

the United States of America under the qui tam provisions of the federal False Claims Act, 31 U.S.C. §§ 3729-3733, and alleges:

JURISDICTION AND VENUE

1. All Counts of this Complaint are civil actions by Plaintiff Susann Campbell acting on behalf of and in the name of the United States, against the Defendants under the federal False Claims Act, 31 U.S.C. §§ 3729-3733. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1345, and 31 U.S.C. § 3732(a).

2. Defendant KICD has performed the contracts obtained through illegal means at Fort Bliss, which is in this judicial district. This Court, therefore, has personal jurisdiction over the Defendants and venue is appropriate in this district pursuant to 31 U.S.C. § 3732(a) which provides that any action under 31 U.S.C. § 3730 may be brought “in any judicial district in which . . . any one defendant can be found, resides, transacts business, or in which any act proscribed by section 3729 occurred.”

3. None of the allegations set forth in this Complaint is based on a public disclosure of allegations or transactions in a criminal, civil, or administrative hearing, in a congressional, administrative, or General Accounting Office report, hearing, audit, or investigation, or from the news media.

4. Plaintiff Susann Campbell has direct and independent knowledge, within the meaning of 31 U.S.C. § 3730(e)(4)(B), of the information on which the allegations set forth in this Complaint are based. Moreover, prior to any public disclosure of the allegations or transactions on which this Complaint is based, and prior to filing this lawsuit, Plaintiff

voluntarily provided the information set forth herein to the Office of U.S. Attorney for the Western District of Texas.

PARTIES

QUI TAM PLAINTIFF

5. Susann Campbell is a United States citizen who was born in Kansas and currently resides in Virginia. She earned a Bachelor of Science degree in Interior Design from Kansas State University. She has worked in customer service, retail management and office administration. From June 2008 through July 2009, Defendant KICD employed her as an Office Manager at its office in Crystal City, Virginia. Her job responsibilities at KICD included copying, ordering supplies, answering the phone, making travel arrangements and general administrative duties. She eventually became the personal assistant of Defendant Anthony Acri, the President of KICD.

DEFENDANTS

KICD

6. Defendant KICD is a subsidiary of Kikiktagruk Inupiat Corporation (KIC), an Alaska Native corporation headquartered in Kotzebue, Alaska. KICD was incorporated in July 2002 as a Limited Liability Corporation under the laws of Alaska. As of December 31, 2007, KIC owned fifty-one percent of KICD, and Walton Invesco, Inc., an entity incorporated in Connecticut, owned the remaining forty-nine percent. Defendant Anthony Acri and Walter Baum own Walton Invesco, Inc. KICD's mailing address is P.O. Box 1050, Kotzebue, Alaska. Its employees work out of offices at 2461 South Clark Street, Suite 720, in Arlington, Virginia and at 7350 Remcoin Circle, No. 5, El Paso, Texas 79912-1631.

7. Because KICD is owned by an Alaska Native company, KICD has been

qualified as a "Section 8(a)" disadvantaged minority-owned business by the U.S. Small Business Administration (SBA). The SBA's Section 8(a) Business Development Program, which is authorized by Sections 8(a) and 7(j) of the Small Business Act, 15 U.S.C. §§ 636 and 637(a), provides business development assistance to small businesses that are owned and controlled by socially and economically disadvantaged United States citizens, provided that the business demonstrates a potential for success. Section 8(a) program participants receive business development assistance from the SBA and other government agencies on a range of different levels, including the opportunity to receive "sole-source" contracts from government agencies without the need to submit competitive bids (not exceeding \$3 million for goods and services, and \$5 million for manufacturing), and to bid for "set-aside" contracts of any size in competition with other participants in the 8(a) Program.

8. Moreover, as an Alaska Native, Section 8(a) company (ANC), KICD can qualify for sole-source 8(a) contract procurements that exceed the normal 8(a) \$3 million threshold. In addition, it may bid for government contracts as an 8(a) organization throughout the country and any award to the company is non-protestable. It is also granted a 10% price preference in full and open competition as an ANC 8(a).

9. KICD typically bids on construction and lighting-related contracts for U.S. Government agencies taking advantage of its ANC 8(a) status, and then hires subsidiaries to complete the work.

