

Central Asia American Enterprise Fund / Patrick Dickey

Case ID:

ST-116

Case Cluster :

Central Asia American Enterprise Fund

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

United Kingdom

Year of Settlement:

2002

Month/Day of Settlement (or Notes):

09/13

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Restitution

Total Monetary Sanctions (US\$):

\$300,000.00

Criminal Fine/Penalty (US\$) :

\$0

Criminal Restitution / Reparation (US\$):

\$300

000

Monetary Sanctions Returned / Ordered Returned (US\$):

\$300,000

Monetary Sanctions Returned / Ordered Returned (Explanation):

Enforcement by "Affected" Jurisdiction; Restitution

UNCAC Articles(s) Implicated:

Art.16

Art.23

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 7

Offenses - Alleged:

Government Program Fraud, Wire Fraud, Conspiracy to Commit Fraud

Offenses - Settled:

Government Program Fraud, Wire Fraud, Conspiracy to Commit Fraud

Public Procurement Contract / SOE Involved?:

Yes



Summary:

According to the Plea Agreement and Statement of Facts in US v. Richard G. Pitchford, Pitchford was the vice president and country manager in Turkmenistan for the US Government-funded Central Asia American Enterprise Fund (CAAEF). In addition to theft from the fund by using a kick-back scheme, Pitchford admitted to engaging in a scheme to ensure that a British company would win the bid on a CAAEF funded project and that the British company's bid was inflated by 15% or \$200K and Pitchford worked to ensure that the British company won the bid even though he knew that all or some of the inflated amount would be paid to a British official with the UK Department of Trade and Industry. As part of Pitchford's restitution, he was ordered to forfeit amounts in two New York brokerage accounts and a yacht that he had denied owning. Some of the kickback funds in the Pitchford case were funneled through a BVI shell company (K.P.H., Inc.) formed by a CAAEF consultant with whom Pitchford conspired and a Swiss legal entity (Melioservice) formed by the UK official and used as a "commission" agent. The plea agreement noted that the US Department of Justice's Fraud Section which prosecuted the case would recommend to the court that Pitchford receive the maximum applicable reduction in sentencing for his plea and that the government would not seek an upward departure from applicable sentencing guidelines. Moreover, if Pitchford complied with all the conditions of his plea agreement, the government agreed to file a departure motion in his sentencing. (Source: US v. Pitchford, Case No. 1:02-cr-365 (D.D.C.), Plea Agreement and Statement of Facts filed September 13, 2002 and Information filed September 3, 2002). Patrick Dickey, a co-conspirator pleaded guilty to non-FCPA charges and was ordered to pay \$300K in restitution to the United States. (Source: U.S. Agency for International Development Press Release, "Investigation of International Fraudulent Conspiracy Results in Incarceration for Two Co-Conspirators," November 27, 2002.)

Sources :

US v. Patrick Dickey, Case No. 1:02-cr-00369-RCL (D.D.C.), Court Docket Report accessed via Pacer (the documents are not accessible by Pacer). US v. Richard G. Pitchford, Case No. 1:02-cr-365 (D.D.C.), Information filed September 3, 2002; Plea Agreement and Statement of Facts filed September 13, 2002; U.S. Agency for International Development Press Release, "Investigation of International Fraudulent Conspiracy Results in Incarceration for Two Co-Conspirators," November 27, 2002, all accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/pitchford.html>

Documents:

Attachment	Size
 Dickey_DOJ_Court_Docket_Report.pdf	165.83 KB
 Richard_Pitchford_Sentencing_USAID_Nov_27_2002.pdf	60.78 KB