Lighthouse Disaster Relief Agrees to $4 Million Settlement for False Claims

On April 23, 2009, Consent Judgments were entered in the amount of $4 million against Lighthouse Disaster Relief (LDR) on the basis of settlement agreements between LDR’s co-owners and the United States. The co-owners are jointly and severally liable for the $4 million judgment and agreed to release all claims to ownership of approximately $1.66 million that had been garnished by the U.S. This investigation was worked jointly with the Department of Homeland Security (DHS), OIG.

On September 18, 2005, GSA awarded a contract to LDR for the DHS Federal Emergency Management Agency for a 1,000 person base camp for disaster relief workers in St. Bernard’s Parish in the wake of Hurricane Katrina. Under the contract, LDR was required to setup and operate the base camp for 30 days for a firm fixed price of $5,209,000. The investigation determined that LDR did not fulfill the terms of the contract, but received full payment.

On February 27, 2006, a civil complaint was filed against LDR for $2,421,100 alleging that LDR did not provide any services for 13 days of its contract. Garnishment orders were filed for the bank accounts of LDR and the co-owners of LDR. Additionally, a garnishment order was filed against Premier Party Rentals, Inc. for monies owed to LDR in the sale of its base camp.

U.S. Secures $2.3 Million Judgment against President of Pacific General, Inc. for False Claims

On April 22, 2009, the United States obtained a judgment in the amount of $2,346,600 against the owner and president of Pacific General, Inc. (PGI), for submitting false claims related to federal construction contracts at the Grand Canyon National Park and the Lake Mead National Recreational Area.

Between November 2003 and January 2004, the president falsely certified that PGI was properly bonded to perform federal construction work and that PGI was paying its subcontractors for work on federal construction projects in the Grand Canyon National Park and the Lake Mead National Recreational Area. This was a joint investigation with the Department of Interior (DOI) OIG, the FBI and the GSA OIG initiated at DOI’s request.

L-3 Government Services, Inc. Agrees to Pay U.S. Over $1.9 Million for Making False Claims

On April 8, 2009, L-3 Government Services, Inc. (L-3) agreed to pay $1,933,080 to the U.S. as part of a civil settlement agreement for fraudulent overbillings. The investigation found that L-3 violated the False Claims Act and the Program Fraud Civil Remedies Act.

L-3 requested admission into the Department of Defense OIG Voluntary Disclosure Program. L-3 disclosed it had overbilled for hours under GSA...
contract GS-35F-47-02G, Task Order T0701BG0108, and the follow-on contract GS-07T-00-BGD-0023, Task Order MU210201T1. The investigation revealed that L-3 salaried employees were routinely entering nine hours on their time sheets when in fact they only worked eight on information technology support services contracts. The settlement was a result of a joint investigation with the Defense Criminal Investigative Service and the U.S. Army Criminal Investigative Division.

University Loft Company Agrees to Pay U.S. $400,000 to Resolve Contract Fraud Allegations

On June 12, 2009, University Loft Company agreed to pay the United States $400,000 following an investigation of alleged false claims and contract fraud. The settlement resolves allegations that the company knowingly sold Malaysian-made furniture to government purchasers in violation of the Trade Agreements Act (TAA). To further government trade policy, the TAA sets requirements for the country of origin of products sold to the United States. University Loft Company was required to comply with the TAA under contracts with the GSA that allowed it to sell products to the military and other Government purchasers. University Loft Company competitor Furniture by Thurston Inc., and Lee Thurston individually filed this lawsuit on behalf of the U.S. government and will receive a $66,000 share of the recovery. Under the False Claims Act, private citizens can bring suit on behalf of the United States and share in any recovery obtained by the Government.

This settlement was the result of a coordinated effort to investigate and resolve the allegations by the U.S. Department of Justice, Civil Division, Commercial Litigation Branch; the U.S. Attorney's Office for the District of Columbia; the GSA OIG; the Air Force Office of Special Investigations; the Defense Criminal Investigative Service; the Naval Criminal Investigative Service; and the Department of the Navy, Acquisition Integrity Office.

Booz, Allen & Hamilton Agrees to Pay U.S. $325,000 for Fraudulent Billing

On May 29, 2009, Booz, Allen & Hamilton, Inc. (BAH) signed a release and settlement agreement with the U.S. to pay $325,000 for fraudulent billing practices. BAH is a GSA-schedule provider of information services. An investigation was initiated when a NASA contract specialist alleged that BAH was conducting practices of billing employees at higher job categories than justified by their experience, inflating monthly hours, and excessively billing at its off-site rate. The investigation verified these allegations and resulted in this settlement agreement.

Six Individuals Sentenced for Conspiracy to Bribe a Public Official

A joint investigation with the Defense Criminal Investigative Service (DCIS) was initiated when it was reported that a former GSA contractor employee at Ft. Belvoir, VA, may have provided bid information to a project manager at the