

Qui Tam Case Settled Over Alleged Kickbacks to Federal Government Contractor by SBA-Eligible Construction Company

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Alaska Native Corporation agreed to pay a \$2 Million settlement over alleged False Claims Act violations. The Department of Justice recently announced a settlement agreement with Kikiktagruk Inupiat Corporation (“KIC”), an Alaska Native Corporation, and KIC Development LLC, a subsidiary of KIC to resolve allegations that KIC Development paid kickbacks to win contracts.

KIC and its subsidiaries are a designated small business concern, which qualifies for Small Business Administration sole-source, no-bid government contracts. The settlement agreement reached with the Justice Department resolves allegations that the company obtained diverted no-bid government contracts for construction work at the Ft. Bliss military installation in El Paso, Texas.

Government contracting fraud comes in [many different forms](#), and the False Claims Act is an important tool in the fight against [government programs fraud](#) since its inception. Investigations by the Federal government are ongoing and often lead to successful indictments. However, the system relies on vigilant citizens who identify the fraud and are willing and able to tell their story and get results with the help of an experienced False Claims Act attorney.

“Kickbacks corrupt the public trust in government contracting,” said U.S. Attorney John F. Bash. “It is critical that we work to ensure the award of any government contract is not influenced by illegal kickbacks or arrangements.”

On January 14, 2010, Susann Campbell filed a qui tam action in the U.S. District Court for the Western District of Texas, alleging that KICD, through its employees Anthony Aciri, Christine Hayes, and Earl Hall, paid illegal kickbacks and bribes to James G. Tuskan, a contract employee with the U.S. Army Corp of Engineers. Tuskan allegedly used his position as a contract employee with the U.S. Army Corp of Engineers to steer the no-bid government contracts issued out of Ft. Bliss to KIC Development. Tuskan also allegedly provided KIC Development with confidential government information, thereby ensuring that KICD would win the contracts. Tuskan, Aciri, Hayes, and Hall each pleaded guilty to criminal charges in 2016. The US Attorney’s Office then resumed its civil investigation leading to the settlement of \$2.025 million, announced on May 1, 2019.

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