



Department of Defense  
Office of the Inspector General

# Information Release

FOR IMMEDIATE RELEASE

March 15, 2007

## **WATEC, Incorporated Pleads Guilty to Submitting False Claims to the Government**

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that WATEC, Incorporated (WATEC), a Tennessee based company formerly operating the Coastal Water Purification Training Center (CWPTC), Fort Story, VA, pled guilty in U.S. District Court for the Eastern District of Virginia, Norfolk, VA, to a single count Criminal Information charging the corporation with making and presenting and causing to be made and presented false, fictitious and fraudulent claims to the Department of Defense, in violation of Title 18, United States Code, Section 287.

An investigation found that on or about April 2002 through September 2003, WATEC prepared and submitted for payment 36 invoices totaling \$421,532.33 in direct costs, which WATEC knowingly did not incur, on a subcontract with the Department of the Army that provided for training and maintenance on various types of water purification units at the CWPTC.

Sentencing in this matter is scheduled for June 18, 2007. A plea agreement filed with the Court requires WATEC to make full restitution of \$421,532.33 within thirty days. In addition, WATEC faces a maximum penalty of a \$1,000,000 fine, five years probation and a \$400 special assessment.

This investigation was conducted jointly by the Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD) and the U.S. Army Criminal Investigation Command, with audit support provided by the Defense Contract Audit Agency. Assistant U. S. Attorney Alan M. Salsbury of the Norfolk Virginia U. S. Attorney's Office, handled the prosecution of this case.

For further information, contact Geoffrey A. Cherrington, Special Agent in Charge, Mid-Atlantic Field Office at (703) 604-8411.

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