

## U.S. House of Representatives

### Committee on Natural Resources

Washington, DC 20515

October 5, 2011

The Honorable Doc Hastings  
Chairman  
Committee on Natural Resources  
1324 Longworth House Office Building  
Washington, DC 20510

Dear Chairman Hastings:

The exposure of a massive bribery and kickback scam involving Eyak Technology (EyakTek), an Alaska Native Corporation (ANC) subsidiary that served as a prime contractor for the U.S. Army Corps of Engineers, raises questions about whether there are adequate controls in place to prevent fraud and abuse at ANCs and protect U.S. taxpayers and Alaska Native shareholders. I ask that the Committee immediately schedule a hearing to investigate this matter.

The indictment released by the U.S. Attorney's Office for the District of Columbia alleges a scheme that defrauded the government out of \$20 million. Working as a prime contractor for the Army Corp, EyakTek's director of contracts, Harold Babb, allegedly conspired with Corps contracting officers and a subcontractor to inflate prices and pocket kickbacks. Millions of dollars in kickbacks allegedly went to Corps contracting officers from the subcontractor (identified in the indictment as "Company A."), and Babb allegedly received kickbacks worth more than \$225,000. I am concerned that EyakTek's status as an ANC may have facilitated this scam.

The Alaska Native Claims Settlement Act of 1971, which created ANCs, established certain requirements for corporate governance and disclosure, among other requirements to protect the interests of Alaska Native shareholders. An investigative hearing on this matter would give the Committee an opportunity to investigate whether these requirements were observed at EyakTek, what internal controls the corporation has in place to protect against bribery or other malfeasance by company employees, and whether additional protections are needed.

Thank you for your consideration of this request. I look forward to working with you on this urgent matter to protect U.S. taxpayers and Alaska Native shareholders.

Sincerely,



Edward J. Markey  
Ranking Member  
Committee on Natural Resources