

**SEALED**

UNITED STATES DISTRICT COURT

**FILED**

CENTRAL DISTRICT OF ILLINOIS

MAR 22 2006

UNITED STATES OF AMERICA,

Plaintiff,

JOHN M. WATERS, Clerk  
U.S. DISTRICT COURT  
CENTRAL DISTRICT OF ILLINOIS

v.

**CRIMINAL COMPLAINT**

MOHAMMAD SHABBIR KHAN,

CASE NUMBER: 06-MJ-6410

Defendant.

**UNDER SEAL**

I, the undersigned Complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

On or about March 22, 2006, at Rock Island, in the Central District of Illinois, the defendant, Mohammad Shabbir Khan, did knowingly and willfully make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the Federal Bureau of Investigation and the Army Criminal Investigation Command, agencies within the executive branch of the United States, in that the defendant, Mohammad Shabbir Khan, in response to questions posed to him during an interview in which Special Agents of the Federal Bureau of Investigation and Army Criminal Investigation Command participated, stated that:

a. In 2003, the person referred to as "Co-conspirator A" in the supporting affidavit had a private side business deal with the person referred to as "Subject" and "CW" in the supporting affidavit, who was then a procurement manager with Kellogg, Brown and Root Services, Inc. ("KBR"), for the purchase of an armored vehicle in the United States for resale in the Middle East;

b. This armored vehicle deal between Co-conspirator A and Subject had nothing to do with Tamimi's business with KBR;

c. To obtain the money for Co-conspirator A's investment in the armored car deal with Subject, Co-conspirator A asked Tamimi to give \$67,000 of his 2002 bonus to a particular Tamimi manager in Bahrain;

d. Some of the money for Co-conspirator A's investment in the armored car deal with Subject was provided by Tamimi to the Tamimi manager in Bahrain, who thereafter transmitted the money to Subject for that purpose;

e. None of the money provided to Subject by the Tamimi manager in Bahrain, and Co-conspirator A had anything to do with Tamimi's business with KBR;

f. The armored vehicle deal with Subject fell through and Co-conspirator A has asked Subject to return the money to him;

g. Neither Co-conspirator A, Shabbir Khan nor Tamimi intended to pay kickbacks or bribes to Subject through the payments made by Co-conspirator A to the KBR procurement manager;

h. The payments made to Subject were not made because Subject had involvement in awarding or administering any subcontracts between KBR and Tamimi;

i. The last time Shabbir Khan spoke with Subject was in 2003;

j. The last place Shabbir Khan saw Subject was in Shabbir Khan's office in Kuwait in 2003;

k. Each of the following documents provided by Tamimi to federal agents and/or the U.S. Attorney's Office for the Central District of Illinois related directly to the investment by Co-conspirator A in the armored vehicle deal between Co-conspirator A and Subject and had nothing to do with kickbacks or bribes paid to Subject:

1. Letter dated April 10, 2003 from Co-conspirator A to Shabbir Khan requesting that Tamimi's Finance Department give \$67,000 from Co-conspirator A's bonus for 2002 to a Tamimi manager in Bahrain;

2. Letter dated April 13, 2003 between accounts personnel indicating that Co-conspirator A's letter of April 10, 2003 had been approved by Tamimi's Operation Manager;

3. Memo dated May 20, 2003 indicating that eight payments totaling \$60,500 had been made by Tamimi pursuant to Co-conspirator A's letter dated April 10, 2003 during the period April 16, 2003 through May 17, 2003;

4. Undated chart entitled "Transferred by M. Mattar" reflecting six transactions totaling \$49,500; and

5. Approximately seven checks made payable to a Tamimi manager in Bahrain and seven applications and/or receipts for money wire transfers to the KBR procurement manager during the time period April 21, 2003 through May 17, 2003,

when, as the defendant, Mohammad Shabbir Khan, well knew when he made this statement, it was false, fictitious, and fraudulent, all in violation of Title 18, United States Code, Sections 1001(a)(2).

I further state that I am a Special Agent with the Internal Revenue Service, Criminal Investigation, and that this Complaint is based on the Affidavit in support of Complaint, which is made a part hereof.

\_\_\_\_\_  
s/ Agent

BRIAN L. BERNTSON  
Special Agent  
IRS, Criminal Investigation

Sworn to before me and subscribed in my presence this 22<sup>nd</sup> day of March, 2006, at Peoria, Illinois.

