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**COUNTY ATTORNEY SUES LOCAL COMPANY ACCUSED OF
DEFRAUDING EL PASO COUNTY**

El Paso County Attorney José R. Rodríguez has filed a suit on behalf of El Paso County against LKG Enterprises Inc. and its president, Ruben García Jr., alleging they failed to provide professional services contracted for the Border Children's Mental Health Collaborative (BCMHC), a federal grant program designed to provide a network of services to children suffering from mental health illnesses and their families.

The lawsuit, filed on December 12, 2007, alleges LKG Enterprises and García made misrepresentations to El Paso County get a bid for professional services for the BCMHC, knowing that the company could not and would not perform. The County relied on the false statements and entered into a contract, but the services were never delivered.

The suit further alleges a breach of contract because LKG and García billed the County, and were paid \$550,000 for work that was never performed. In addition, under the contract LKG was required to provide additional in-kind services, which were not provided and therefore lost.

El Paso County entered into a contract with LKG in November 2005, after the company obtained a bid to provide evaluation services to measure the effectiveness of a \$9.3 million dollar federal grant to provide services to children with mental health needs and their families during a 6 year span. During the eleven months that the contract was in effect, LKG got paid but never performed the services contracted, creating serious problems for BCMHC and placing the future funding of the grant at risk.

The lawsuit seeks to recover the funds that were paid, along with the assessment of exemplary (punitive) damages and attorney's and legal fees. The County also claims the right of setoff, which allows entities that owe each other money to apply their debts mutually. LKG has a

second contract with El Paso County whereby LKG provides program evaluations to the 65th Drug Court. El Paso County has received statements for a total amount of \$25,000 for services performed which remain unpaid and which, the County contends, should be applied to the amount owed under the BCMHC contract.

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