

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

**UNITED STATES OF AMERICA,**

**Plaintiff,**

**vs.**

**JILL ANN CHARPIA (1),  
Defendant.**

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**CRIMINAL NO. SA 12-CR-704(1)(OG)**

**GOVERNMENT'S SENTENCING MEMORANDUM**

Comes now the United States, through undersigned counsel, and submits the following sentencing memorandum in support of a sentence within the sentencing guidelines in this case. In addition to a term of imprisonment of at least 37-46 months,<sup>1</sup> the defendant faces a fine, term of supervised release, and a mandatory special assessment. Restitution in this case is \$920,000. The Defendant does not challenge the stipulated loss amount, but seeks an offset of the restitution figure. The United States respectfully submits that there is no basis for an offset to restitution owed by the Defendant in this case.

**I. Guideline Applications**

The U.S.P.O. has calculated the defendant's base offense level at 6 under USSG 2B1.1(a)(2). The parties stipulated to this BOL in the Plea Agreement. The U.S.P.O. further finds that the loss amount is \$920,000, which is more than \$400,000 and less than \$1,000,000.

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<sup>1</sup> See PSR, paragraph 17, page 8, wherein the USPO notes the Defendant's challenge to the restitution figure of \$920,000 could minimize her three-level acceptance of responsibility, and thereby result in a higher term of imprisonment pursuant to USSG, section 3E1.1.

Thus, a fourteen-level increase is mandated by USSG 2B1.1(b)(1)(H). The parties stipulated that the value of the loss to the United States Department of Defense caused by the offense was more than \$400,000 but less than \$1,000,000 and thus a fourteen-level increase is appropriate. The U.S.P.O. finds that the defendant agreed to this enhancement. (PSR, paragraph 20). The U.S.P.O. recommends a two-level enhancement for the reason that a substantial part of this fraudulent scheme was committed from outside the United States. The parties stipulated to this enhancement in the Plea Agreement as well. Finally, the U.S.P.O. recommends a two-level increase for abuse of position of trust pursuant to USSG 3B1.3, and notes that the factual basis for the plea supports the enhancement. Awarding a three-level reduction for acceptance of responsibility, the U.S.P.O. calculated an adjusted offense level of twenty one, and a guideline range for imprisonment of 37-46 months.

#### *The Contract*

At the time of the offense, the Defendant co-owned Sourcing Specialists, LLC, a U.S. civilian contracting company which was awarded a U.S. Department of Defense contract in connection with the reconstruction of Iraq. The reconstruction effort sought to rebuild the economy and infrastructure of post-war Iraq. The instant case arose as part of U.S. Government Contract # W91GDW-080C-4029. The solicitation of the contract was issued on July 25, 2008, to provide "Business Transition Services" for the Task Force for Business Stability Operations (TFBSO), an agency within the Department of Defense. In short, the purpose of the contract was to provide secure housing, office facilities, and transportation for multi-national companies participating in Iraq reconstruction.

Of the sixteen offers on the project, the Source Selection Evaluation Board determined

that the proposal of Sourcing Specialists, LLC, co-owned by the Defendant, was the best value to the Government. The contract was awarded Sourcing Specialists, LLC in September, 2008. The total amount of the contract was \$9,289,195, to be funded incrementally. The period of performance was from September 2008 through March 2009.

To obtain payment, the Defendant submitted an undated Sourcing Specialists, LLC invoice for Contract Line Item Number (CLIN) 0001AB in the amount of \$1,270,075.50.

**(Attachment A).** The contracting officer submitted the invoice for payment. The contracting officer requested supporting evidence for the disbursement, and the Defendant provided the falsified documents **(Attachments B and C)**, which are the subject of the Information in this case.

On January 24, 2009, in accordance with contract clause 52.249-2 Alt I, Termination for Convenience, the Government notified Sourcing Specialists, LLC to stop work, start termination actions, and complete termination actions listed in the letter by February 1, 2009. Thus, the contract was terminated within a couple of months after work commenced. Sourcing Specialists, LLC submitted to the Government a Termination Settlement Proposal which is contested and unresolved at this time due to the criminal case. During the brief contract period, Defendant received a total of \$2,183,315 in disbursements.

