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PRESS RELEASE

Owners of Military Contracting Companies Sentenced for Bid Rigging in Texas

Wednesday, August 23, 2023

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Two military contractors were sentenced today in the U.S. District Court for the Eastern District of Texas, Texarkana Division, for their roles in a bid-rigging scheme involving the maintenance and repair of military tactical vehicles in Texas. The multi-year scheme secured more than $17 million in taxpayer dollars.

Aaron Stephens, of Queen City, Texas, was sentenced to 18 months in prison and ordered to pay a criminal fine of $50,000. According to a plea agreement filed on Jan. 12, Stephens and his co-conspirators rigged bids on certain government contracts from May 2013 to January 2018 to give the false impression of competition and secure government payments. The conspirators submitted coordinated, higher-priced and non-competitive bids to ensure a designated company won each contract. Stephens and his co-conspirators rigged six different contracts for work performed for the Red River Army Depot in Texarkana, Texas. The projects included heavy military equipment work like refurbishing armor kits for military trucks and turrets for Humvees.

John “Mark” Leveritt, of Heath, Texas, was sentenced to six months in prison and ordered to pay a criminal fine of $300,000. According to a plea agreement filed on July 13, 2022, Leveritt engaged in the same conspiracy from May 2013 to April 2018 involving seven bids.

“Today’s sentences demonstrate our commitment to safeguarding the integrity of the military contracting process,” said Assistant Attorney General Jonathan Kanter of the Justice Department’s Antitrust Division. “We will hold accountable those who enrich themselves at the expense of our armed forces and ultimately the public.”

“Servicing heavy military vehicles and equipment are critical to the functioning of the U.S. military and its mission, so anticompetitive practices such as those used by the defendants in this case harm the military, taxpayers, and legitimate businesses alike,” said U.S. Attorney Damien M. Diggs for the Eastern District of Texas. “The Eastern District of Texas will vigorously prosecute those who compromise the integrity of the procurement process for greed and personal gain.”

“This sentencing should stand as a deterrent to those who would engage in fraud and corruption for personal gain and is a testament to the thorough and professional effort of our investigative partnerships with the United States Attorney’s Office and the FBI,” said Acting Special Agent-in-Charge Michael Curran of the U.S. Army Criminal Investigation Division’s Major Procurement Fraud Field Office. “We will diligently continue our efforts to pursue those engaged in criminal activity that impacts the integrity of the U.S. Government and the U.S. Army.”

“Today’s sentences are the result of the tireless work and dedication of multiple agencies to hold these individuals accountable for conspiring to defraud the United States government,” said Special Agent in Charge Chad Yarbrough of the FBI Dallas Field Office. “The public can rest assured that we remain committed to aggressively pursuing anyone that uses government programs for their own personal gain.”

The U.S. Attorney’s Office for the Eastern District of Texas, the U.S. Army Criminal Investigation Division’s Dallas Fraud Resident Agency, and the FBI Dallas Field Office investigated the case.

Trial Attorneys Jillian Rogowski, Daniel Loveland, and Aidan McCarthy of the Antitrust Division’s Washington Criminal II Office prosecuted the case.

In November 2019, the Justice Department created the Procurement Collusion Strike Force, a joint law enforcement effort to combat antitrust crimes and related fraudulent schemes that impact government procurement, grant, and program funding at all levels of government — federal, state and local. To contact the Procurement Collusion Strike Force, or to report information on market allocation, price fixing, bid rigging and other anticompetitive conduct related to construction or infrastructure, go to www.justice.gov/procurement-collusion-strike-force.

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