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FOR IMMEDIATE RELEASE**

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**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION
TO PAY \$484,500 TO SETTLE FALSE CLAIMS ACT ALLEGATIONS**

Baltimore, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced today that Science Applications International Corporation (“SAIC”), a defense contractor headquartered in San Diego, California and with offices throughout Maryland, agreed to pay \$484,500 to the government to settle allegations that SAIC violated the False Claims Act with regard to claims submitted to the Department of Defense (“DOD”) for its work on a computer system program.

The investigation arose out of SAIC’s contract with DOD to design and develop the Defense Occupational and Environmental Health Readiness System (“DOEHRS”). DOEHRS is an automated information system designed to support hearing conservation, industrial hygiene and occupational medicine programs within the military health system. The DOEHRS system was designed to assist healthcare providers within the DOD to provide better and more efficient occupational healthcare to DOD personnel by having each DOD member’s occupational health data available on one, unified system. The initial phase of the contract required SAIC to complete the

industrial hygiene component, which was known as DOEHRS IH. The industrial hygiene component was designed to provide commanders and healthcare providers with data and information regarding occupational exposures, workplace environmental monitoring, personal protective equipment usage, work practices and to provide employee health hazard education in order to reduce health threats to DOD personnel.

Pursuant to DOD's contract with SAIC, SAIC was required to report its progress on the DOEHRS IH project through weekly and monthly status reports as well as under the Earned Value Management System ("EVMS"). EVMS is a system designed to track a contractor's progress on a project whereby a contractor is paid a predetermined amount for each component of the project that is completed. SAIC also reported on the progress of the project in meetings with DOD.

The government alleged that SAIC misrepresented the progress of the project in numerous weekly and monthly status reports, the EVMS and DOD project meetings. For example, an independent audit paid for by DOD after SAIC completed its work confirmed that at a time when SAIC represented that the project was 96% complete, the project was in reality only 50% complete. DOD personnel relied upon the representations made by SAIC in the status reports, meetings and EVMS data to authorize payments to SAIC under the contract. As a result, the government asserted that DOD overpaid for SAIC's services. Additionally, implementation of the DOEHRS system has been delayed, thus adversely impacting DOD's goal of providing better and more efficient occupational healthcare to DOD personnel.

SAIC has denied the allegations.

Under the False Claims Act, any person or entity who knowingly presents or causes to be presented a false claim to the United States for payment may be liable for up to treble damages, and penalties of up to \$11,000 per false claim.

The investigation was conducted by the United States Department of Defense, the Army Criminal Investigative Division, the Defense Criminal Investigative Services, and the United States Attorney's Office in the District of Maryland. The civil case was handled by Assistant United States Attorney Thomas F. Corcoran and Auditor Mary Hammond.