18 U.S.C. 1001 False Statements

The Defendant's initial submission for payment under the contract is the subject of the fraud to which the Defendant pled guilty. The Defendant submitted to an officer in the Department of Defense invoice #0001 dated September 2008, in the amount of \$1,270,075.50. On October 27, 2008, this amount was paid in full by the United States into the Defendant's



account at USAA Federal Savings Bank in San Antonio, Texas. The Defendant admits that she knowingly falsified, forged, and submitted the following documents in order to receive funds under the contract:

- 1.) an false invoice dated September 2, 2008, numbered 050353 and purportedly drawn up by an Iraqi real estate broker representing that Sourcing Specialist, LLC paid **\$700,000** for the rental of two villas in Baghdad (**Attachment B**); and
- 2.) a false payment receipt dated September 28, 2008, in the amount of **\$570,075.50** bearing subcontract number SS-003-Armored vehicles, purportedly representing the purchase by her company of three armored vehicles from an Iraqi company.  
(**Attachment C**).

Based on the Defendant's submission of these false documents, and the Government's subsequent reliance on the false documents, the Defense Finance and Accounting Service in Indianapolis, Indiana caused **\$1,270,075.50** to be wired to the Defendant's bank account at USAA Federal Savings Bank in San Antonio, Texas on or about October 27, 2008.

The Defendant admits that she did not purchase armored vehicles and that she did not pay the full \$700,000 as rent of the villas. The United States obtained evidence that she made a partial payment of \$350,000 for renting the villas, and the partial payment is not part of the loss amount or restitution figure. Thus, the difference between the money paid to the Defendant based on the invoice and the money she applied to the contract is \$920,075.50. In the plea agreement and stipulated factual basis, the Defendant admits and agrees that the fraud loss amount and restitution owing is \$920,000. The United States respectfully urges that the Defendant's submission of photographs in support of her request for an offset in restitution is not

relevant to the offense conduct which gave rise to the loss figure and restitution amount; i.e., the fraudulent documents she submitted in support of payment for non-existent armored vehicles or unpaid rent.

*Defendant's Training and Experience*

The Defendant has an extensive background in Government contracting and used that knowledge and experience for corrupt purposes. She served in the United States Air Force for approximately eight years as an enlisted person and also a commissioned officer. While in the USAF, she earned a bachelor's degree. Subsequently, she obtained a master's degree. (PSR, at para. 44). Both of her degrees are in business fields. Also, she received extensive training in contracts from the USAF as detailed in paragraph 45 of the PSR. Further, while on active duty and stationed in Hurlburt Field, Florida (Special Operations Command), she served as the Officer in Charge of both Construction and Services Flights. Also, she was deployed to the Joint Contracting Command Office in Baghram Air Base, Afghanistan as a Warranted Contracting Officer.<sup>2</sup> She held the position as Deputy of the Regional Contracting Office in Baghram.

When she was discharged from the USAF, she accepted a position as an independent contractor assigned to the Joint Contracting Command, Iraq-Afghanistan operating in Iraq within the United States Department of Defense. During this time, she was responsible for the oversight of over 1,800 contracts at any given time, including large and small dollar service, construction, and commodity contracts. The Defendant created and posted solicitations, Statements of Work Creation/Review, participated in source selections, and evaluated proposals for award. She also coordinated logistical movement of shipments to bring items into country,

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<sup>2</sup> A Warranted Contracting Officer has the authority to bind the government.

processed payments, worked side by side with Contracting Officer Representatives and Contracting Officers. In short, she was highly trained and experienced in Government contracts.

*Defendant's Statements to Investigators*

As noted in the PSR, the Defendant also provided false statements to investigating agents during interviews. On October 13, 2010, she was interviewed in Denver, Colorado. At that time, she stated to investigating agents that although she submitted invoices for money expended when the money was not so expended, those individuals/companies were actually paid once she received the funds. This was not true. She did not purchase armored vehicles and did not pay all of the rent for which she received funds under the contract. In a subsequent interview, the Defendant admitted that she fabricated the two invoices and that the signatures were forgeries. The Defendant also admitted that she comingled her personal money with the company money. Review of the Defendant's bank records for the account in question indicate payments for multiple residences, credit card purchases, travel, and other personal expenses.

*18 U.S.C. 3553*

The United States respectfully asks the Court to impose a sentence within the advisory guideline range of 37-46 months. A sentence within the guidelines is sufficient, but not greater than necessary to comply with the sentencing purposes set forth in Title 18, United States Code, Section 3553. The Court's pronouncement in this case will be published in agency and industry publications and news briefings read by military and civilian personnel, especially Government contractors. The sentence can have a deterrent effect on others who enter multi-million dollar contracts with the United States. Also, contractors hold a unique position in post-war countries where the United States seeks to rebuild infrastructure. In their dealing with local inhabitants,



contractors can either support or undercut the American mission. This is especially true in an environment in which the local population is suspicious of foreign forces and companies, and where military strategy is centered on engagement with the populace.

