

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, August 7, 2018

Lockheed Martin Corporation/Mission Support Alliance Employee Enters Settlement of Alleged False Claims Act Violations in Connection With Contracts at Hanford Site

The Justice Department announced today that Richard A. Olsen agreed to pay \$124,440 to resolve claims that he violated the False Claims Act by submitting inflated prices in connection with a subcontract between Mission Support Alliance, LLC (MSA), a prime contractor at the Department of Energy (DOE) Hanford Nuclear Reservation, and Lockheed Martin Services, Inc. (LMSI), a subsidiary of Lockheed Martin Corporation (LMC). LMSI provided services to MSA as well as other prime contractors assisting with environmental cleanup services at the Hanford site near Richland, Washington. Mr. Olsen was an employee of LMC working for MSA. LMC, through a subsidiary, was one of the owners of MSA.

“We are committed to maintaining the integrity of the federal government’s procurement process,” said Acting Assistant Attorney General Chad A. Readler of the Justice Department’s Civil Division. “This investigation and its resolution demonstrate that the Justice Department will work with its agency partners to protect public funds and ensure they are used for their intended purposes.”

In August 2009, MSA began performance under a multi-billion dollar services contract with the DOE for the environmental cleanup of the Hanford Site. The United States alleged that under the terms of MSA’s contract with DOE, LMSI, as an affiliate of MSA, was not entitled to receive profit on the work it performed for MSA. The United States further alleged that Mr. Olsen, while he was an employee of LMC working for MSA, falsely represented to DOE that the LMSI subcontract did not include any profit. Mr. Olsen allegedly received a payment of at least \$41,480 from LMC for obtaining DOE’s consent to the inflated LMSI subcontract.

“This settlement requires Mr. Olsen to pay back three times the amount he received from the alleged fraud and holds Mr. Olsen accountable for his actions,” said Joseph H. Harrington, United States Attorney for the Eastern District of Washington. “It also sends a strong message to those individuals who may engage in similar conduct. I commend the outstanding investigative work performed by the Department of Energy Office of Inspector General, which made this resolution possible.”

“The Department of Energy Office of Inspector General is committed to ensuring the integrity of our contractors and subcontractors by detecting and holding accountable those who choose to engage in false claim and kickback schemes,” said DOE’s Acting Inspector General April G. Stephenson. “This settlement is a result of our staff’s dedicated work to ensure the government is not charged with false and inflated claims. We appreciate the efforts of the DOJ in pursuing this matter and will continue to work collaboratively with them to aggressively investigate those who seek to defraud Department programs.”

The investigation of Mr. Olsen was handled by the Civil Division’s Commercial Litigation Branch, the United States Attorney’s Office for the Eastern District of Washington, and the DOE Office of the Inspector General.

The claims settled by this agreement are allegations only, and there has been no determination of liability.

Topic(s):

False Claims Act

Press Release Number:

18-1026

Component(s):

Civil Division

USAO - Washington, Eastern

Updated August 7, 2018