\_\_\_\_\_  
s/ John A. Gorman

JOHN A. GORMAN  
United States Magistrate Judge

**AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT**

I, Brian L. Berntson, having been first duly sworn, do state:

1. I am a Special Agent with the Internal Revenue Service, Criminal Investigation ("IRS"). I have been employed as a Special Agent with the IRS for approximately 15 years. My duties include the investigation of tax and money laundering matters and other criminal matters as they relate to tax and money laundering violations. I am currently working with Special Agent Jeffrey G. Jackson, Federal Bureau of Investigation ("FBI"); Special Agent Anne M. Hefel, FBI; Special Agent Michael P. Thompson, Defense Criminal Investigative Service; and other law enforcement agents on the investigation described below. This affidavit is based upon information I have gained during the course of the investigation from multiple sources, including, but not limited to, law enforcement agents involved in this investigation, documents provided in response to document requests and subpoenas, witness interviews, and sworn testimony. Although this affidavit contains extensive information acquired to date regarding the criminal matter described herein, it does not contain all of the information gathered during the investigation.

2. This affidavit is made in support of a one-count Criminal Complaint charging Mohammad Shabbir Khan with making a false statement on March 22, 2006 in violation of Title 18, United States Code, Section 1001.

## BACKGROUND OF THE INVESTIGATION

### A. The Defendant, "Co-conspirator A," and "Subject"

3. The Defendant, Mohammad Shabbir Khan ("Shabbir Khan"), is a naturalized citizen of the United States, having been born in Pakistan. At all times relevant to this Affidavit and the Criminal Complaint, Shabbir Khan was a management-level employee of the Saudi Arabian company known as Tamimi Global Company, Ltd. ("Tamimi"). Shabbir Khan's duties included, but were not necessarily limited to, managing various business operations for Tamimi. According to information provided by Tamimi, Shabbir Khan is currently Tamimi's Director of Operations for Kuwait and Iraq.

4. The person referred to herein as "Co-conspirator A" is not a citizen of the United States. At all times relevant to this Affidavit and Complaint, Co-conspirator A was a management-level employee of Tamimi. Co-conspirator A's duties included, but were not necessarily limited to, managing various business operations for Tamimi. According to information provided by Tamimi, Co-conspirator A is currently a Tamimi operations manager in Iraq.

5. The individual referred to herein as "Subject" was a procurement manager of the company now known as Kellogg Brown & Root Services, Inc. ("KBR"), and served in that capacity from on or about October 1, 2002 through November 23, 2002, and again from on or about March 29, 2003 through May 21,

2003. During those periods, Subject was a Procurement Materials and Property Manager with KBR. His duties included, but were not necessarily limited to, the negotiation and awarding of government subcontracts on behalf of KBR under the government prime contract known as Logistics Civil Augmentation Program III ("LOGCAP III").

**B. The LOGCAP III Prime Contract**

6. In December 2001, the United States Army Operations Support Command located at the Rock Island Arsenal, Rock Island, Illinois, within the Central District of Illinois, awarded a prime contract called the Logistics and Civil Augmentation Program III ("LOGCAP III") to Brown & Root Services, a division of Kellogg Brown & Root, Inc. The Army Field Support Command, also located at the Rock Island Arsenal, is the procurement command for LOGCAP III. As the procurement command for LOGCAP III, the Army Field Support Command obligates or commits the funding for the prime contract.

7. Since securing the award of LOGCAP III, Brown & Root Services has transferred responsibilities for the contract to the Kellogg Brown & Root subsidiary known as Kellogg Brown & Root Services, Inc. Kellogg Brown & Root, Inc., Brown & Root Services, and Kellogg Brown & Root Services, Inc. are collectively referred to herein as "KBR."

8. Under LOGCAP III, KBR is to provide goods and services to the Army at Kuwait and other locations around the world. The specific requirements under LOGCAP III are accomplished through the Army's issuance of individual "Task Orders" to KBR, each of which constitutes an individual contract under the umbrella of LOGCAP III.

9. Under LOGCAP III, KBR is paid by the government for its costs plus an award fee. KBR commonly uses subcontractors that invoice KBR for their work. KBR thereafter invoices the government for the cost of the subcontractor's LOGCAP III work, plus KBR's allowable fees. Inflation of a subcontract under LOGCAP III by fraud or due to the existence of kickbacks on the subcontract would require the Army Field Support Command to obligate or commit more money to LOGCAP III than it would otherwise have to commit absent such fraud or kickbacks.

