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THE UNITED STATES ATTORNEYS OFFICE  
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**Department of Justice**

U.S. Attorney's Office

Western District of Texas

FOR IMMEDIATE RELEASE

Wednesday, May 1, 2019

**Justice Department Reaches Settlement Agreement with  
Alaska Native Corporation over Allegations of Violating  
the Federal False Claims Act**

Kikiktagrak Inupiat Corporation (“KIC”), an Alaska Native Corporation, and KIC Development LLC (“KICD”), a subsidiary of KIC, have agreed to pay \$2.025 million to settle allegations that kickbacks were paid by KICD so that the company would obtain diverted “set aside” contracts to do construction work at Ft. Bliss military installation in El Paso, Texas, announced U.S. Attorney John F. Bash.

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

As an Alaska Native Corporation, KIC is deemed a small business concern which qualifies for Small Business Administration sole-source, no-bid government (“set aside”) contracts. KICD was a wholly and/or majority-owned subsidiary of KIC and therefore also qualified for the government set-aside contracts. KICD has since filed articles of dissolution in Alaska.

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. Through this bribery scheme, Tuskan allegedly used his position as a contract employee with the U.S. Army Corp of Engineers to steer the “set aside” government contracts issued out of Ft. Bliss to KICD. Tuskan also allegedly provided KICD with confidential government information, thereby ensuring that KICD would be awarded the contracts.

The FBI conducted an extensive investigation into the alleged bribery scheme which led to the criminal prosecution of Tuskan, Acri, Hayes, and Hall. All four individuals pleaded guilty to the bribery scheme in 2016.

At the conclusion of the criminal case, the U.S. Attorney's Office, in conjunction with the DOJ Civil Division, resumed its civil investigation against KICD and the four named individuals in an effort to recover some of the federal funds that were illegally obtained by the defendants. The U.S. has now reached a settlement with KICD and its parent corporation KIC for a total of two million and twenty five thousand dollars (\$2,025,000.00)

This matter was investigated by the Federal Bureau of Investigations, the Defense Criminal Investigative Service and the Army Criminal Investigation Command, Major Procurement Fraud Unit, and Small Business Administration Office of Inspector General.

The claims asserted against the defendants are allegations only; there has been no determination of liability. The civil settlement was reached by Assistant United States Attorney Eduardo R. Castillo.

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**Topic(s):**

False Claims Act

**Component(s):**

USAO - Texas, Western

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