



# Department of Justice

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**District of Kansas**

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**KANSAS COMPANY AGREES TO PAY \$600,000  
TO SETTLE ALLEGATIONS OF FALSE CLAIMS  
UNDER DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

WICHITA, KAN. – A highway paving company in Topeka, Kan., has agreed to pay \$600,000 in a civil settlement to resolve allegations that it made false claims under the federal Disadvantaged Business Enterprise program, U.S. Attorney Eric Melgren announced Monday.

Under the settlement, **Koss Construction Company, Inc.**, and **Koss Materials Company, LLC**, will pay \$600,000. Three other companies also entered into settlements. **Carter-Waters Corporation** of Kansas City, Mo., will pay \$176,000. **A.G.W. Steel, Inc.**, of Decatur, Ill., will pay \$50,000 and **Ideker, Inc.**, of St. Joseph, Mo., will pay \$22,000. According to the terms of the settlement, the companies do not admit wrongdoing.

“The government contends that Koss and Idecker submitted claims to the Kansas Department of Transportation and the U.S. Department of Transportation falsely stating that they had met their obligations under the Disadvantaged Business Enterprise Program by obtaining materials from A.G.W. Steel,” Melgren said.

In fact, Melgren said, Carter-Waters was the actual supplier on all the contracts and A.G.W. Steel failed to provide a commercially useful function.

“Disadvantaged Business Enterprise fraud harms the integrity of the DBE program and law-abiding prime contractors and DBEs by defeating efforts to ensure a level playing field in which DBEs can compete fairly for contracts,” said Michelle McVicker, special agent in charge, U.S. Department-Office of Inspector General.

Under the agreement, **A.G.W. Steel, Inc.**, and its owners, **Harvey and Geneal Williams**, agree to voluntarily withdraw from participation in the Federal Highway Administration’s Disadvantaged Business Enterprise Program for a period of three years.

Contracts covered by the settlements include road construction on segments of Interstate 70 in Shawnee County and Wabaunsee County, Kan., and a segment of Highway 69 in Miami County, Kan., and segments of Interstate 35 in Franklin County and Miami County, Kan., all in 2002.

Melgren commended the U.S. Department of Transportation -Office of Inspector General, the Kansas Department of Transportation and Assistant U.S. Attorney Richard Schodorf for their work on the case.

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