

Company, subsidiary pay \$2 million to US in bribery scheme involving Fort Bliss contracts

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The man who on March 10, 2019, held up the Dollar General at 1001 N. Carolina Drive with a knife is the Crime Stoppers of El Paso's Crime of the Week. Courtesy Crime Stoppers of El Paso, El Paso Times

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An Alaskan company and its employees paid illegal kickbacks and bribes to a U.S. Army contractor in order to get government contracts for construction work at Fort Bliss, officials said.

The company, Kikitagruk Inupiat Corp., and its subsidiary, KIC Development LLC, on April 13 agreed to pay more than \$2 million as part of a settlement in a civil lawsuit filed by the U.S. government.



An Alaskan company and its employees paid illegal kickbacks and bribes to a U.S. Army contractor in order to get government contracts for construction work at Fort Bliss. (Photo: Victor Calzada/El Paso Times)

The fraud involved a contract for construction work at Fort Bliss as part of a “\$3 billion effort to transform” the post, according to a complaint filed in federal court.

The scheme, which happened between 2008 to 2009, was uncovered after a company employee, Susann Campbell, came forward in January 2010 and reported the suspected crimes to the U.S. Attorney's Office for the Western District of Texas, according to court documents and officials with the U.S. Attorney's Office.

Kikiktagruk Inupiat Corp. and KIC Development LLC through then-employees — vice presidents Anthony Acri and Christine Hayes, as well as project manager Earl Hall — were accused of paying illegal kickbacks and bribes to James G. Tuskan, a contract employee with the U.S. Army Corp of Engineers, according to court records and the U.S. Attorney's Office for the Western District of Texas.

Tuskan used his position as a contract employee with the U.S. Army Corp of Engineers to steer the set-aside government contracts for Fort Bliss to KIC Development LLC, officials said.

The set-aside government contracts were Small Business Administration, sole-source, no-bid government contracts, officials said.

As part of the scheme, Tuskan also was accused of providing KIC Development LLC with confidential government information to ensure that the company would be awarded the contracts, officials said.

According to the company's website, "Kikiktagruk Inupiat Corporation, or KIC, is an Alaska Native Corporation organized under the Alaska Native Claims Settlement Act. Since our founding in 1973, we now conduct operations throughout the United States and around the world through our subsidiary companies."

It is based in Kotzebue, Alaska, with offices in Anchorage and Vienna, Virginia, the website states.

The company also has an office in El Paso under KIC Development.

Bribes included flights, hotels, vacations

According to court documents, the bribes included airline flights, paying for hotels and vacations, thousands of dollars for food purchases and payments to Tuskan's nephew, who is not named in court documents.

The bribes also included "regular monthly payments for non-existent consulting work" to Tuskan's wife, Renna Hawkins, according to court documents. The payments to Hawkins included several \$5,000 payments from March 2009 to at least July 2009, documents state.

Some of the bribes occurred before Tuskan allegedly arranged for the U.S. Army Corps of Engineers in Fort Worth to award the company a more than \$2 million contract in March 2009, court documents state.

The company was then awarded a \$15 million contract to provide design, construction, repairs and renovation of a headquarters building and another building at Fort Bliss, the documents state. The contract was issued in October 2009.

In April or May 2009, Campbell questioned several of the company's bosses about the "propriety of the inducements," to which a boss replied, "this is how business is done," a document states.

She then brought up the suspected bribes again in June 2009, to which Acri allegedly told her that Tuskan did not work for the U.S. Army, the documents state. However, Campbell saw that Tuskan had a U.S. Army Corps of Engineers email account.

Campbell then came forward about what she believed were federal crimes in January 2010 to the U.S. Attorney's Office the Western District of Texas

The companies, as part of a settlement agreement, agreed April 13 to pay \$2,025,000 to the U.S. government for their role in the alleged bribery scheme.

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

4 pleaded guilty to criminal charges

Tuskan, Acri, Hayes and Hall were charged with criminal offenses in connection with the bribery scheme.

They all pleaded guilty to the bribery scheme in 2016.

According to court records, Tuskan pleaded guilty to conspiracy to defraud the U.S. government and was sentenced to 15 months in prison.

Hayes and Acri pleaded guilty to conspiracy to commit wire fraud, and each received a five-year prison sentence, court records show.

Hall pleaded guilty to conspiracy to defraud the U.S. government and was sentenced to four years in prison, court records state.

The investigation into the alleged bribery scheme was conducted by the FBI, the U.S. Defense Criminal Investigative Service, the Army Criminal Investigation Command

and Major Procurement Fraud Unit, and Small Business
Administration Office of Inspector General.

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