It is deeply troubling that the Defendant learned the complex world of government contracts while serving in the United States Air Force, and then used that knowledge and skill to obtain a multi-million dollar contract in which she fabricated documents, obtained forged signatures, and diverted funds for her personal enrichment. In the government's view, the interest of deterrence, along with the seriousness of the offense, mandate a sentence at least within the guidelines as calculated in the PSR. A sentence at that level should be sufficient to satisfy these interests without being unduly punitive.

For all of these reasons, the United States respectfully requests the Court sentence the Defendant to a term of imprisonment between 37-46 months as calculated in the PSR, and Order that she pay restitution in the amount of \$920,000.

/s/JUDITH A. PATTON

Assistant United States Attorney  
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601 N.W. Loop 410  
San Antonio, Texas 78216-5512  
(210) 384-7150  
FAX: (210) 384-7118

CERTIFICATE OF SERVICE

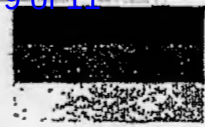
I hereby certify that on the 22nd day of January, 2013, a true and correct copy of the foregoing instrument was electronically filed with the Clerk of the Court using the CM/ECF System which will transmit notification of such filing to the following CM/ECF participants:

Mr. Van G. Hilley  
Goldstein, Goldstein, and Hilley  
310 S. Saint Mary's Street, Ste. 2900  
San Antonio, Texas 78205

/s/ \_\_\_\_\_  
JUDITH A. PATTON  
Assistant United States Attorney



# SOURCING SPECIALISTS



\*Veteran-Owned/Woman-Owned/Small Business\*

2797 SHONI DRIVE  
 NAVARRE FL, 32566 USA  
 Main Office: Amberger Street 9 Vilseck  
 W-Germany / Bavaria 92249  
 Local Office: International Zone, Iraq APO AE 09348  
 E-Mail: [INFO@SOURCINGSPECIALISTS.NET](mailto:INFO@SOURCINGSPECIALISTS.NET)  
 Website: <http://www.sourcingspecialists.net>  
 IRAQNA: +964 0 790 3423 537 / US 914-512-7566  
 DUNS: 826999380 CAGE: 53VK6

26 SEPT 2008

ORIGINAL INVOICE: 0001

CONTRACT # W91GDW-08-C-4029

SOLD TO:  
 JOINT CONTRACTING COMMAND IRAQ/AFGHANISTAN  
 PARC-I MTWR Source Selection Branch  
 POC: Kenneth H. Nix  
 BAGHDAD, IRAQ  
 APO, AE 09348  
 Comm: 703-544-6826  
 Email: [kenneth.nix@pco-iraq.net](mailto:kenneth.nix@pco-iraq.net) / [mark.vargas@pco-iraq.net](mailto:mark.vargas@pco-iraq.net) (DD 250's)

PDF

01 03 2008

DFAS-RO

ITEM NO	SUPPLIES/SERVICES	Estimated QUANTITY	UNIT	UNIT PRICE	TOTAL
0001AB	Mobilization	1	LS	\$1,270,075.50	\$1,270,075.50

TERMS: NET 30

PLEASE REMIT PAYMENT TO:

SOURCING SPECIALISTS

2797 SHONI DRIVE

NAVARRE, FL 32566

*Jill Chapia*

OWNER/CONTRACTS

Attachment A

For Official Use Only  
Law Enforcement Sensitive

RFA: 0011-10-CID499  
ROI: 0017-09-CID184-56436

**INVOICE # 050353**

DATE: 26 SEPT 2008

Remit payment to:

Lual Eljenabi (Real Estate Broker)

lualbagdad@yahoo.de

Al Mansour, Iraq

Villa #1:

1 Year Rent (26 Sept 2008-26 Sept 2009)

\$350,000.00

Villa #2:

1 Year Rent (26 Sept 2008-26 Sept 2009)

\$350,000.00

TOTAL: \$700,000.00

Thank you kindly,

Lual Eljenabi



*Paid in full*

التمت ابلنج بتمام واجبة وقعت

Attachment B

For Official Use Only  
Law Enforcement Sensitive

Level 2