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**PAIGE INDUSTRIAL SERVICES AGREES TO RESOLVE FALSE CLAIMS ACT  
ALLEGATIONS**

*In a Related Criminal Proceeding, Construction Company Owner Pleads Guilty to Unlawful Practice  
of Hiring Illegal Aliens*

**Baltimore**, Maryland – Government contractor Paige Industrial Services, Inc. has agreed to pay the United States between \$450,000 and \$675,000 to resolve allegations under the False Claims Act that the company submitted false claims to the Department of Health and Human Services. In a related parallel criminal proceeding involving a Paige subcontracting company, construction company owner Luis Alonso Valle, age 46, of Silver Spring, Maryland, pleaded guilty on February 11, 2016 to an illegal pattern and practice of hiring unauthorized aliens.

The settlement and guilty plea were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Nicholas DiGiulio, Office of Investigations, Office of Inspector General of the Department of Health and Human Services (DHHS); Acting Special Agent in Charge John Dolce, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General, Office of Labor Racketeering and Fraud Investigations (DOL); Special Agent in Charge Thomas Jankowski of the Internal Revenue Service - Criminal Investigation (IRS-CI), Washington, D.C. Field Office; Special Agent in Charge Kevin Perkins of the Federal Bureau of Investigation, Baltimore Field Office; and Special Agent in Charge Andre R. Watson of U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI).

This settlement resolves allegations that Paige Industrial Services submitted claims from 2006 to 2013 falsely certifying that it had complied with the Davis-Bacon Act. The Davis-Bacon Act required Paige to pay certain prevailing wages and fringe benefits to its employees, or the employees of its subcontractors, while working under a government contract performing construction at the National Institute of Health (NIH) campus in Bethesda, Maryland. Paige, which provided construction and maintenance services to government agencies, allegedly failed to meet the requirements of the statute while certifying that it had. Paige denies the allegations.

“Contractors are required be truthful in their certifications to federal agencies,” said U.S. Attorney Rod J. Rosenstein.

“This office is committed to investigating allegations of fraud involving the Davis-Bacon Act, which requires that contractors and subcontractors pay prevailing wages to their workers on government projects,” stated Acting SAC John Dolce, U.S. Department of Labor’s Office of

Inspector General - Washington Regional Office. “The joint criminal and civil resolutions announced today reflect the seriousness with which our agency and its law enforcement partners pursue allegations of wrongdoing that affect the American workforce.”

As part of the settlement, Paige has agreed to make additional payments above a minimum settlement payment of \$450,000, depending on the financial performance of the company over the next five years.

The civil settlement resolves a lawsuit filed in the District of Maryland under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and obtain a portion of the government's recovery. (*U.S. ex rel. Brandon Owens and Stevan Reba v. Gilbane, Inc, Gilbane Building Company, Inc, and Paige Industrial Services, Inc.*) The claims resolved by this settlement are allegations only, and there has been no determination of liability.

In a related parallel criminal proceeding, Valle Services, LLC., was a subcontractor to Paige at the NIH campus in Bethesda. According to his plea agreement, Luis Valle owned and operated Valle Services, a construction company that provided unskilled laborers to clean up after demolition projects. From at least January 2010 to June 2013, Valle paid some of his employees by handwritten checks without withholding required payroll taxes of at least \$54,641. Additionally, Valle failed to pay a matching employer share of the payroll tax of at least \$54,641. These wages were not included on W-2 forms distributed to the employees at the end of the year.

Furthermore, from March 2008 to August 2013, Valle hired at least 19 illegal aliens to work in the United States, and paid them weekly through checks that he typically distributed in person from his vehicle at a parking lot. Valle approved the hiring of at least five of the illegal aliens to work on a federal contract at the Bethesda NIH campus, which contract was subject to the provisions of the Davis-Bacon Act.

U.S. District Judge Paul W. Grimm sentenced Valle on February 11, 2016 to three years' probation and imposed the condition that Valle not employ any unauthorized aliens. Judge Grimm also entered an order that Valle forfeit \$57,000, which represents a \$3,000 fine for each of the 19 unauthorized aliens that he illegally hired.

The settlement was a result of an investigation by the U.S. Attorney's Office for the District of Maryland, DHHS, DOL-OIG, IRS-CI, FBI and HSI Baltimore. The investigation was handled by Assistant U.S. Attorneys Thomas Barnard and Sujit Raman.