

Summary: Investigation of Possible Kickback from a Subcontractor to a Prime Contractor in a National Park Service Contract

Report Date: December 3, 2015

OIG investigated allegations that a prime contractor's employee working on a National Park Service (NPS) contract may have received kickbacks from a subcontractor.

In July 2012, NPS terminated a construction contract for default because the contractor was unable to complete the project. The owner of the prime contractor disclosed to the contracting office that he fired the project manager on the NPS contract, because he believed that she hired a company that she or a relative owned to perform subcontract work on the NPS project. According to the owner of the prime contractor, statements and actions by the project manager led him to conclude that the project manager was profiting through her relationship with the subcontractor. We sought to determine if there were any illicit financial transactions from the subcontractor to the project manager.

After interviewing numerous contractor employees and reviewing various public and Government records, we could not find any familial relationship between the project manager and the owner of the subcontractor company. The project manager and the subcontractor owner acknowledged that they shared a common surname and that their families were acquainted in the small town where they grew up. They both denied receiving or providing money or anything of value in exchange for the subcontract.

We also reviewed bank records and found no evidence of illicit payments from the subcontractor to the project manager.

We discovered no violations of law, so we did not refer this investigation to the U.S. Department of Justice. We provided this report to NPS for information only.

This is a summary of an investigative report that was issued internally to the U.S. Department of the Interior. This summary was posted to the web on February 11, 2016.

