



Defense Criminal Investigative Service

Press Release

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that on May 7, 2001, a civil settlement agreement was reached between Fluor Daniel, Incorporated (Fluor), Aliso Viejo, CA, and the U.S. Attorney's Office, Los Angeles, CA. The settlement stipulates that Fluor will pay the U.S. Government \$8.2 million in civil damages relating to false claims in conjunction with Government and DoD contracts.

The settlement was reached after an investigation disclosed that from 1994 through mid-1997, Fluor charged millions of dollars in commercial costs to its Government and DoD contracts, in violation of the False Claims Act. The unallocable and unallowable commercial costs consisted of overhead attributable to the operations of a newly formed Fluor division called Technology Operating Company (TOC). TOC's mission was to find and evaluate new technologies for use primarily in Fluor's commercial work. This case was initiated based upon a qui tam lawsuit filed in 1997. The U.S. Attorney's Office intervened in the lawsuit on November 24, 1999.

The investigation was conducted by the Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD), the U.S. Army Criminal Investigation Command, and the Department of Energy OIG. The civil litigation was handled by Assistant U.S. Attorney Gary Plessman, Central District of California, Santa Ana, CA.

The point of contact regarding this press release is Chris Hendrickson, Group Manager (GM), Western Field Office. GM Hendrickson can be contacted at (949) 643-4191, extension 223.

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