



U.S. Department of Justice

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NEWS RELEASE

DHS TECHNOLOGIES AGREES TO PAY \$1.9 MILLION TO SETTLE FALSE
CLAIMS ACT ALLEGATIONS

The United States Attorney's Office for the Middle District of Pennsylvania announced today that DHS Technologies LLC and its subsidiary, DHS Systems LLC (collectively "DHS"), have agreed to pay \$1.9 million, plus interest, to the United States to resolve allegations that DHS violated the False Claims Act by failing to disclose to the General Services Administration ("GSA") that it offered greater discounts to Northrop Grumman Corporation for the same items during the negotiation for the re-award of a government contract. DHS is headquartered in Orangeburg, NY and is a global provider of quick erect/strike mobile infrastructure systems for military, medical, government and civilian organizations around the world.

This settlement resolves allegations that in 2007 DHS failed to inform the GSA during contract re-award negotiations, as it was required to do, that products offered for sale to the United States and its agencies were offered for sale at lower

prices to a commercial company. This resulted in federal agencies paying more for the products from 2007 through 2013 than they would have had the GSA known about the lower prices. The settlement arose from a lawsuit filed by a whistleblower under the *qui tam* provisions of the False Claims Act. Under that act, private citizens can bring suit on behalf of the government for false claims and share in any recovery.

The case was handled by the Justice Department's Civil Division, the United States Attorney's Office for the Middle District of Pennsylvania, the General Services Administration Office of Inspector general, the Army Criminal Investigation Division, the Defense Criminal Investigation Service, and the Defense Contract Audit Agency. The case was litigated by Trial Attorney Holly Snow of the Justice Department's Civil Division and Assistant United States Attorney Timothy S. Judge of the United States Attorney's Office for the Middle District of Pennsylvania.

The case is *United States ex rel. McKinney v. DHS Technologies, LLC, et al.*, Civ. No. 3:CV-11-146 (M.D. Pa.). The claims resolved by the settlement are allegations only; there has been no determination of liability.