



Department of Justice

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Kellogg Brown and Root (KBR) to Pay \$8 Million to Settle Allegations of Fraud

WASHINGTON – Kellogg Brown and Root (KBR) has agreed to pay the United States \$8 million to settle allegations of overcharging and other procurement irregularities regarding the Houston-based company's billings to the Army under a contract for logistical support of military operations in the Balkans during 1999 and 2000, the Justice Department announced today. The settlement resolves allegations under the False Claims Act that concerned various purchase orders awarded to 10 different foreign KBR subcontractors or vendors.

Part of the allegations concerned double-billing or delivery of non-conforming products by aggregate suppliers for use in the construction of Camp Bondsteel in Kosovo. The other matters generally involved inflation of prices for various goods resulting from the alleged failure to ensure competitive procurements.

"The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military," said Peter D. Keisler, Assistant Attorney General for the Department's Civil Division.

The U.S. Army Criminal Investigation Division and the Defense Criminal Investigative Service participated in the investigation of this matter.

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