scheme. Defendant understood that to pay Kuwaiti Consultant, Kuwaiti Company would first inflate its invoices to IAP by charging IAP for the total amount of both the legitimate services that Kuwaiti Company was providing and the payments that Kuwaiti Company was funneling to Kuwaiti Consultant without listing or otherwise disclosing the funneled payments to Kuwaiti Consultant. After the MOI paid Ramaco for work on the KSP Phase I contract, Ramaco would transfer funds to a bank account of IAP, and IAP would then transfer funds to Kuwaiti Company. Defendant knew that Kuwaiti Company was then paying Kuwaiti Consultant a significant portion of the KSP Phase I contract amount. Defendant knew that these payments to Kuwaiti Consultant were often further disguised.

8. In or about April 2006, defendant opened a bank account in Kuwait for Ramaco that would be used, in part, to pay Kuwaiti Consultant a portion of the money that IAP and Ramaco received from the KSP Phase I contract.

9. On or about May 10, 2006, defendant signed the KSP Phase I contract between Ramaco and the Government of Kuwait, which he understood included a significant markup that would be kicked back, in whole or in part, to Kuwaiti government officials through Kuwaiti Consultant.

10. Defendant traveled from the Eastern District of Virginia to Kuwait several times to meet with MOI officials, IAP's employees and agents, and others to obtain the Phase I contract, to retain the Phase I contract, and to try to obtain the Phase II contract. During those trips, defendant worked on the KSP Phase I project. Defendant saw and understood that Kuwaiti Consultant did not perform any actual work on the KSP Phase I project and had no employees assisting him. Defendant understood that Kuwaiti Consultant served as a pass-through for payments to officials at the MOI.

11. From at least September 2006 to at least March 2007, defendant authorized payments to Kuwaiti Consultant on the understanding that Kuwaiti Consultant was using all or a portion of the payments to bribe Kuwaiti government officials in order to secure (1) Ramaco's continued participation in the KSP Phase I project, (2) timely payments for the Phase I contract, and (3) IAP's and Kuwaiti Consultant's ability to participate in the Phase II project.

12. Defendant believed that failing to make payments to Kuwaiti Consultant would have resulted in Ramaco and IAP not having won the KSP Phase I contract and not winning a KSP Phase II contract.

13. In or about late 2007, defendant, who at that time was working as a consultant for IAP, traveled from Dulles International Airport in the Eastern District of Virginia to Kuwait to meet with MOI officials and assist IAP and Ramaco, among others, in certifying that the KSP Phase I project was complete and in obtaining the KSP Phase II contract.

14. Defendant agrees that the government can prove beyond a reasonable doubt that, as a result of the conspiracy he joined with others, Kuwaiti Consultant was paid at least KD 509,625 (approximately \$1,783,688) with the understanding that some or all of that money would be provided as bribes to Kuwaiti government officials to assist IAP in obtaining and retaining the KSP Phase I contract and to obtain the KSP Phase II contract.

15. The acts taken by the defendant in furtherance of the offense charged in this case, including the acts described above, were done willfully and knowingly and not because of accident, mistake, or other innocent reason.

16. The defendant admits that this statement of facts does not represent and is not intended to represent an exhaustive recitation of all the facts about which the defendant has knowledge regarding the conduct described above.

ANDREW WEISSMANN
CHIEF, FRAUD SECTION



Tarek Helou
Assistant Chief
James P. McDonald
Trial Attorney
Fraud Section, Criminal Division
1400 New York Avenue, N.W.
Washington, DC 20530
Phone: (202) 514-7023/598-2441
Fax: (202) 616-3511
tarek.helou@usdoj.gov
james.mcdonald@usdoj.gov

Respectfully submitted,

DANA J. BOENTE
UNITED STATES ATTORNEY

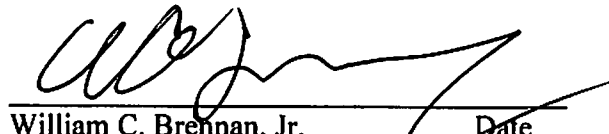


Paul J. Nathanson
Assistant U.S. Attorney
United States Attorney's Office
Eastern District of Virginia
2100 Jamieson Avenue
Alexandria, VA 22314
Phone: (703) 299-3700
Fax: (703) 299-3981
paul.nathanson@usdoj.gov

After consulting with my attorney, and pursuant to the Plea Agreement entered into this day between myself and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.


James Michael Rama Date 6/16/15
Defendant

I am defendant James Michael Rama's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.


William C. Brennan, Jr. Date
Attorney for James Michael Rama