

ROBERT J. STEIN, *Coalition Provisional Authority*

Robert J. Stein was the comptroller and funding officer for the now disbanded Coalition Provisional Authority, South Central Region (“CPA-SC”) in Al-Hillah, Iraq.¹ Between October 2003 and June 2004, Mr. Stein controlled the expenditure of more than \$82 million in contracts from the Development Fund For Iraq (“DFI”).²

In November 2005, Mr. Stein and a contractor doing business in Iraq were arrested on charges of conspiring to commit money laundering and wire fraud in connection with a bribery and fraud scheme.³ Mr. Stein was charged with personally accepting \$1,082,279 in bribes and payments⁴ in exchange for over \$8,641,275 in contracts⁵ from an American named Philip H. Bloom, who lives in Romania and owns businesses in Iraq.⁶ Mr. Stein has also been accused of stealing more than \$2 million of Iraq and American funds⁷ and stealing another \$600,000 in cash and goods from the Coalition Provisional Authority.⁸ Some of the stolen money went to buy items such as grenade launchers, a Lexus, a Cessna airplane and several plots of real estate.⁹

Mr. Stein steered numerous contracts to Mr. Bloom, including contracts: to demolish the regional headquarters for the Baath Party; to upgrade security at the Al Hillah police academy; to construct the Regional Tribal Democracy Center; and to renovate the Karbala library with new furniture and online services.¹⁰ In return, Mr. Bloom showered Mr. Stein with cash, plane

¹ U.S. Department of Justice, Press Release, Former Coalition Provisional Authority Official and Contractor Arrested in Case Involving Fraud and Money Laundering Scheme in Iraq, November 17, 2005 [hereinafter “DOJ Press Release”]. (Exhibit 1)

² U.S. v. Stein, Jr., Crim. No. 05-581-AK, Affidavit of Special Agent Randolph O. Gregory, Jr., ¶ 3 (D.D.C. Nov. 4, 2005) [hereinafter “Gregory Affidavit”]. (Exhibit 2)

³ DOJ Press Release.

⁴ U.S. v. Stein, Crim. No. 05-581-AK, Factual Basis For Plea, ¶ 21 (D.D.C. Jan. 23, 2006) [hereinafter “Factual Basis For Plea”]. (Exhibit 3)

⁵ Id., ¶ 16.

⁶ Cary O’Reilly, Former U.S. Official Pleads Guilty in Iraq Reconstruction Fraud, *Bloomberg News*, February 2, 2006. (Exhibit 4)

⁷ Factual Basis For Plea, ¶ 20.

⁸ Id., ¶ 22.

⁹ James Glanz, Wide Plot Seen in Guilty Plea in Iraq Project, *The New York Times*, February 2, 2006. (Exhibit 5)

¹⁰ Gregory Affidavit, ¶ 6.

tickets, watches, alcohol, cigars and prostitutes.¹¹

Messrs. Stein and Bloom also conspired to keep investigators off their trails by keeping bids under \$500,000, thereby avoiding scrutiny by CPA Baghdad as well as higher level scrutiny of the fraudulently awarded contracts.¹² They also conspired to rig each major bidding process by submitting one low bid and several dummy bids.¹³ In an email to another co-conspirator, Mr. Stein said that he was “doing my best to keep a formal investigation from happening.”¹⁴

In February 2006, Mr. Stein pleaded guilty to one count of conspiracy, one count of bribery, one count of conspiracy to commit money laundering, one count of being a felon in possession of a firearm, and one count of possession of a machine gun.¹⁵ On January 30, 2007, Mr. Stein was sentenced to nine years in prison, three years of probation and was ordered to forfeit \$3.6 million for his role in the bribery and fraud scheme.¹⁶

This is not Mr. Stein’s first run-in with federal authorities. In 1996, he was convicted for “access device fraud,”¹⁷ for which he received an eight-month prison sentence¹⁸ and was ordered to pay \$45,000 in restitution to a financial institution.¹⁹

¹¹ U.S. v. Stein, Crim. No. 05-581-AK, Information, ¶ 16 (D.D.C. Jan. 23, 2006) [hereinafter “Information”]. (Exhibit 6)

¹² Gregory Affidavit, ¶ 8.

¹³ Information, ¶ 13.

¹⁴ Id., ¶ 57.

¹⁵ U.S. v. Stein, Crim. No. 05-581-AK, Amended Plea Agreement, ¶ 2 (D.D.C. Feb 2, 2006). (Exhibit 7)

¹⁶ Ex-Pentagon Contractor Gets Prison Term, *Associated Press*, February 2, 2007. (Exhibit 8)

¹⁷ James Glanz, Issuing Contracts, Ex-Convict Took Bribes In Iraq, U.S. Says, *The New York Times*, November 18, 2005. (Exhibit 9)

¹⁸ Mark Sherman, American Charged in Iraq Scheme an Ex-Con, *Associated Press*, November 17, 2005. (Exhibit 10)

¹⁹ Gregory Affidavit, ¶ 12, n.1.