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## **U.S. Government Contractors Pay \$1.45 Million to Resolve Whistleblower Case Involving Supplies for Afghan Army**

September 15, 2015

*Former Employee's Qui Tam Lawsuit Leads to Convictions and Jail for Individuals who Created Sham Companies, and Recovery For Taxpayers Against PAE, Inc. and R.M. Asia for Allegedly Falsely Billing U.S. for Vehicle Parts for Afghanistan*

ALEXANDRIA, Va. – Sept. 15, 2015 – PAE Government Services, Inc. and R.M. Asia Ltd. have settled a whistleblower lawsuit for \$1.45 million, resolving allegations that company employees created fictitious entities and set up a bid-rigging scheme to falsely bill the United States for supplies intended for the Afghan National Army. Steven Walker, a former project manager for PAE in Afghanistan, brought forward the complaint after he discovered the scheme and reported it to government investigators.

The lawsuit, *United States ex rel. Walker v. PAE, et al.*, was filed in federal court in Alexandria, Va., by attorneys [Jay P. Holland](#) and [Brian J. Markovitz](#), partners at the Greenbelt, Md.-based law firm Joseph, Greenwald & Laake, P.A., and Scott Oswald and David Scher of The Employment Law Group in Washington, D.C.

“Mr. Walker’s acts in ferreting out the fraud in this case were extensive and brave,” said Holland, who served as lead counsel in the case. “Kick-backs and collusive bidding can be very difficult to uncover in a war zone, like in Afghanistan, and the wrong-doers would never have gone to jail, and the companies would not have been held responsible, if it were not for Mr. Walker’s sense of duty and loyalty to his country.”

The U.S. Army awarded a contract to PAE on Dec. 19, 2007. The contract required PAE to provide the Afghanistan National Army with vehicle-fleet maintenance and an apprenticeship/training program. The contract also required PAE to order vehicle parts and perform supply-chain management. PAE then awarded a subcontract to R.M. Asia to provide warehousing services for vehicle parts and to perform supply-chain management.

In his complaint, Walker contended that PAE and R.M. Asia submitted false claims under the contract as a result of a bid-rigging scheme to steer subcontracts to companies owned by a PAE manager and his relatives, as well as an R.M. Asia manager and his relatives from May 2007 through June 2010. The complaint also alleged that defendants PAE and R.M. Asia either knew or should have known of the fraud and failed to take appropriate measures to stop it or report it. Walker’s complaint led to an intensive criminal investigation against the individuals responsible for the bid-rigging and kickbacks,

and ultimately to guilty pleas, conviction and prison sentences for the schemers.

The following individuals pled guilty in the bid-rigging scheme: Keith Johnson (United States v. Keith Ashley Johnson, No. 1:13cr-305 [EDVA]); John Eisner (United States v. John E. Eisner, No. 1:13-cr-344 [EDVA]); Angela Johnson (United States v. Angela Gregory Johnson, No. 1:13-cr-305 [EDVA]); and Jerry Kieffer (United States v. Jerry Kieffer, No. 1:13-cr-343 [EDVA]). All received prison sentences.

Prior to accepting a position with PAE in Afghanistan, Walker was a professor at Oklahoma State University in engineering and diesel mechanics. He initially was hired as a training manager, and then quickly promoted to program manager. Walker learned of the fraud both while he was employed, and after he came back to the United States. Walker traveled throughout the most dangerous areas of Afghanistan without military escorts to inspect warehouses at forward military bases to confirm his suspicions, and when he returned to the United States he drove to Nashville, Tenn., from his Oklahoma home to inspect marriage records to confirm the family relationship between Keith Johnson and Angela Johnson, and the companies they controlled.

“The Anti-Kickback Act and conflict of interest rules are in place to prevent this type of fraud,” said co-counsel Markovitz. “The complaint alleged that the defendants formed a conspiracy which they called ‘The Network,’ where they set up the bid process to assure that one of their own companies would bid against an unqualified company, and therefore made sure the bids were awarded to themselves.”

The False Claims Act is “a powerful tool to protect the taxpayer from this type of fraud,” Holland added. “The False Claims Act complaint clearly got the attention of the federal authorities and enabled the criminal and civil prosecution of this case.”

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