10. Beginning in or about October 2002, one of the requirements of KBR under LOGCAP III was the establishment of a military dining facility ("DFAC") at Camp Arifjan, Kuwait under Task Order 27.

**C. Background Criminal Conduct by Shabbir Khan and others**

**(i) The Kickback Scheme**

11. In or about October 2002, the U.S. Army's "Statement of Work" for Task Order 27 mandated that Tamimi was to be KBR's subcontractor for the

Camp Arifjan DFAC. Accordingly, KBR had to negotiate the terms of the subcontract with Tamimi for the Camp Arifjan DFAC.

12. From on or about October 7, 2002, through on or about October 14, 2002, Subject, on behalf of KBR, and Shabbir Khan, on behalf of Tamimi, negotiated the price and other terms for the Camp Arifjan DFAC subcontract.

13. On or about October 9 or 10, 2002, Shabbir Khan hosted a birthday party for Subject at the residence of another Tamimi employee. Following the birthday party, Shabbir Khan drove Subject back to Subject's quarters. During this drive, Shabbir Khan offered to Subject what Subject understood to be an offer of a kickback for the award of the Camp Arifjan DFAC subcontract to Tamimi. Subject agreed to accept Shabbir Khan's kickback offer.

14. On or about October 14, 2002, Subject formally awarded the Camp Arifjan DFAC subcontract to Tamimi. This subcontract, designated KBR Subcontract number GU49-KU-S00001 ("Subcontract 00001"), had a not-to-exceed estimated price of \$14,431,505 for a 365-day period of performance. Subject executed the subcontract on behalf of KBR, and Shabbir Khan executed the subcontract on behalf of Tamimi.

15. The terms and conditions of Subcontract 00001 included an Anti-Kickback Notice stating, in part:

Your attention is directed to the prohibitions contained within the Anti-Kickback Act of 1986 . . . .

Subcontractors and suppliers are prohibited from offering any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind directly or indirectly to Brown & Root Services employees for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

16. Between in or about October 2002 through on or about November 23, 2002, Shabbir Khan paid or caused to be paid to Subject at least \$30,000 cash, in U.S. currency, as kickbacks for his awarding of Subcontract 00001 to Tamimi.

17. Additionally, on or about the dates set forth below, Shabbir Khan paid or caused to be paid by electronic transfer of funds the following amounts of money to Subject or for the benefit of Subject as additional kickbacks for his awarding of Subcontract 00001 to Tamimi:

<u>#</u>	<u>Date</u>	<u>Payment Method &amp; Amount</u>	<u>To Whom Payment Made</u>
1	10/29/02	Electronic funds transfer of \$2,965 from Kuwait	"Jane Doe's" bank account in Maryland.
2	11/25/02	Electronic funds transfer of \$20,965 from Kuwait	Subject's automobile loan account in Georgia (U.S.A.)
3	4/17/03	Electronic funds transfer of \$8,000 from Bahrain	Subject's bank account in Maryland
4	4/18/03	Electronic funds transfer of \$9,465 from Kuwait	Subject's bank account in Maryland
5	4/23/03	Electronic funds transfer of \$9,000 from Bahrain	Subject's bank account in Maryland

6	4/28/03	Electronic funds transfer of \$8,500 from Bahrain	Subject's bank account in Maryland
7	5/12/03	Electronic funds transfer of \$9,500 from Bahrain	Subject's bank account in Maryland
8	5/15/03	Electronic funds transfer of \$8,500 from Bahrain	Subject's bank account in Maryland
9	5/16/03	Electronic funds transfer of \$7,500 from Bahrain	Subject's bank account in Maryland
10	5/19/03	Electronic funds transfer of \$6,500 from Bahrain	Subject's bank account in Maryland
11	5/21/03	Electronic funds transfer of \$3,000 from Saudi Arabia	Subject's bank account in Maryland

18. On or about April 21, 2003, Subject resigned from KBR with an effective resignation date of May 21, 2003. Following his resignation from KBR, Subject returned to the United States.

(ii) **The Cover Up**

19. In or about April 2005, Subject received an e-mail from a person he believed to be an associate of Shabbir Khan's. In the e-mail, the sender requested that Subject contact him and left a telephone number to call.

