

# Armor Group North America and Its Affiliates Pay \$7.5 Million to Resolve False Claims Act Allegations

 [justice.gov/opa/pr/armor-group-north-america-and-its-affiliates-pay-75-million-resolve-false-claims-act](https://www.justice.gov/opa/pr/armor-group-north-america-and-its-affiliates-pay-75-million-resolve-false-claims-act)

WASHINGTON - Armor Group North America Inc. (AGNA) and its affiliates have paid the United States \$7.5 million to resolve allegations that AGNA submitted false claims for payment on a State Department contract to provide armed guard services at the U.S. Embassy in Kabul, Afghanistan, the Justice Department announced today. The settlement resolves U.S. claims that in 2007 and 2008, AGNA guards violated the Trafficking Victims Protection Act (TVPA) by visiting brothels in Kabul, and that AGNA's management knew about the guards' activities. The settlement also resolves allegations that AGNA misrepresented the prior work experience of 38 third country national guards it had hired to guard the Embassy, and that AGNA failed to comply with certain Foreign Ownership, Control and Influence mitigation requirements on the embassy contract, and on a separate contract to provide guard services at a Naval Support Facility in Bahrain.

The settlement resolves a whistleblower suit filed in the U.S. District Court for the District of Columbia. The lawsuit was initially filed under seal by James Gordon against AGNA, ArmorGroup International plc, G4S plc and Wackenhut Services Inc. under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals, called "relators", to bring lawsuits on behalf of the United States and receive a portion of the proceeds of a settlement or judgment awarded against a defendant. Mr. Gordon will receive \$1.35 million of the settlement proceeds. During 2007 and early 2008, Mr. Gordon was employed by AGNA, as its director of operations.

The case remained under seal to permit the United States to investigate the allegations and determine whether it would join the lawsuit. Under the False Claims Act, the United States may recover three times the amount of its losses, plus civil penalties. On April 29, 2011, the

United States joined the suit.

"These contracts are put in place to provide essential support to personnel who are serving in our missions overseas," said Tony West, Assistant Attorney General for the Civil Division. "The Department of Justice will actively pursue its legal remedies where contractors falsely claim taxpayer dollars for services that fall short of material requirements in their government contracts."

"Americans deserve to know that their tax dollars are being spent wisely and consistent with our values," said U.S. Attorney Ronald C. Machen Jr. "Our office has targeted government contractors who fail to meet their obligations to the American people. With this settlement, the U.S. Attorney's Office for the District of Columbia has now recovered more than \$140 million in False Claims Act cases so far this year."

"The Department of State appreciates the work done by the Department of Justice and the Office of the Inspector General in bringing this case to resolution. The Department of State takes any allegation of contractor misconduct seriously and works as part of the inter-agency community to ensure it is adjudicated properly," said Ambassador Eric J. Boswell, Assistant Secretary of State for Diplomatic Security.

The Deputy Inspector General for the Department of State, Harold Geisel, said, “We’re pleased with the successful resolution of this case, and I commend the dedication of our OIG investigators. Our efforts should reinforce to American taxpayers that oversight of their tax dollars is taken seriously.”

Assistant Attorney General West and U.S. Attorney Machen thanked the joint investigation team, which includes Special Agents with the Department of State Office of Inspector General, and representatives from the Department of State and the Department of the Navy, for their efforts in the investigation of this matter.