URS E & C Holdings, Inc. Agrees to Pay $9 Million to Resolve False Claims Act Allegations

URS E & C Holdings Inc., a successor in interest to the global design and construction company Washington Group International Inc. (WGI), has agreed to pay $9 million to settle allegations that WGI submitted false claims in connection with United States Agency for International Development (USAID) contracts, the Justice Department announced today.

"Contractors who misrepresent their eligibility for government contracts undermine the government procurement process," said Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department's Civil Division. "The Justice Department will take action to protect that process and to ensure that taxpayer funds are not misused."

"Government contractors must be honest and forthright," said U.S. Attorney Wendy J. Olson for the District of Idaho. "This settlement protects the integrity of the federal procurement process. Whether a situation involves procurement fraud, as in this case, or healthcare fraud or any other type of fraud and dishonesty, the U.S. Attorney's Office for the District of Idaho seeks to hold those obtaining public funds accountable."

The settlement concerns USAID-funded contracts for the construction of water and wastewater infrastructure projects in the Arab Republic of Egypt in the 1990s. The contracts were awarded to a joint venture partnership between WGI, Contrack International Inc. (Contrack) and Misr Sons Development S.A.E. (HAS), an Egyptian company. The United States filed suit under the False Claims Act and the Foreign Assistance Act, alleging that prior to the award of those contracts, the joint venture partners concealed from USAID that Contrack and HAS were partners in the venture, thus preventing USAID from evaluating their qualifications and eligibility, which was a precondition to contract award. As a result, WGI and its partners allegedly received USAID-funded contracts for which they were ineligible. The settlement resolves only WGI's liability. The United States previously settled with Contrack and is continuing to pursue its claims against HAS.

This settlement was the result of a coordinated effort by the Department of Justice, Civil Division, Commercial Litigation Branch; the U.S. Attorney's Office for the District of Idaho; and the USAID Office of Inspector General.

The case is United States v. Washington Group International Inc. f/k/a/ Morrison Knudsen, Corporation, Contrack International, Inc.; and Misr Sons Development S.A.E. a/k/a Hassan Allam Sons, No. 04-555 (D. Idaho). The claims resolved by this settlement are allegations only and there has been no determination of liability.