20. In or about April 2005, Subject called the telephone number specified in the e-mail. Shabbir Khan answered the telephone. During the telephone call, Shabbir Khan told Subject that the attaché from the embassy or consulate in Bahrain had recently inquired into the source of the wire transfers to Subject that had originated in Bahrain. Shabbir Khan told Subject that if Subject were to have

a business deal with [Co-conspirator A], whereby Subject and Co-conspirator A would jointly purchase a vehicle in the United States for sale in the Middle East, this would make the wire transfers the authorities inquired about appear to be legitimate. Shabbir Khan then provided Subject with contact information for Co-conspirator A.

21. From on or about April 11, 2005, through on or about May 26, 2005, Subject and Co-conspirator A exchanged a number of e-mails in an effort to make various electronic transfers of funds to Subject as kickback payments appear to be a legitimate investment by Co-conspirator A in the fictitious business venture between Co-conspirator A and Subject. It was further a part of the ruse that the fictitious business venture between Co-conspirator A and Subject purportedly fell through, thereby requiring Subject to electronically transfer approximately \$60,500 from the United States back to Co-conspirator A to make it appear as if Subject had "repaid" Co-conspirator A for his (Co-conspirator A's) "investment" in the fictitious business deal.

22. E-mails exchanged between Co-conspirator A and Subject from on or about April 11, 2005 through on or about May 26, 2005 concerning the fictitious business deal and the "repayment" of money to Co-conspirator A by Subject included, but were not necessarily limited to, the following:

From: [Co-conspirator A]  
To: [Subject]  
Sent: Monday, April 11, 2005 6:03 PM  
Subject: Caravan

Mr. [Subject],  
This refers to our telephonic conversation in regards  
with the cravan [sic] to be purchased , would you pls  
send me all the details and when you can shift it to me.

Thanks

[Co-conspirator A]  
Manager Operations  
Tamimi Global Co  
[XXXX XXX XXXX]

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From: [Co-conspirator A] [e-mail address]  
Sent: Thursday, April 14, 2005 10:50 AM  
To: [Subject]  
Subject: Re: Caravan

FIRST REMINDER

THANKS

[Co-conspirator A]

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From: [Subject]  
To: '[Co-conspirator A]'  
Sent: Friday, April 15, 2005 4:09 AM  
Subject: RE: Caravan

Hello [Co-conspirator A],

Sorry I was not able to respond immediately. It has been a very busy week. I am glad that you are finally able to contact me. I have your funds in escrow. I am not operating my business any longer, and would like to return the funds to you.

Please provide banking information for the wire transfer. I don't have the exact amount in front of me right now, but will advise before I send.

Sorry it didn't work out.

[Subject]

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From: Co-conspirator A [e-mail address]  
Sent: Friday, April 15, 2005 2:27 AM  
To: [Subject]  
Subject: Re: Caravan

Hi [Subject],  
Thanks for your mail and it is ok if it didn't work this time.  
I feel comfortable when you say you are going to wire transfer my fund, though it didn't work this time but I will be more than happy to have business in future with an honest person like you.  
My bank acct information is as under

[Co-conspirator A]  
US\$ ACCT.NO. 11[XX]  
[Bank in the Middle East]  
BAGHDAD  
IRAQ

Pls wire transfer the fund on the above Bank

Thanks

[Co-conspirator A]

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From: [Subject]  
To: '[Co-conspirator A]'  
Sent: Monday, April 18, 2005 4:23 PM  
Subject: RE: Caravan

[Co-conspirator A],

I have the funds available [sic] to transfer, but this doesn't look like correct banking information. Normally there is a Bank routing number and an account [sic] number like a checking [sic] or savings account number. Is this all there is?

[Subject]

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From: [Subject]  
To: '[Co-conspirator A]'  
Sent: Friday, April 22, 2005 7:14 PM  
Subject: RE: Caravan

[Co-conspirator A],

I went to the bank to transfer your funds, and they insisted that I must have either a swift code or international [sic] bank number for the transfer to go through.

Please provide.

