

## JUSTICE NEWS

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### **PAE Government Services and RM Asia (HK) Limited to Pay \$1.45 Million to Settle Claims in Alleged Bid-Rigging Scheme**

PAE Government Services Inc. (PAE) and RM Asia (HK) Limited (RM Asia) have agreed to pay the United States \$1.45 million to resolve allegations that they engaged in a bid-rigging scheme that resulted in false claims for payment under a U.S. Army contract for services in Afghanistan, the Justice Department announced today. PAE, headquartered in Arlington, Virginia, provides integrated global mission services. RM Asia, located in Hong Kong, provides motor vehicle parts and supplies.

“Our national security and those of our allies depend on quality goods and services delivered at a fair price,” said Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department’s Civil Division. “Today’s settlement demonstrates our continuing vigilance to ensure that those doing business with the government do not engage in bidrigging or other anticompetitive conduct.”

In 2007, the Army awarded PAE a contract to provide vehicle maintenance capabilities and training services for the Afghanistan National Army at multiple sites across Afghanistan. PAE partnered with RM Asia to supply and warehouse vehicle parts. The government alleged that former managers of PAE and RM Asia funneled subcontracts paid for by the government to companies owned by the former managers and their relatives by using confidential bid information to ensure that their companies would beat out other, honest competitors.

In a related criminal investigation, the U.S. Attorney’s Office of the Eastern District of Virginia previously obtained guilty pleas from former PAE program manager Keith Johnson; Johnson’s wife, Angela Gregory Johnson; and RM Asia’s former project manager, John Eisner, and deputy project manager, Jerry Kieffer, for their roles in the scheme.

“This resolution, following criminal charges that were also brought against the individuals involved, represents the government’s efforts to use all of the criminal and civil tools available to the government to remedy fraudulent conduct,” said U.S. Attorney Dana J. Boente of the Eastern District of Virginia.

The allegations resolved by this settlement arose from a lawsuit filed by Steven D. Walker, a former employee of PAE, under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government for false claims and share in the recovery. Mr. Walker will receive \$261,000.

This case was handled by the Civil Division’s Commercial Litigation Branch, the U.S. Attorney’s Office of the Eastern District of Virginia, the Defense Criminal Investigative Service, the U.S. Department of the Army Criminal Investigation Command-Major Procurement Fraud Unit and the Defense Contract Audit Agency.

The lawsuit is captioned *United States ex rel. Walker v. PAE, et al.*, 1:11CV382-LO/TCB (E.D. Va.). The claims resolved by the settlement are allegations only; there has been no determination of liability.

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Civil Division

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