

FOR IMMEDIATE RELEASE

March 25, 2013

Caddell Construction Agrees to Pay \$1,150,000 to Resolve False Claims Allegations*United States Alleges that Company Falsely Claimed Payment For Native American-Owned Business Participation*

The Justice Department announced today that Alabama-based Caddell Construction has agreed to pay to the United States \$1,150,000 to settle allegations that it violated the False Claims Act by falsely reporting to the Army Corps of Engineers that it hired and mentored a Native American-owned company to work on construction projects at Fort Bragg, N.C., and Fort Campbell, Ky.

The Army Corps contracted with Caddell between 2003 and 2005 to build barracks at the two bases. As part of the contracts, Caddell represented that it would hire and mentor Mountain Chief Management Services, a Native American-owned company, under the Department of Defense's Mentor-Protégé and Indian Incentive Programs. The Mentor-Protégé Program reimburses companies for the time and cost of mentoring small disadvantaged businesses, while the Indian Incentive Program provides a rebate to contractors for subcontracting with Native American-owned businesses.

The United States alleged that from April 2003 to March 2005, Caddell falsely represented in its invoices and supporting documents that it was mentoring Mountain Chief and that Mountain Chief was performing work on the construction projects. According to the government, Mountain Chief allegedly was merely a pass-through entity used by Caddell to claim payments under the two programs, and didn't perform the work or receive the mentoring services for which Caddell received payment.

"Contractors that subvert important government programs, such as those designed to benefit small and Native American-owned businesses, will be held accountable," said Stuart F. Delery, Principal Deputy Assistant Attorney General for the Civil Division of the Department of Justice. "We will work tirelessly to ensure that participants in federal programs and benefits receive only the money to which they are entitled."

Caddell's former director of business development, Mark Hill, and Mountain Chief's former president, Daniel Chattin, were indicted on related charges in federal district court for the Middle District of Alabama in January 2012. Both are awaiting trial. In December 2012, Caddell entered into a non-prosecution agreement with the United States under which it agreed to pay the United States \$2 million and to cooperate in the ongoing criminal matter.

The civil case was handled by the Civil Division of the Department of Justice, with investigative assistance provided by the General Services Administration Office of Inspector General and the Defense Criminal Investigative Service.