[Subject]

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From: [Co-conspirator A]  
To: [Subject]  
Sent: Wednesday, May 11, 2005 4:21 PM  
Subject: Swift #

Dear Mr [Subject],

I am back to my station from my little R & R, though it was short but a good one. I checked with the Bank of Baghdad and it was told to me that any money transfer to Iraq should be through the bank outside Iraq and I have been given that name and swift # of two banks as under

[Bank name]                      Acct # US \$ 000-151[XXX]-[XXXX]  
Swift: [swift no.]              P O Box: 95 Safat, Tel: +[XXX XXXX XXX]

[Bank name/city] (Jordan)      Acct # US \$ 401 [XXX XXX]  
Swift : [swift no.]              P O box ;5055 Amman-11183 Jordan  
Tel : +[XXX-X-XXXXXXXXX]

Hope this will work out and if you need any other information in regards with the above pls contact me.

Thanks n Regards

[Co-conspirator A]

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From: [Co-conspirator A] [e-mail address]  
Sent: Sunday, May 22, 2005 2:27 AM  
To: [Subject]  
Subject: reminder

REMINDER 1

Dear Mr [Subject],

I am back to my station from my little R & R, though it was short but a good one. I checked with the Bank of Baghdad and it was told to me that any money transfer to Iraq should be through the bank outside Iraq and I have been given that name and swift # of two banks as under

[Bank name] Acct # US \$ 000-151[XXX]-[XXXX]  
Swift: [swift no.] P O Box: 95 Safat, Tel: +[XXX XXXX XXX]

[Bank name/city] (Jordan) Acct # US \$ 401 [XXX XXX]  
Swift : [swift no.] P O box ;5055 Amman-11183 Jordan  
Tel : +[XXX-X-XXXXXXXX]

Hope this will work out and if you need any other information in regards with the above pls contact me.

Thanks n Regards

[Co-conspirator A]

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From: [Subject]  
To: '[Co-conspirator A]'  
Sent: Thursday, May 26, 2005 12:56 AM  
Subject: RE: reminder

[Co-conspirator A],

I am currently working with a Lawyer here in the US for the correct way to return the funds. He is in a

location that is not near to me so this may take some time.

In the mean time it will help me to know who these accounts are in the name of.

Regards,

[Subject]

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23. On or about April 15, 2005, in the United States, Subject transferred approximately \$62,000 from his Charles Schwab investment account to one of his Wachovia Bank accounts in preparation for electronically transferring approximately \$60,500 to Co-conspirator A in the Middle East as part of the cover up.

24. On or about April 22, 2005, in the United States, Subject attempted to electronically transfer approximately \$60,500 to Co-conspirator A in the Middle East as part of the cover up. However, the bank routing information previously provided to Subject by Co-conspirator A was not sufficient. Thus, Subject was unable to wire money to Co-conspirator A in April 2005.

25. Based on his telephone discussion with Shabbir Khan in or about April 2005 and communications with Co-conspirator A in or about April and May 2005, Subject understood that if he was questioned by federal authorities

about the kickback payments that Shabbir Khan paid or caused to be paid to Subject, Subject was to falsely tell the federal authorities:

- a. that he had a side business deal with Co-conspirator A for the purchase of a vehicle in the United States for sale in the Middle East;
- b. that Co-conspirator A had invested approximately \$60,500 in the deal;
- c. that the deal fell through; and
- d. that Subject needed to return the approximately \$60,500 to Co-conspirator A.

***(a) Interviews of Shabbir Khan and Co-conspirator A in Kuwait in August 2005, and receipt of documents supporting their statements***

26. In August 2005, other agents with whom I am working on this investigation, including Special Agent Jeffrey G. Jackson, traveled to Kuwait to interview Tamimi employees. Counsel for Tamimi made the arrangements for the interviews and was present during them. Among the Tamimi personnel who were interviewed in Kuwait were Shabbir Khan and Co-conspirator A.

27. Agents interviewed Shabbir Khan at Camp Arifjan in Kuwait on August 26, 2005, and again on August 28, 2005. During the interviews, Shabbir Khan was questioned concerning some of the electronic funds transfers from the Middle East to Subject that are referred to above in the chart in paragraph 17 of

this Affidavit. In response, Shabbir Khan told the interviewing agents that in the spring of 2003, he received a letter from Co-conspirator A requesting money that was to be paid by Tamimi to Co-conspirator A as salary or bonus be sent to Subject. Shabbir Khan further stated that he forwarded Co-conspirator A's letter of request to Tamimi's payroll department. He further stated that Co-conspirator A's request to have part of his Tamimi salary or bonus paid to Subject was not unusual. Shabbir Khan stated that he was under the impression that the money to be sent to Subject was for a private business venture between Subject and Co-conspirator A for the purchase of an armored or hard-car in the United States for resale in Iraq for profit. Shabbir Khan stated that he later received another letter from Co-conspirator A in which Co-conspirator A requested that part of his salary or bonus be paid to a Tamimi employee in Bahrain. During the interview, Shabbir Khan denied that he and Tamimi had paid any kickbacks to Subject.

