

JUSTICE NEWS

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Defense Contractor Agrees to Pay \$45 Million to Resolve Criminal Obstruction Charges and Civil False Claims Act Allegations

WASHINGTON – Unitrans International Inc. (Unitrans), a privately held Virginia defense contracting company, has agreed to pay \$45 million to resolve criminal obstruction charges and civil False Claims Act allegations relating to the illegal transportation of goods across Iran in connection with a contract to provide material and logistical support to U.S. troops in Afghanistan.

Assistant Attorney General Brian Benczkowski of the Justice Department's Criminal Division, Assistant Attorney General Jody Hunt of the Justice Department's Civil Division, U.S. Attorney Zachary Terwilliger of the Eastern District of Virginia, Special Agent in Charge Raymond Villanueva of U.S. Immigrations and Customs Enforcement's Homeland Security Investigations' (HSI) Washington, D.C. Field Office, Special Inspector General for Afghanistan Reconstruction (SIGAR) John F. Sopko, and Special Agent in Charge Robert E. Craig Jr. of the Defense Criminal Investigative Service - Mid-Atlantic Field Office (DCIS) made the announcement.

As part of the global resolution, Unitrans entered into a non-prosecution agreement (NPA) with the Department of Justice and agreed to pay \$31.5 million as a combined criminal monetary penalty and victim compensation payment amount in this matter.

In connection with the NPA, Unitrans admitted that certain of its officers, as well as officers of Anham FZCO (Anham), an associated Dubai Free Zone company incorporated under the laws of the United Arab Emirates, obstructed proceedings pending before the U.S. Defense Logistics Agency (DLA). In June 2012, the DLA awarded Anham a contract to provide material and logistical support to U.S. troops in Afghanistan. This contract required Anham to certify that it would comply with all executive orders, proclamations and statutes that prohibit U.S. persons and companies from shipping materials through Iran.

Between November 2011 and May 2012, officers of Unitrans, which provided logistical services to Anham, facilitated the transportation of construction materials to Afghanistan through Iran. These materials were used in the construction of a warehouse that Anham used to assist in the performance of the troop support contract that Anham had with the DLA. At the time of the shipments, high level officers at Unitrans and Anham were aware of the activity and took no action to stop the conduct, Unitrans admitted.

According to the factual statement agreed to as part of the NPA, on Sept. 23, 2013, Anham's then-CEO, who was also an indirect and partial owner of Unitrans, sent an email to a representative of DLA about the shipments to Afghanistan through Iran. The email stated: "At no time did Anham acquire any goods in, or from, Iran. The senior team at Anham had no knowledge of these shipments and upon learning of this possibility made a voluntary disclosure to the U.S. government that Anham was investigating whether any violations had in fact occurred."

The Department of Justice has separately entered into non-prosecution agreements with three individuals who were previously indicted in relation to the scheme.

To resolve a related civil matter, Unitrans also has agreed to pay \$27 million to resolve allegations under the False Claims Act that it, along with Anham fraudulently induced DLA and the Army to award wartime contracts for food and trucks by knowingly and falsely certifying compliance with United States sanctions against Iran. The civil agreement also resolves allegations that Anham FZCO knowingly and falsely represented construction progress on its Bagram warehouse to induce DLA to award the prime vendor contract to provide food to U.S. troops in Afghanistan. The civil settlement will credit \$13.5 million of Unitrans' payment under the NPA, and require an additional payment by Unitrans of \$13.5 million. The defendants did not admit liability as a result of the Civil Agreement. The allegations resolved by the civil settlement were brought in a lawsuit filed under the *qui tam* or whistleblower provisions of the False Claims Act by Rory Maxwell, John Bush, and Supreme Foodservice GmbH. The Act permits private parties to sue on behalf of the government for false claims and receive a share of any recovery. Under the Act, the United States may intervene in such a suit or, as it did in this case, allow the private party to pursue the action.

HSI-Washington, D.C., DCIS, and investigators from SIGAR investigated the criminal case. Trial Attorneys James Gelber and Danny Nguyen of the Criminal Division's Fraud Section prosecuted the case. Trial Attorney Art Coulter of the Civil Division's Fraud Section and Assistant U.S. Attorney Krista Anderson of the Eastern District of Virginia handled the civil litigation supported by the Defense Contract Audit Agency.

The *qui tam* case is captioned *U.S. ex rel. Maxwell, et al. v. Anham, USA, et al.*, 1:14-CV-0156 (E.D.VA). There has been no determination of liability in the civil case.

Topic(s):
Financial Fraud**Press Release Number:**
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[Civil Division](#)
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