



Department of Defense
Office of the Inspector General

Information Release

FOR IMMEDIATE RELEASE

October 11, 2007

WATEC, Incorporated Sentenced for 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, was sentenced to five years probation, fined \$700,000, and ordered to pay \$421,532.33 restitution and \$400 special assessment.

WATEC pled guilty on March 15, 2007, 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 DoD, 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.

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 U.S. Attorney's Office, Norfolk, VA, 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.

To report suspected fraud, waste, and abuse within DoD programs, contact the Defense Hotline toll-free at (800) 422-9098, e-mail: hotline@dodig.mil/, or visit them on the World Wide Web at <http://www.dodig.mil/hotline/>.

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