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Construction Company Pays \$2.3 Million to Resolve Fraudulent Overbilling in the Renovation of Logan Airport

Senior Employee at URS Corporation Allegedly Inflated Invoices

BOSTON – A California-based construction company has paid an additional \$2.3 million to resolve allegations that it submitted false and inflated invoices to the Massachusetts Port Authority (“Massport”) during the renovation of Logan International Airport, Attorney General Martha Coakley announced today. This amount is in addition to the \$1 million paid by URS Corporation (“URS”) to Massport prior to this litigation.

“Companies that are awarded contracts for state and local projects, funded by public dollars, must be held to a high standard,” said AG Coakley. “In this case, a senior level URS employee defrauded Massport and we pursued litigation to reclaim these funds as well as win additional payments for this behavior. We greatly appreciate the cooperation of Massport and their assistance with achieving this result.”

“Massport is grateful for the work of Attorney General Coakley and her staff to make certain the Authority was fairly reimbursed,” said David S. Mackey Interim CEO of Massport. “With this settlement, Massport will be compensated not only for the theft, but also for interest, and the time and effort by staff and outside counsel to protect our interests.”

The settlement resolves lawsuits filed against URS Corporation alleging that a former URS senior employee submitted hundreds of false and inflated invoices. These fraudulent invoices allegedly resulted in an overpayment of more than \$1.3 million. Massport filed suit in December 2009, alleging fraud, breach of contract, and unfair or deceptive trade practices. In December 2010, Attorney General Coakley filed a lawsuit against URS for violations of the Massachusetts False Claims Act. The two lawsuits were consolidated in January 2011.

URS has agreed to pay \$2.3 million to resolve these allegations, in addition to the approximately \$1 million URS had already paid Massport prior to this litigation. The \$2.3 million settlement includes repayment of those overcharges and payments to resolve claims filed under the Massachusetts False Claims Act. \$1.9 million of the settlement payment will be directed to Massport and \$400,000 to the Commonwealth’s General Fund.

The civil lawsuits concerned the misconduct of George Papadopoulos, the URS project manager for the Logan Renovation, and his submission of invoices to Massport on behalf of URS. On a monthly basis, Papadopoulos submitted claims to URS for thousands of dollars of personal reimbursements. Papadopoulos masked his phony reimbursement charges by submitting false invoices on behalf of URS to Massport which contained inflated labor and other charges. Massport would then pay URS the inflated amount and URS would reimburse Papadopoulos for his personal expenses.

On February 23, 2010, the Attorney General’s Office filed criminal charges against Papadopoulos, and on April 21, 2010, after pleading guilty to larceny and procurement fraud, [Papadopoulos was sentenced to four to five years in State Prison](#).

The Massachusetts False Claims Act was enacted in 2000, designed to combat fraud by government contractors. Since 2007, Attorney General Coakley has dedicated significant resources to false claims enforcement in transportation spending, Chapter 40B affordable housing

developments, and financial services purchased by governmental agencies. This initiative has resulted in the recovery of tens of millions in taxpayer funds.

This case was handled by Assistant Attorneys General Emily Armstrong and Jeffrey Walker, of AG Coakley's Consumer Protection Division, with assistance from Paralegal Yolanda Kruczkowski.

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