28. On August 28, 2005, agents interviewed Co-conspirator A at Camp Arifjan in Kuwait. During the interview, Co-conspirator A was questioned concerning some of the electronic funds transfers from the Middle East to Subject that are referred to in the chart in paragraph 17 of this Affidavit. In response, Co-conspirator A told the interviewing agents that Subject is a friend of his and that in February or March 2003, Subject told him that he (Subject) was leaving KBR

and going to work for another company in the Middle East. Co-conspirator A stated that at that point, he and Subject started talking about going into an armored car business. According to Co-conspirator A, they wanted to purchase armored cars from the United States and transport them to Iraq for resale. The armored cars would have been Chevrolet Suburbans or Yukons that had armor plating. Co-conspirator A stated that he and Subject wanted to purchase one or two armored cars and ship them to Iraq to determine what the costs and profit margins were. Co-conspirator A further stated that he received a bonus from Tamimi for 2002 that was paid in 2003 in the amount of \$60,500. Co-conspirator A stated that he sent this money to Subject in the United States through Co-conspirator A's friend in Bahrain. Co-conspirator A stated that he and Subject believed an armored car would cost between \$100,000 and \$150,000. According to Co-conspirator A, they were to each pay one-half of the costs under their business deal. Co-conspirator A stated that the armored-car deal fell through, and he tried to get Subject to purchase a recreational vehicle ("RV") because Co-conspirator A knew of a man in Baghdad, Iraq, that wanted an RV. However, according to Co-conspirator A, this transaction also fell through at the end of 2004. Co-conspirator A stated that Subject was to send him back the \$60,500 that

Co-conspirator A had sent to Subject. Co-conspirator A stated that he is still waiting for Subject to return the \$60,500.

29. During their respective interviews, Shabbir Khan and Co-conspirator A, with the advice of counsel, agreed to forward to the United States Attorney's Office at Rock Island, Illinois, documentary proof concerning the purported armored-car business venture between Co-conspirator A and Subject. In accordance with arrangements discussed with counsel for Tamimi, such documents were to be provided by Shabbir Khan and Co-conspirator A to counsel, and then forwarded to the U.S. Attorney's Office in Rock Island.

30. On or about September 12, 2005, a letter from Tamimi's counsel dated September 6, 2005 was received at the U.S. Attorney's Office in Rock Island. Accompanying the letter were copies of a series of documents purporting to relate to the electronic funds transfers from Tamimi representatives to Subject in the spring of 2003. These documents were consistent with the interview statements made in Kuwait by Shabbir Khan and Co-conspirator A concerning the purported armored-car business venture between Co-conspirator A and Subject.

31. On or about September 16, 2005, a letter from Tamimi's counsel dated September 11, 2005 was received at the U.S. Attorney's Office in Rock

Island. Accompanying the letter were copies of a series of e-mails between Co-conspirator A and Subject purporting to relate to the armored-car business venture between them. These e-mails were consistent with the interview statements made in Kuwait by Shabbir Khan and Co-conspirator A concerning the purported armored-car business venture between Co-conspirator A and Subject.

32. On or about September 26, 2005, a letter from Tamimi's counsel dated September 21, 2005 was received at the U.S. Attorney's Office in Rock Island. Accompanying the letter were copies of documents concerning bonuses paid by Tamimi to Co-conspirator A, wire transfer instructions relating to those bonus payments, and various bank statements showing payment and receipt of the bonus payments. The documents were consistent with the interview statements made by Shabbir Khan and Co-conspirator A concerning the purported armored-car business venture between Co-conspirator A and Subject.

*(b) Subject's interview and subsequent cooperation*

33. On August 26, 2005, while other agents were conducting interviews in Kuwait, Special Agent Anne M. Hefel, FBI, and I interviewed Subject. We questioned him concerning approximately \$60,500 in wire transfers that Subject received in the Spring of 2003 and that we had traced to either Tamimi or persons

who we believed to be affiliated with Tamimi. Subject indicated that he wanted to cooperate with the federal authorities but first wanted legal counsel.

