



# Department of Justice

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## **Sorensen Gross Construction Co. And Corporate Vice President Khalil Saab To Pay \$2.481 Million To Settle Claims Related To Usaid Aqaba Schools Project**

WASHINGTON – The Justice Department announced today that Sorensen Gross Construction Company (Sorensen) and its corporate vice president, Khalil Saab, have agreed to pay \$2.481 million to resolve allegations that they submitted false claims for payment under a construction contract funded by the United States Agency for International Development (USAID).

“Contractors who misrepresent their eligibility for government contracts undermine the government procurement process,” said Acting Assistant Attorney General Chad A. Readler of the Justice Department’s Civil Division. “The Justice Department will take action to protect that process, including safeguards designed to create American jobs.”

The settlement announced today resolves allegations related to a contract between Sorensen, a Michigan-based U.S. company, and the Jordan Government’s Ministry of Public Works and Housing (Ministry) for a project to build or renovate 16 schools in Aqaba, Jordan (Aqaba Project) that was financed by USAID. In addition to funding the Aqaba Project, USAID approved the solicitation for bids, prequalified bidders, and approved the selection of Sorensen as the prime contractor and the terms of its contract with the Ministry. Pursuant to the contract, Sorensen could not subcontract more than 50 percent of the work on the Aqaba Project, and any subcontract valued at more than \$100,000 had to be preapproved by USAID and the Ministry. In addition, the contract limited subcontracts with Jordanian companies to \$5 million.

The United States contends that Sorensen subcontracted almost the entirety of the work on the Aqaba Project to a local Jordanian company, Concorde, in violation of the contract terms. The United States further contends that Sorensen and Mr. Saab falsely certified that Sorensen was performing work under the contract and that Sorensen invoiced USAID for work performed by Concorde. Sorensen then transferred payments it received from USAID to Concorde for the work that Concorde performed.

“USAID OIG remains committed to helping protect U.S. government investments in overseas development projects,” said USAID Inspector General Ann Calvaresi Barr. “Complying with project specifications is not enough, if contracts are not awarded fairly and for a reasonable, competitive price. Arrangements hidden from USAID regarding

actual subcontracting percentages disadvantage the U.S. taxpayer as well as project beneficiaries. We thank the DOJ Civil Fraud Section for partnering with us to ensure this violation was properly addressed.”

This case was handled by the Justice Department’s Civil Division, Commercial Litigation Branch, and the USAID, Office of Inspector General. The claims settled in this case are allegations only; there has been no determination of liability.

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