



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 9, 2009
WWW.USDOJ.GOV

CRM
(202) 514-2007
TDD (202) 514-1888

HUSBAND AND WIFE CO-OWNERS OF SUBCONTRACTING COMPANY PLEAD GUILTY TO CONTRACT FRAUD RELATED TO AFGHANISTAN REBUILDING

WASHINGTON – Delmar Dwayne Spier, the chief executive officer and managing director of United States Protection and Investigations, LLC (USPI), today pleaded guilty in U.S. District Court for the District of Columbia to conspiracy, major fraud and wire fraud arising from an alleged scheme to defraud the United States; and his wife, Barbara Edens Spier, the president and owner of USPI, pleaded guilty to conspiracy to defraud the United States in connection with U.S.-sponsored rebuilding efforts in Afghanistan, announced Assistant Attorney General of the Criminal Division Lanny A. Breuer and Acting U.S. Attorney for the District of Columbia Channing D. Phillips.

According to court documents, USPI, a Houston-based security firm, was a subcontractor for the U.S. Agency for International Development (USAID) based on a USAID contract with the Louis Berger Group Inc. (LBGI) as part of the Rehabilitation of Economic Facilities Program (REFS Program). The REFS Program was developed by USAID to provide a broad range of assistance to the people of Afghanistan. Under the USAID contract with LBGI, LBGI constructed a variety of infrastructure improvements, including electrical facilities, health facilities, schools and irrigation systems. USPI provided security at many LBGI construction sites.

According to court documents, the USPI subcontract was a cost-reimbursement contract, which required LBGI and ultimately USAID to reimburse USPI for all incurred expenses and pay USPI a fee equivalent to a percentage of its incurred expenses.

Delmar Dwayne Spier, 73, of Houston, admitted in his plea before U.S. District Judge Rosemary M. Collyer today that from June 2003 through July 2007, he defrauded the United States by obtaining reimbursement for inflated expenses purportedly incurred by USPI for rental vehicles, fuel and security personnel. Delmar Dwayne Spier and Barbara Edens Spier, 60, also of Houston, admitted before Judge Collyer today that they conspired with USPI employees to fabricate invoices from fictitious companies to obtain reimbursement from LBGI and ultimately from USAID to cover USPI's inflated expenses.

The Spiers' plea agreements require them to forfeit \$3 million in proceeds that can be traced to the fraud. The conspiracy charge carries a maximum sentence of five years in prison and a \$250,000 fine. The charge of wire fraud carries a maximum sentence of 20 years in prison

and a \$250,000 fine. The charge of major fraud carries a maximum sentence of 10 years and a \$1 million fine. Sentencing has not yet been scheduled for either defendant.

Delmar Dwayne Spier and Barbara Edens Spier were initially indicted, along with former USPI employees William Felix Dupre and Behzad Mehr, on Sept. 30, 2008. Dupre is scheduled to go to trial on Dec. 10, 2009.

The investigation of this case was conducted by the USAID Office of the Inspector General, the FBI, members of the National Procurement Fraud Task Force and the International Contract Corruption Task Force (ICCTF).

The National Procurement Fraud Task Force, created in October 2006 by the Department of Justice, was designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The ICCTF is a joint law enforcement agency task force that seeks to detect, investigate and dismantle corruption and contract fraud resulting from U.S. Overseas Contingency Operations, including in Afghanistan, Iraq and Kuwait.

This case is being prosecuted by Trial Attorney Jennifer R. Taylor of the Criminal Division's Fraud Section and Assistant U.S. Attorney David J. Gorman of the U.S. Attorney's Office for the District of Columbia.

###

09-943