

Summary: DOI Contractor KLA International Convicted for Conspiracy to Defraud the Government

Report Date: August 21, 2017

OIG initiated an investigation after receiving information that KLA International, Inc. (KLA) had used Government contracts, including some with the Department of the Interior (DOI), to facilitate fraud. The complainant alleged that KLA induced subcontractors into purchasing and shipping goods to Federal Government customers on KLA's behalf, but never paid them for the goods. We conducted the investigation jointly with several other Federal law enforcement agencies, with DOI OIG as the lead agency.

We found that from between 2010 and 2015, Keith B. Fisher, Sr. set up numerous shell companies in a scheme to facilitate fraud using Federal contracts. The shell companies included KLA, Quad Trade Services, TCI Technologies, Inc., and Atlantic Safety Corporation. Fisher used various aliases and these shell companies to enter into agreements with subcontractors to purchase and deliver goods to various Federal customers. Fisher, however, never paid, or paid very little, to the subcontractors.

We found that Fisher's businesses received over 80 contract awards worth over \$900,000 from DOI and other Federal agencies. The Bureau of Indian Affairs (BIA), the Bureau of Reclamation (BOR), the U.S. Geological Survey (USGS), and the National Park Service (NPS), issued Fisher's businesses a total of nine contracts worth \$136,047.

On March 10, 2017 in the District of New Jersey, Fisher pleaded guilty to one count of 18 U.S.C. § 371, Conspiracy to Defraud the United States, pursuant to a plea agreement. Fisher was subsequently sentenced to 60 months in prison, and also debarred from conducting business with the U.S. Government.

This is a summary of an investigative report that we provided to the Directors of BIA, USGS, NPS and the Commissioner of BOR for any actions deemed appropriate.

