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## **Department of Justice**

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District of Maryland

FOR IMMEDIATE RELEASE

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## Former Army Official And Contractor Sentenced To 18 Months In Federal Prison For Bribery Scheme Involving Contracts At Aberdeen Proving Ground

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Contact ELIZABETH MORSE at (410) 209-4855

**Baltimore**, Maryland – On November 8, 2017 United States District Judge George L. Russell III sentenced Danielle N. Kays, age 41, of Bel Air, Maryland to 18 months in federal prison for conspiracy to defraud the United States and commit bribery related to contracting at the U.S. Army Communications-Electronics Command headquartered at Aberdeen Proving Ground (APG), in Harford County, Maryland. Judge Russell also ordered Kays pay forfeiture of \$250,700. Kays' husband John Kays, age 42, of Bel Air, Maryland and Matthew Barrow, age 42, of Toledo, Ohio were also charged in the scheme, have pled guilty and are awaiting sentencing.

The sentence was announced by Acting United States Attorney for the District of Maryland Stephen M. Schenning; Special Agent in Charge Robert E. Craig, Jr. of the Defense Criminal Investigative Service - Mid-Atlantic Field Office; Special Agent in Charge L. Scott Moreland, Mid-Atlantic Fraud Field Office, Major Procurement Fraud Unit, U.S. Army Criminal Investigation Command; and Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation, Baltimore Field Office.

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. John and

Danielle Kays each had leadership positions related to this contract. From September 2006 through April 2011, a series of task orders for services pursuant to the contract were placed.

According to the court documents, Danielle Kays was a civilian employee who represented the Army on these types of multi-year contracts. From January 2011 until his resignation from government service in July 2014, John Kays held the position of Deputy Project Manager for Mission Command, in effect the number two position for Mission Command. From June 2009 through June 2012, Danielle Kays was the Deputy Director of the Technical Management Division, and from 2012 until her resignation from government employment in October 2015, Danielle Kays was the Product Director of Common Hardware Systems. Barrow was the President and owner of MJ-6, LLC, a company which he formed in Ohio in 2008 to obtain military subcontracts. From June 2008 through August 2010, Barrow was also employed as a procurement manager by a glass company in Ohio.

According to the plea agreements, from August 2008 to June 2014, John Kays agreed to take official actions favorable to Barrow and MJ-6 in return for Barrow paying them a total of approximately \$800,000. Mrs. Kays has admitted using her official position to benefit Barrow and MJ-6 during the period 2011- 2014. Specifically, the Kays used their official positions to add MJ-6 as a subcontractor acceptable to the Army, to steer potential employees for government contractors to work for MJ-6, to approve MJ-6 employees to work on various Task Orders, and to approve the pay rates, status reports, and travel reimbursements for MJ-6 employees. The indictment alleges that the Kays steered subcontracts worth approximately \$21 million to MJ-6.

In order to conceal their corrupt relationship Barrow caused the glass company he worked for to enter into contracts and make payments to Transportation Logistics Services, LLC, a company incorporated by John Kays; and later made payments to the Kays in cash, which Barrow withdrew from his personal accounts and from MJ-6 accounts To conceal the scheme, John and Danielle Kays made false statements on the government ethics forms that they were required to file by failing to disclose the cash payments received from Barrow. The Kays used the cash for their personal benefit, including purchasing two new vehicles; a power boat, jewelry, a pool party at their country club, and to pay credit card bills.

Barrow later agreed to pay the Kays their corrupt money from MJ-6 disguised as employment salary.

John Kays also pled guilty and is scheduled to be sentenced December 15, 2017 at 2 p.m. Matthew Barrow is scheduled to be sentenced January 12, 2018.

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.

Acting United States Attorney Stephen M. Schenning thanked the DCIS, Army Criminal Investigation Command, and FBI for their work in the investigation. Mr. Schenning praised Assistant U.S. Attorneys Joyce K. McDonald and Harry M. Gruber, who are prosecuting the case.

Component(s): USAO - Maryland

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