34. On or about September 9, 2005, Subject, with the advice of counsel, entered into a cooperation agreement with the U.S. Attorney's Office for the Central District of Illinois. Among other terms, the cooperation agreement conditionally provided the defendant with direct use immunity for statements made by him to other agents and me. Subject, hereinafter referred to as "Cooperating Witness," or "CW", subsequently described in detail to Special Agent Hefel and me the kickback scheme summarized, in part, in paragraphs 11 through 17 of this Affidavit, and the cover up scheme described, in part, in paragraphs 19 through 25.

35. Following CW's decision to cooperate with the government in September 2005, and at the direction of other agents and me, CW has maintained contact with Co-conspirator A, and, on one occasion, spoke briefly with Shabbir Khan. During a telephone call on or about September 30, 2005, Shabbir Khan directed CW to maintain contact with Co-conspirator A, who would "brief" CW. Co-conspirator A subsequently asked CW to meet with him in London on or about October 28, 2005. At the direction of other agents and me, CW agreed to do so.

36. On October 28, 2005, CW went to a hotel in London where he and Co-conspirator A agreed to meet that day. When he arrived, Shabbir Khan and Co-conspirator A were both there. Discussions between CW, Shabbir Khan, and Co-conspirator A were consensually recorded by electronic means with the approval of British authorities. I have reviewed substantive portions of a copy of the recording of their conversations.

37. After CW saw Shabbir Khan and Co-conspirator A in the hotel, Co-conspirator A directed CW to walk with him to a restaurant. Co-conspirator A initially met with CW alone. Co-conspirator A stated that he was glad to finally meet CW, and described to CW the fictitious story he (Co-conspirator A) had told the federal agents that interviewed him in Kuwait in August 2005. Further, Co-conspirator A instructed CW that this was the story that he (CW) was to tell the FBI if questioned concerning wire transfers to CW.

38. Shabbir Khan later joined Co-conspirator A and CW in the restaurant. Shabbir expressed concerns about how they had to be careful, and that he had been there to make sure CW was indeed the person who was meeting Co-conspirator A. Shabbir Khan and Co-conspirator A thereafter explained to CW that they needed documentation showing that CW had wired \$65,000 back to Co-conspirator A. When CW told Shabbir Khan and Co-conspirator A that he

(CW) did not have the \$65,000 to wire back, Shabbir Khan and Co-conspirator A instructed CW that he should electronically transfer some amount of money back to Co-conspirator A. According to them, they would then transfer back the same amount to CW through a trusted friend of CW, who they directed CW to identify for them, so no one could detect that it was actually going to CW. This process of sending the same money back and forth was to continue until CW had sent a total of \$65,000 to Co-conspirator A and they had sent back to CW a total of \$65,000 in return. Shabbir Khan and Co-conspirator A indicated that they would then use the documentation of the \$65,000 in transfers from CW to support their fictitious story that the business venture between Co-conspirator A and CW had fallen through and that CW had now paid back to Co-conspirator A his investment in the business. Shabbir Khan also instructed CW to send Co-conspirator A an e-mail about returning the money, suggesting that CW say something like he is sorry for the delay in sending it back.

**D. Probable Cause of Criminal Conduct by Shabbir Khan at Rock Island, Illinois on March 22, 2006**

39. During Shabbir Khan's above-summarized interview in Kuwait on August 28, 2005, he and his counsel agreed to meet with federal agents in the United States on some future occasion to follow up on the information that Shabbir Khan provided during his interview. On and after March 14, 2006,

Shabbir Khan's counsel conditionally agreed that Shabbir Khan and counsel would travel to the U.S. Attorney's Office at Rock Island for an interview by federal agents on March 22, 2006 concerning the same topics that were discussed with Shabbir Khan in Kuwait in August 2005. The conditions for the interview were set forth in a letter from the U.S. Attorney's Office to counsel on March 15, 2006. The conditions included a confirmation that while Shabbir Khan was in the United States during the period from March 21, 2006 through March 26, 2006 for the interview, he would not be arrested based upon conduct occurring prior to his arrival in the United States of which the United States Attorney for the Central District of Illinois was aware. However, as was discussed with counsel on March 14, 2006, the letter further stated that the assurance did not apply to conduct by Shabbir Khan while was in the United States during that time period for his scheduled interview that violated any federal, state, or local laws including, but not limited to, the smuggling of goods into the United States under Title 18, United States Code, Section 545, the failure to file reports on importing monetary instruments under Title 31, United States Code, Section 5316, or the making of false statements under Title 18, United States Code, Section 1001.