10. KICD has entered into a joint venture arrangement with Veterans Construction, Inc. of Knoxville, Tennessee (VCI) to design and construct dining facilities for the U.S. Army Corps of Engineers through a legal entity named Veterans Enterprise Technology Services, LLC

(VETS), formed in the State of Tennessee. VETS is relevant to this case because Defendants used this limited liability corporation to pay illegal inducements to Defendant Tuskan. The U.S. Army Corps of Engineers, Norfolk District, VA., awarded VETS a firm fixed price contract, valued at \$19.1 million, on July 30, 2008. The contract number is: W91236-08-D-0055. The contract is characterized on VCI's web site as "the first seed Project on a 75 Million MATOC." A MATOC is a Multiple Award Task Order Contract. In addition, The U.S. Army Corps of Engineers, Norfolk District, VA., awarded VETS a \$9.8 million firm, fixed price contract to construct A Center of Standardization program and dining facility at Fort Sill, OK (Contract No. W91236-07-D-0043). Defendants Anthony Acri and Christine Hayes are on the Board of Directors of VETS, and Acri serves as the Vice-President of VETS.

ANTHONY ACRI

11. As of December 31, 2007, Defendant Anthony Acri ("Acri") was the Vice-President of Defendant KICD, according to KICD's Online 2008 Biennial Report filed with the State of Alaska's Department of Commerce, Community & Economic Development. Acri currently identifies himself as the President of KICD. Through Walton Invesco, Inc., Acri owns a minority share of KICD. Acri lives in Connecticut.

12. Acri has funded and has control over the actions of Defendant RECA. RECA is an entity that the Defendants have used to funnel illegal inducements to Defendant Tuskan.

13. Acri has influence over the actions of VCI, another entity that the Defendants have used to to funnel illegal inducements to Defendant Tuskan. Together with Baum, the other owner of Walton Invesco, Inc., Acri has loaned hundreds of thousands of dollars to veteran Michael S. Golden, who goes by the name "Scott Golden" ("Golden"). Golden, who does business and resides in Tennessee, is an owner of VCI. The Acri-Baum loan to Golden was

made pursuant to a promissory note. During the time that Relator was employed at KICD, Defendant Acri asked Relator to draft an instrument that would extend the time period before Golden would be obligated to start repayment of the loan under the promissory note. Relator drafted the instrument as requested.

14. Acri is on the Board of Directors, and serves as the Vice-President of VETS, the VCI-KICD joint venture that the Defendants have used to funnel illegal inducements to Defendant Tuskan. Acri has an American Express card in the name of Anthony Acri/VETS LLC.

CHRISTINE HAYES

15. Defendant Christine Hayes (“Hayes”) identifies herself as Vice-President of Defendant KICD. She is also a partial owner in and manager of Defendant RECA. Hayes is on the Board of Directors of VETS according to 2009 records of the Tennessee Secretary of State.

EARL HALL

16. Defendant Earl Hall is Defendant KICD’s Project Manager, responsible for KICD’s contracts to perform work for the U.S. Army Corps of Engineers at Fort Bliss in El Paso, Texas. He also works for VETS, the joint venture formed by KICD and VCI to do work for the Army Corps of Engineers, as discussed above. He is a part owner of Defendant RECA. He resides in the El Paso area.

RECA

17. Defendant RECA is an entity owned by Defendants Anthony Acri, Christine Hayes and Earl Hall. The SBA has qualified RECA as a Section 8(a) disadvantaged minority-owned small enterprise. Robert Kieplia is paid to serve as President of the company. The

company performs work for Defendant KICD and is used by Defendants KICD, Acri, Hayes and Hall to funnel payments to Defendant Tuskan.

JAMES G. TUSKAN

18. Defendant James G. Tuskan is employed by the U.S. Army Corps of Engineers. He resides with his spouse, Renna Hawkins, in Garland, Texas.

THE FRAUDULENT SCHEME

19. Through payments by Defendants KICD and RECA, and by VETS, Defendants Acri, Hayes and Hall have provided and, on information and belief, continue to provide financial inducements to Defendant Tuskan in exchange for Tuskan arranging for KICD to receive contracts from the U.S. Army Corps of Engineers. Defendants Acri and Hayes have control over the actions of Defendant KICD through Acri's ownership interest in and executive role as President of KICD, and Hayes' role as Vice-President. Defendants Acri, Hayes and Hall have control over the actions of Defendant RECA through their ownership interest therein, and Hayes' management of the company. Since RECA's only work to date is as an unofficial subcontractor for KICD, RECA stands to benefit when KICD receives government work. Defendants Acri and Hayes have influence over the actions of VETS because VETS is a joint venture of Defendant KICD and VCI, and both Acri and Hayes serve on the Board of Directors of VETS. In addition, Acri has influence over the actions of VETS because Acri has issued a favorable promissory note to Golden, an owner of VCI.

