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Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Thursday, January 6, 2022

Connecticut and New York Companies Agree to Pay Over \$900,000 for Providing Chinese-Made Containers to Department of Defense

PHILADELPHIA, PA – United States Attorney Jennifer Arbittier Williams announced that SoNo International LLC ("SoNo") and Ark Capital Equipment LLC ("Ark") have agreed to jointly pay \$904,000 to the federal government to resolve allegations that they violated the False Claims Act by supplying the Department of Defense with shipping containers made in China and/or made from Chinese steel. The Department of Defense contracted for its agencies to purchase American-made materials or materials manufactured in specified allied countries, such as South Korea. Instead, in one contract, SoNo and Ark allegedly had a third-party company change the identifying plates on 100 shipping containers made in China to make them appear to have been manufactured in South Korea. On two other contracts, SoNo's supplier used Chinese steel, and SoNo and Ark allegedly failed to detect the deception before providing the United States military those containers.

As part of the resolution with the United States, SoNo and Ark have entered into an administrative agreement with the Defense Logistics Agency establishing enhanced training and reporting requirements with respect to government procurement. The third-party company that physically switched the plates has reached a separate agreement with the United States under which it will provide training to its employees to enhance their compliance with Customs rules and regulations and improve their awareness of Buy American and other issues.

"Americans have the right to know that their tax dollars are being spent to support American jobs and American policies," said U.S. Attorney Williams. "When the Department of Defense purchased this material for our warfighters, SoNo agreed to acquire material from and support manufacturers in America or our allied nations. The United States Attorney's Office is ready to investigate and punish contractors who do not follow these clear rules."

"Protecting the integrity of the Department of Defense (DoD) procurement process and supply chain is a top priority for the DoD Office of Inspector General Defense Criminal Investigative Service (DCIS)," stated Special Agent in Charge Patrick J. Hegarty, DCIS Northeast Field Office. "The DCIS will continue to work with its law enforcement partners and the USAO-EDPA to hold DoD contractors accountable to contract requirements and ensure that quality products and services are provided to the U.S. military."

"AFOSI will continue to work with our law enforcement partners and the U.S. Attorney's Office, Eastern District of Pennsylvania, to protect the integrity of the Federal procurement process and ensure wrongdoers are held accountable for their actions," said Special Agent in Charge William W. Richards, Air Force Office of Special Investigations.

This investigation was conducted as part of the United States Attorney's Office for the Eastern District of Pennsylvania's Affirmative Civil Enforcement Strike Force with investigators from DCIS, the Army Criminal Investigation Division, and the Air Force Office of Special Investigations, with assistance from Homeland Security Investigations and the U.S. Customs and Border Protection's Regulatory Audit and Agency Advisory Services. Assistant U.S. Attorney Paul W. Kaufman handled the investigation and settlement.

The claims resolved by the settlement are allegations only; there has been no determination of liability.

Topic(s):

False Claims Act

Component(s):[USAO - Pennsylvania, Eastern](#)

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