

**Oklahoma Contractors to Pay \$2.8 Million to Settle False Claims Act Allegations Concerning Fraudulently Obtained Small Business Contracts - GSA Office of Inspector General**

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**Department of Justice**

Office of Public Affairs

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FOR IMMEDIATE RELEASE

**Oklahoma Contractors to Pay \$2.8 Million to Settle False Claims Act Allegations Concerning Fraudulently Obtained Small Business Contracts**

Tulsa, Oklahoma-based contractor the Ross Group Construction Corporation (Ross Group), and its corporate affiliates, have agreed to pay over \$2.8 million to settle allegations that they violated the False Claims Act by improperly obtaining federal set-aside contracts reserved for disadvantaged small businesses, the Justice Department announced today.

“Small business set-aside contracts provide opportunities for small businesses to participate in federal contracting and gain valuable experience to help them compete for future economic opportunities,” said Assistant Attorney General Jody Hunt of the Department of Justice’s Civil Division. “We will pursue those who knowingly obtain set-aside contracts to which they are not entitled and thereby prevent deserving small businesses from receiving the assistance that Congress intended.”

To qualify as a small business for purposes of U.S. Small Business Administration (SBA) programs, companies must meet defined eligibility criteria, including requirements concerning size, ownership, and operational control. The settlement with Ross Group resolves allegations that the company fraudulently induced the government to award certain small business set-aside contracts to several affiliated entities that did not meet eligibility requirements. The United States alleged that Ross Group created two companies, PentaCon LLC and C3 LLC, to obtain small business set-aside contracts for which Ross Group itself was ineligible. The United States further alleged that Ross Group maintained operational control over the day-to-day and long-term management decisions of the two purported small businesses, including controlling their financial affairs and business operations, and that, as a result, neither PentaCon nor C3 satisfied the size and eligibility requirements to participate in the set-aside programs. Ross Group, PentaCon, and C3 allegedly concealed their affiliation from the United States and knowingly misrepresented the eligibility of PentaCon and C3 for the set-aside contracts.

“It is critical that we protect the integrity of federal government contract programs so that taxpayer money goes only to those who legitimately qualify for assistance,” said U.S. Attorney Timothy J. Downing for the Western District of Oklahoma. “We will continue to hold accountable those who make false statements to take unfair advantage of programs for which they would not otherwise qualify, because it deprives legitimate applicants from obtaining these necessary benefits. I want to specifically thank the Defense Criminal Investigative Service for their outstanding and thorough investigative work in this case.”

“SBA’s preferential contracting programs are intended to promote development of eligible small businesses,”—

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Small Business Administration Inspector General Hannibal “Mike” Ware. “OIG will continue to work with its law enforcement partners to identify, investigate, and pursue people and businesses who abuse these programs by trying to participate through front companies. I want to thank the Department of Justice and the other federal agencies involved for their dedication to pursuing justice in this case.”

“This settlement highlights the commitment of the Defense Criminal Investigative Service (DCIS) and its law enforcement partners to protect the integrity of the Department of Defense (DoD) contracting process,” said Michael Mentavlos, Special Agent in Charge of the DCIS Southwest Field Office. “DCIS will continue to investigate fraud and corruption targeting DoD programs by pursuing all available remedies possible.”

The settlement with Ross Group and its corporate affiliates resolves a lawsuit filed under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and share in a portion of the government’s recovery. The civil lawsuit was filed in federal district court in the Western District of Oklahoma and is captioned United States ex rel. Southwind Construction Services, LLC v. The Ross Group Construction Corporation, et al., Case No. 15-0102-R (W.D. Okla.). As part of today’s resolution, the whistleblower will receive approximately \$520,000.

The settlement is the result of a coordinated effort among the Civil Division’s Commercial Litigation Branch, the U.S. Attorney’s Office for the Western District of Oklahoma, DCIS, the Inspector General Offices of the SBA, General Services Administration, and the Department of Veterans Affairs, and the Army Criminal Investigation Division Major Procurement Fraud Unit.

To learn more about the Civil Division, please visit <https://www.justice.gov/civil>. To learn more about the U.S. Attorney’s Office for Western District of Oklahoma, please visit <https://www.justice.gov/usao-wdok>.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

Source: U.S. Department of Justice [press release](#).