

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* MARYLAND

Department of Justice
U.S. Attorney's Office
District of Maryland

FOR IMMEDIATE RELEASE

Wednesday, July 13, 2016

Former Army Official and Contractor Indicted for Bribery Scheme Involving Contracts at Aberdeen Proving Ground

Baltimore, Maryland – A federal grand jury has indicted John Kays, age 42, of Bel Air, Maryland, and Matthew Barrow, age 42, of Toledo, Ohio, on conspiracy and bribery charges related to contracting at the U.S. Army Communications-Electronics Command headquartered at Aberdeen Proving Ground (APG), in Harford County, Maryland. The indictment was returned on June 21, 2016, and unsealed on June 24, 2016. Kays and Barrow had initial appearances last week in U.S. District Court in Baltimore, and were each released under the supervision of U.S. Pretrial Services. No trial date has been set.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Kevin Perkins of the Federal Bureau of Investigation, Baltimore Field Office; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office; and Special Agent in Charge L. Scott Moreland, Mid-Atlantic Fraud Field Office, Major Procurement Fraud Unit, U.S. Army Criminal Investigation Command.

In March 2006, the U.S. Army Contracting Command at APG awarded a 10-year, \$19.2 billion contract to seven prime contractors to provide technology services to support the integrated engineering, business operations, and logistics needs for the Army. Kays had a number of leadership positions related to this contract. In April 2011, a task order for services pursuant to the contract was placed.

According to the three count indictment, Kays was a civilian employee of the Army, who represented the Army on these types of multi-year contracts. From January 2011 until his resignation from government service in July 2014, Kays held the position of Deputy Project Manager for Mission Command, in effect the number two position for Mission Command. Barrow was the President and owner of MJ-6, LLC, a company which he and his wife formed in Ohio in 2008 to obtain military subcontracts.

The indictment alleges that from December 2010 to June 2014, Kays agreed to take official actions favorable to Barrow and MJ-6 in return for Barrow paying Kays a total of approximately \$157,000. Specifically, Kays used his official position to add MJ-6 as a subcontractor acceptable to the Army and suggested to prime contractors that MJ-6 be added as a subcontractor on the TO. Barrow allegedly withdrew cash from his personal accounts and from MJ-6 accounts, then traveled from his home in Toledo to Maryland, to deliver cash payments to Kays. To conceal their relationship, Barrow made all the payments to Kays in cash, withdrawing the money in amounts less than \$10,000 to avoid bank reporting requirements, and Kays did not report the receipt of the cash on the government ethics forms that he was required to file. Kays used the cash for his personal benefit, including: purchasing two new vehicles; and to pay credit card bills.

Kays and Barrow each face a maximum sentence of five years in prison for conspiracy, and a maximum of 15 years in prison for bribery, \$250,000 per count in criminal fines or three times the value of whatever Kays was illegally paid, plus forfeiture of the proceeds of the offense. The court has entered an order restraining assets of Kays in Harford County including real estate, a Nissan Armada, a 2012 BMW, a 2012 Yamaha power boat and a pair of diamond earrings. An order has also been entered restraining the assets of Barrow in Toledo, including, two pieces of real estate, a 2016 GMC Yukon, 2015 Buick Enclave, a 2011 GMC Yukon Denali, a power boat, a Wave Runner and funds in three bank accounts.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The National Procurement Fraud Task Force was formed in October 2006 to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force includes the United States Attorneys' Offices, the FBI, the U.S. Inspectors General community and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrates the Department of Justice's commitment to helping ensure the integrity of the government procurement process.

United States Attorney Rod J. Rosenstein thanked the FBI, DCIS, and Army Criminal Investigation Command for their work in the investigation. Mr. Rosenstein praised Assistant U.S. Attorney Joyce K. McDonald, who is prosecuting the case.