20. . By way of example, Defendants Acri, Hayes and Hall have provided the following financial inducements to Defendant Tuskan through KICD, RECA and VETS and an American Express card held by Defendant Acri:

- * Airline tickets in February 2009 for a trip between Dallas/Forth Worth and Washington, D.C. paid for by KICD.
- * American Airlines Tickets between Dallas/Ft. Worth and Washington, D.C. on March 5, 2009 and March 6, 2009, issued to James Tuskan, and a March 5, 2009, hotel reservation in the name of James Tuskan at the Hyatt Regency in Crystal City, all paid for by an American Express Card issued to Defendant Anthony Acri/VETS LLC.
- * Regular monthly payments for non-existent “consulting work” that RECA paid to Tuskan’s wife, Renna Hawkins, beginning in March 2009, and continuing through at least July 2009, including, for example: Check No. 993 in the amount of \$5,000 issued to Renna Hawkins on March 4, 2009; Check No. 1006 in the amount of \$5,000 issued to Renna Hawkins on March 19, 2009; and Check No. 112 in the amount of \$5,000 issued to Renna Hawkins on July 16, 2009, and signed by J.C. Hayes, in payment of July 16, 2009 Invoice No. 09-1607 sent by Renna Hawkins, 613 Thornhill Lane, Garland, Texas 75040 to RECA LLC for “Consulting Fees For the Month of July.” Each of the foregoing checks was drawn on the account of RECA Construction, LLC, at Chevy Chase Bank.
- * Regular food purchases and expensive meals at restaurants, including, by way of example, \$3,495.63 in food expenses in the month of March 2009 alone. Thus, the following expenses for “Food , Tuskan” are reflected on RECA’s expense reports for the month of March 2009: \$110 on March 4, 2009; \$125.72 on March 5, 2009; \$114 on March 9, 2009; \$230 on March 12, 2009; \$564.00 on March 13,

2009; \$255.03 on March 16, 2009; \$387.89 on March 19, 2009; \$1,170.99 on March 20, 2009; \$156 on March 23, 2009; and \$382 on March 30, 2009. In addition, the following restaurant expenses for "Jim Tuskan" are reflected on an Expense Report that Defendant Hall submitted to KICD: a \$230 meal at Dominic's on March 10, 2009; a \$110 meal at State Line on March 2, 2009; a \$126.44 meal at The Dome on March 11, 2009; a \$277.89 meal at Café Central on March 17, 2009; and another \$387.89 meal at Café Central on March 17, 2009. Other Tuskan meals paid for by RECA or KICD include \$91 at the Cattlemen's Steakhouse on March 27, 2009 paid for on Defendant RECA's LLC's credit card; more than \$70 at a bar in El Paso, Texas on April 2, 2009; a \$327.84 meal at the Mesa Street Grill in El Paso, Texas on July 8, 2009; and a \$749.14 meal at the Café Central in El Paso, Texas on July 16, 2009 expensed to KICD;

* An all-expense paid stay in Niagara Falls for Defendant Tuskan and his spouse, Renna Hawkins, in June 2009, including: first class American Airlines tickets between Dallas, Texas, and Detroit, Michigan, priced at \$3,034.40, leaving on June 23, 2009, and returning on June 26, 2009 (American Airlines Record Locator FTYOBK) billed to Defendant Acri's KICD American Express card but issued in the names of Raenna Hawkins and James Tuskan; a hotel stay at the Crowne Plaza at Niagara Falls on the night of June 24, 2009, billed to Defendant Acri's VETS LLC American Express card; and, a hotel stay at the Omni Detroit Hotel at River Place on the night of June 25, 2009, billed to an American Express card issued to Defendant Acri.

* On information and belief, a fishing trip to Alaska sometime after June 2009.

* Payments to Tuskan's nephew.