40. Counsel was specifically advised that the false statements exception to the assurance letter included any false statements that Shabbir Khan might make during his interview on March 22, 2006.

41. On March 22, 2006, Shabbir Khan arrived for his interview by federal agents at the U.S. Attorney's Office for the Central District of Illinois at Rock Island. Prior to his interview, in the presence of counsel, Shabbir Khan was advised that any false statement made by him during the interview could constitute a federal crime for which he could be prosecuted. Shabbir Khan stated that he understood.

42. During the ensuing interview, Shabbir Khan was questioned concerning some of the electronic funds transfers from the Middle East to or for the benefit of CW during the period from approximately October 29, 2002 through May 21, 2003 that are referred to above in the chart in paragraph 17 of this Affidavit. In response thereto, Shabbir Khan made the following statements to the federal agents participating in the interview, which included Special Agents from the FBI and Army Criminal Investigation Command (Army CID):

a. In 2003, Co-conspirator A had a private side business deal with CW for the purchase of an armored vehicle in the United States for resale in the Middle East.

b. This armored vehicle deal between Co-conspirator A and CW had nothing to do with Tamimi's business with KBR.

c. To obtain the money for Co-conspirator A's investment in the armored car deal with CW, Co-conspirator A asked Tamimi to give \$67,000 of his 2002 bonus to a particular Tamimi manager in Bahrain.

d. Some of the money for Co-conspirator A's investment in the armored car deal with CW was provided by Tamimi to the Tamimi manager in Bahrain, who thereafter transmitted the money to CW for that purpose.

e. None of the money provided to CW by the Tamimi manager in Bahrain, and Co-conspirator A had anything to do with Tamimi's business with KBR.

f. The armored vehicle deal with CW fell through and Co-conspirator A has asked CW to return the money to him.

g. Neither Co-conspirator A, Shabbir Khan or Tamimi intended to pay kickbacks or bribes to CW through the payments made by Co-conspirator A to CW.

h. The payments made to CW were not made because CW had involvement in awarding or administering any subcontracts between KBR and Tamimi.

i. The last time Shabbir Khan spoke with CW was in 2003.

j. The last place Shabbir Khan saw CW was Shabbir Khan's office in Kuwait in 2003.

k. Each of the following documents provided by Tamimi to federal agents and/or the U.S. Attorney's Office for the Central District of Illinois related directly to the investment by Co-conspirator A in the armored vehicle deal between Co-conspirator A and CW, and had nothing to do with kickbacks or bribes paid to CW:

1. Letter dated April 10, 2003 from Co-conspirator A to Shabbir Khan requesting that Tamimi's Finance Department give \$67,000 from Co-conspirator A's bonus for 2002 to a Tamimi manager in Bahrain.

2. Letter dated April 13, 2003 between accounts personnel indicating that Co-conspirator A's letter of April 10, 2003 had been approved by Tamimi's Operation Manager.

3. Memo dated May 20, 2003 indicating that eight payments totaling \$60,500 had been made by Tamimi pursuant to Co-conspirator A's letter dated April 10, 2003 during the period April 16, 2003 through May 17, 2003.

4. Undated chart entitled "Transferred by M. Mattar" reflecting six transactions totaling \$49,500.

5. Approximately seven checks made payable to a Tamimi manager in Bahrain and seven applications and/or receipts for money wire transfers to CW during the time period April 21, 2003 through May 17, 2003.

**E. Conclusion**

43. Based on the foregoing, I respectfully submit there is probable cause to believe that on March 22, 2006, at Rock Island, Illinois, Mohammad Shabbir Khan made false statements to Special Agents of the FBI and Army CID in violation of Title 18, United States Code, Section 1001, including, but not limited to, those statements outlined in the preceding paragraph.

FURTHER AFFIANT SAYETH NAUGHT.

s/ Agent  
BRIAN L. BERNTSON  
Special Agent  
IRS, Criminal Investigation

Sworn to before me and subscribed in my presence  
this 22<sup>nd</sup> day of March, 2006, at Peoria,  
Illinois.

s/ John A. Gorman  
JOHN A. GORMAN  
United States Magistrate Judge