



USAID
FROM THE AMERICAN PEOPLE

PRESS RELEASE

Company and Four Individuals Charged With Fraud Relating To U.S. Government Reconstruction Efforts in Afghanistan

FOR IMMEDIATE RELEASE

October 3, 2008

Press Office: 202-712-4320

Public Information: 202-712-4810

<http://www.usaid.gov/oig/public/public1.htm>

WASHINGTON, DC – The Deputy Inspector General for the U.S. Agency for International Development (USAID), Michael G. Carroll, announced today that an investigation led by his office has resulted in a seven-count indictment of a USAID contracting firm and four individuals for conspiracy, major fraud, and wire fraud arising from a scheme to defraud the United States in connection with the war and reconstruction efforts in Afghanistan.

The indictment was returned by a Federal grand jury in Washington, DC on September 30, 2008. Delmar Dwayne Spier, 72, and Barbara Edens Spier, 59, both residents of Houston, were arrested October 2, 2008, and made their initial appearances in the U.S. District Court for the Southern District of Texas. William Felix Dupre, 51, a resident of North Carolina, also was arrested and made his initial appearance in the U.S. District Court for the Central District of California. The indictment also charges Behzad Mehr, a resident of Afghanistan who remains a fugitive, and United States Protection and Investigation, LLC (USPI), a security company owned by the Spiers. USPI is incorporated in the state of Texas and operates in Afghanistan.

The indictment alleges that from June 2003 through July 2007, the defendants defrauded the United States by obtaining reimbursement for inflated expenses purportedly incurred for rental vehicles, fuel, and security personnel. The indictment specifically alleges that Behzad Mehr, an employee of USPI, fabricated invoices purportedly for rental vehicles and fuel companies in Afghanistan and that USPI created false documents to inflate its expenses for employing security personnel from the Afghan Ministry of Interior. The Spiers and Dupre are alleged to have used the false documents created by Behzad Mehr to obtain reimbursement from Louis Berger Group, Inc. (LBGI), and ultimately from USAID, for USPI's inflated expenses and profits.

LBGI subcontracted with USPI as part of the Rehabilitation of Economic Facilities Program (REFS Program) implemented and funded by USAID. The REFS program provides a range of assistance to the Afghan people that include the building of roads between major cities in Afghanistan and the construction of schools and health facilities. The USPI subcontract, worth approximately \$60 million, required that it provide security for all LBGI contractors working on the REFS program in Afghanistan. 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.

The USAID Office of Inspector General was the lead investigative agency on this case with participation by the FBI and members of the National Procurement Fraud Task Force. The National Procurement Fraud Task Force, created in October 2006 by the U.S. Department of Justice, is chaired by Acting Assistant Attorney General Matthew Friedrich and 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.

If convicted, 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. If convicted of major fraud, individual defendants face a maximum prison sentence of 10 years and a \$1 million fine.

The case is being prosecuted by Jennifer R. Taylor, a trial attorney with the Criminal Division's Fraud Section within the U.S. Department of Justice, Washington, DC.

Deputy Inspector General Carroll praised the outstanding work in this investigation and the cooperation between the U.S. Department of Justice and his organization to bring accountability to those who try to cheat the Government and worsen the conditions of the dedicated men and women who carry out reconstruction and development efforts in war zones.