21. When Tuskan traveled to Washington, D.C. at the expense of Defendant Acri and Defendant KCID in February and March 2009, he met with Defendant Acri and Defendant Hayes behind closed doors. Defendant Hall met with Defendant Tuskan in Detroit on either June 25, 2009 or June 26, 2009 following the trip to Niagara Falls paid for by Defendants KICD, VETS and Acri.

22. As a quid pro quo for inducements set forth herein, Defendant Tuskan arranged for the U.S. Army Corps of Engineers, Fort Worth District, on March 30, 2009 -- i.e., several weeks after Defendant RECA Construction paid \$10,000 to his wife for bogus consulting work, and following a month of free meals paid for by RECA Construction or KICD -- to award a \$2,148,660, sole-source, fixed price contract to KICD for the provision of solar day lighting at Fort Bliss in El Paso, Texas (Procurement Instrument ID W9126G-09-C0017). The contract called for "unusual progress payment or advance payments" according to www.usaspending.gov, a United States Government website that reports on United States Government contract spending. The Army awarded the contract to KICD without competition. KICD was the only bidder. A copy of the solicitation was received by VCI/KICD LLC on or before February 24, 2009.

23. As a quid pro quo for inducements set forth herein, Defendant Tuskan arranged for the U.S. Army Corps of Engineers, Fort Worth District, on September 29, 2009, to award a \$15,631,000 fixed-price contract to Defendant KICD to provide design, construction, repairs and renovation of Company Headquarters Building 2419, Battalion HQ Building 2419, Battalion HQ Building, 2441, 2454, 2470, 2910, 2912, 2914, 2917, 2920 and TAC shop building

2680 on Biggs Airfield, Fort Bliss, Texas (Procurement Instrument ID W9126G-09-C0017). KICD was the only company that bid on the project. The Army Corps of Engineers issued the contract to KICD on October 5, 2009.

24. On information and belief, as a result of the inducements alleged herein, Defendant Tuskan has arranged for Defendants KICD and RECA, along with VETS and VETS Construction, Inc., to receive additional contract awards from the U.S. Army Corps of Engineers, and is continuing this illegal practice.

25. On November 7, 2008, Defendant Hall, through Relator, sent an e-mail seeking guidance from Defendants Acri and Hayes on how to proceed when at lunch or dinner with Tuskan and two other individuals: Hugo White and Kevin Angelous. Defendant Hall inquired: "Should I not pick up the tab. When after dinner how should I proceed on picking up the Bar Tab from entertaining these guys. I need clear direction." Defendants Acri and Hayes authorized Hall to pay for Tuskan's meals.

26. While employed at KICD, in approximately April or May 2009, Relator questioned the propriety of the inducements set forth above in a conversation with Eleanor Davis, a KICD Project Manager ("Davis"). Davis responded with comments to the effect that "this is how business is done." Relator also questioned the legality of the inducements in conversations with Defendant Acri in approximately April or May 2009, telling him that he should be concerned about what was going on. She showed him receipts reflecting payments to Tuskan. Acri responded at first that Tuskan didn't work for the Government. Later, when Relator raised the issue again in approximately June 2009, Acri responded that he had been promised something in writing saying that Tuskan doesn't work for the Government. Acri noted that he didn't want to end up in jail. Relator observed while at KICD that Tuskan has a U.S.

Army Corps of Engineers e-mail address, and that Defendant Hall received e-mails from Tuskan from his U.S. Army Corps of Engineers e-mail account.

27. The Defendants' payments to Defendant Tuskan have violated federal and state laws prohibiting bribery of public officials, including, but not limited to 18 U.S.C. § 201 (bribery of public officials), Texas Penal Code § 36.02 (commercial bribery) and Texas Penal Code § 36.09 (offering gift to public servant). Defendant Tuskan's acceptance of these payments has violated Texas Penal Code § 36.08(d) (taking gift as public servant).

28. In bidding on contracts and submitting claims, Defendants expressly and/or implicitly certified to the U.S. Army Corps of Engineers that they were in compliance with federal and state law prohibiting bribery of public officials and kickbacks.

29. All claims submitted by KICD under U.S. Army Corps of Engineers contracts that were awarded as a result of acts taken by Defendant Tuskan following a promise by one or more of the Defendants that he would receive financial benefit in exchange for such acts are false claims on the United States. All claims submitted by KICD under U.S. Army Corps of Engineers contracts that were awarded as a result of acts taken by Defendant Tuskan following payments by the Defendants in exchange for such acts, are false claims on the United States.

