



U.S. Department of Justice

*United States Attorney
District of Maryland*

*Rod J. Rosenstein
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
4th Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

October 7, 2014
FOR IMMEDIATE RELEASE
www.justice.gov/usao/md

**Contact AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885**

DEFENSE CONTRACTOR AGREES TO PAY \$13.7 MILLION TO SETTLE ALLEGATIONS OF OVERBILLING

Baltimore – DRS Technical Services, Inc. has agreed to pay \$13.7 million to settle allegations that it violated the False Claims Act by overbilling the government for work performed by DRS personnel who lacked the job qualifications required by contract.

The settlement was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Acting Assistant Attorney General Joyce R. Branda for the Justice Department's Civil Division; Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service (DCIS) Mid-Atlantic Field Office, an investigative arm of the Department of Defense – OIG; Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit; and the Defense Contract Audit Agency (DCAA), an audit arm of the Department of Defense;

"Companies that submit false bills to the government must be held accountable," said U.S. Attorney Rod J. Rosenstein.

"Contractors that fail to provide qualified labor as promised are not entitled to bill the government as though they had," said Acting Assistant Attorney General Joyce R. Branda for the Justice Department's Civil Division. "The Department of Justice will pursue contractors that claim taxpayer funds to which they are not entitled."

DRS Technical Services, Inc. (DRS) is principally located in Herndon, Virginia and is a subsidiary of DRS Defense Solutions LLC. DRS designs, integrates, operates and maintains satellite and wireless network solutions and telecommunication services and security systems for government and private sector customers. DRS C3 & Aviation Company, which is headquartered in Gaithersburg, Maryland, is an indirect subsidiary of DRS and provides services to government agencies, including aircraft maintenance, logistics and depot support, and engineering support. Between March 2003 and December 31, 2012, DRS and its predecessors were awarded time and materials contracts for services and supplies to be provided to the Army's Communication and Electronics Command (CECOM) in Iraq and Afghanistan, and to the Coast Guard for aircraft maintenance.

The government contends that from January 1, 2003 to December 31, 2012, DRS billed CECOM for work performed by individuals whose job qualifications did not meet all the qualifications prescribed by the contracts for the labor categories under which their efforts were billed, thereby falsely increasing the amount of money DRS claimed and CECOM paid. Similarly,

from December 19, 2009 to December 18, 2011, the government contends that DRS charged the Coast Guard's Aviation Logistics Center for work performed by individuals whose job qualifications did not meet the qualifications prescribed by the contract, again, thereby inflating the cost of the services provided.

“This settlement is yet another example of the tenacity and hard work of our Army CID agents,” said Director Frank Robey of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit (MPFU). “It is a testament to MPFU's continued resolve to hold companies accountable for the work they do for the U.S. government.”

The claims resolved by the settlements are allegations only and there has been no determination of liability.

The settlement was the result of an investigation by the U.S. Attorney's Office for the District of Maryland, the Justice Department's Civil Division, DCAA, DCIS and the Army's CID Investigative Command's MPFU. Assistant U.S. Attorney Tarra DeShields handled the case.