



THE UNITED STATES ATTORNEY'S OFFICE

EASTERN DISTRICT *of* PENNSYLVANIA

Malvern Company Pays \$265,000 To Resolve Overbilling Allegations

FOR IMMEDIATE RELEASE

February 4, 2015

PHILADELPHIA - Silicon Power Corporation, a manufacturer of semiconductor devices and high-power utility systems in Malvern, Pennsylvania, has agreed to pay \$265,000 to resolve civil allegations that the facility overbilled and mischarged the United States Army under two contracts, announced United States Attorney Zane David Memeger.

Specifically, the United States alleged that between 2004 and 2012, Silicon Power overbilled and mischarged the Army under the contracts by billing: the same amount on multiple vouchers; sums reflected in purchase orders when the invoices reflected lower actual costs; sums that subcontractors had credited back to Silicon Power; sums that reflected accrued expenses when Silicon Power incurred lower actual invoiced expenses; sums that failed to reflect volume discounts that Silicon Power received; sums for travel expenses that were higher than Silicon Power's internal cost reports for the travel; sums that Silicon Power carried over from previous vouchers without adjusting to reflect current costs; and sums for project numbers for which the contracts did not allow payment. As part of the settlement, Silicon Power did not admit to liability or wrongdoing.

"This agreement demonstrates our commitment to ensuring that defense contractors meet their obligations and comply with Department of Defense rules and regulations," said Memeger. "Agreements like these preserve the integrity of the procurement system and save money for the United States and the taxpayers."

The allegations arose from an investigation led by the Defense Criminal Investigative Service and the United States Army Criminal Investigation Command – Major Procurement Fraud Unit. The case was handled by Assistant United States Attorneys Michael S. Macko and Mark J. Sherer.