COUNT I: FEDERAL FALSE CLAIMS ACT: PRESENTING FALSE CLAIMS

(31 U.S.C. § 3729(a)(1)(2008), 31 U.S.C. § 3729(a)(1)(A)(2009))

30. This is a civil action by Plaintiff Susann Campbell, acting on behalf of and in the name of the United States, against Defendants.

31. Plaintiff realleges and incorporate by reference paragraphs 1 through 29 as though fully set forth herein.

32. The Defendants have knowingly submitted false or fraudulent claims for payment, or caused false or fraudulent claims for payment to be submitted, to officials of the United States Government, in violation of 31 U.S.C. § 3729(a)(1)(2008), and 31 U.S.C. § 3729(a)(1)(A)(2009), to the extent the latter provision, which is an amendment of 31 U.S.C. § 3729(a)(1)(2008), applies to the conduct alleged herein.

33. Because of the Defendants' conduct set forth in this Count, the United States has suffered actual damages.

COUNT II: FEDERAL FALSE CLAIMS ACT: MAKING FALSE STATEMENTS

(31 U.S.C. § 3729(a)(2)(2008); 31 U.S.C. § 3729(a)(1)(B)(2009))

34. This is a civil action by Plaintiff Susann Campbell, acting on behalf of and in the name of the United States, against Defendants.

35. Plaintiff realleges and incorporates by reference paragraphs 1 through 29 as though fully set forth herein.

36. The Defendants have knowingly made or used, or caused to be made or used, false records or statements to get false or fraudulent claims paid or approved by officials of the United States Government, in violation of 31 U.S.C. § 3729(a)(2)(2008) and 31 U.S.C. § 3729(a)(1)(B)(2009), to the extent the latter provision, which is an amendment of 31 U.S.C. § 3729(a)(2)(2008), applies to the conduct alleged herein.

37. Because of the Defendants' conduct set forth in this Count, the United States has suffered actual damages.

COUNT III: FEDERAL FALSE CLAIMS ACT - CONSPIRACY

(31 U.S.C. § 3729(a)(3)(2008); 31 U.S.C. § 3729(a)(1)(C)(2009))

38. This is a civil action by Plaintiff Susan Campbell, acting on behalf of and in the name of the United States, against Defendants.

39. Plaintiff realleges and incorporates by reference paragraphs 1 through 29 as though fully set forth herein.

40. The Defendants have conspired among themselves and/or with others to defraud the Government by getting false or fraudulent claims allowed or paid, in violation of 31 U.S.C. § 3729(a)(3)(2008) and 31 U.S.C. § 3729(a)(1)(C)(2009), to the extent the latter provision, which is an amendment of 31 U.S.C. § 3729(a)(3)(2008), applies to the conduct alleged herein.

41. Because of the Defendants' conduct set forth in this Count, the United States has suffered actual damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Susann Campbell prays for the following relief:

1. On Counts I, II, and III, judgment for the United States against each of the Defendants, jointly and severally, in an amount equal to three times the damages the United States Government has sustained because of the Defendants' actions, plus a civil penalty of \$11,000 for each violation of 31 U.S.C. § 3729;
2. On Counts I, II, and III, an award to the Relator of the maximum allowed under 31 U.S.C. § 3730(d);
3. Against all Defendants, attorneys' fees, expenses, and costs of suit herein incurred; and
4. Such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands that this matter be tried before a jury.

Respectfully submitted,



John E. Clark

Texas Bar Card No. 04287000

Goode Casseb Jones Riklin Choate & Watson, P.C.

2122 North Main Avenue

P. O. Box 120480

San Antonio, Texas 78212

Tel. No.: 210-733-6030

Fax No.: 210-733-0330

Glenn Grossenbacher,

Texas Bar Card No. 0854110

Law Office of Glenn Grossenbacher

24165 IH-10 W, Suite 217-766

San Antonio, Texas 78257-1160

Tel. No.: 210-271-3888

gglaw@satx.rr.com

Of Counsel:

Shelley R. Slade.

Vogel, Slade & Goldstein, LLP

5225 Wisconsin Ave., N.W.

Washington, D.C. 20015

Tel. No.: 202-537-5900

Fax No.: 202-537-5905

sslade@vsg-law.com

Attorneys for Susann Campbell

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