

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Western District of Washington

FOR IMMEDIATE RELEASE

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DOJ reaches \$6.4 million settlement with large engineering and scientific consulting firm regarding overbilling on government contracts

CH2M Hill overbilled U.S. Air Force for work done by unqualified staff

Seattle – The U.S. Department of Justice and CH2M Hill have reached a \$6.4 million settlement to resolve allegations that CH2M Hill overbilled the U.S. Air Force for environmental consulting work and then continued to overbill despite an audit highlighting the problem, announced U.S. Attorney Brian T. Moran. At issue is the use of consulting staff who did not meet the minimum educational requirements of two Air Force contracts.

“We rely on those who apply for, and receive, government contracts to fulfill their end of the deal -- and that includes making sure that the personnel on the job are qualified for the job,” said U.S. Attorney Brian T. Moran. “As stewards of American's tax dollars, we need to make sure we get what we paid for.”

According to the settlement agreement, in 2017, CH2M Hill headquartered in Englewood, Colorado and with offices in Bellevue, Washington, reported an overpayment from the Air Force and paid the government \$10,529,707. The sum represents \$8,323,179 in overbilling and \$2,206,528 in interest between 2003 and 2014. In connection with that agreement, CH2M Hill admits that it billed under the government contract for employees who did not meet the educational and work experience qualifications in the contract.

The government contends that CH2M Hill knew of the overpayment as early as 2011, but attempted to keep the information secret by claiming that an audit of its labor practices was privileged information. Under the law, the government is allowed to collect double damages, but due to statute of limitations constraints, that amount is capped at \$6,400,000.

“This investigation highlights the patience and perseverance of the Air Force Office of Special Investigations’ Office of Procurement Fraud Investigations and our Department of Defense and Department of Justice partners, who work diligently day in and day out to identify and neutralize fraudulent activity affecting the DoD and our U.S. Government,” said Special Agent Anthony Walker, AFOSI Office of Procurement Fraud Investigations, Detachment 2. “No company or person who defrauds the U.S. Government is outside of the reach of justice.”

CH2M Hill is not admitting any wrongdoing with the settlement, which resolves all claims.

The case was investigated by the Defense Contract Audit Agency (DCAA) and the settlement was negotiated by Assistant United States Attorneys Kayla Stahman and Pooja Davé.

Topic(s):

Financial Fraud

Component(s):

USAO - Washington, Western

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