

Contractor Enters into \$6.5 Million Settlement

On March 15, 2005, Dehon, Inc., formerly known as Arthur D. Little, Inc. (ADL), Cambridge, Massachusetts, entered into a \$6.5 million settlement agreement with the U.S. Attorney's Office for the District of Massachusetts, Civil Division, to settle claims that ADL overbilled the Federal Government on its contracts.

From 1990 to 2000, ADL inflated costs it charged to the Federal Government contracts by improperly shifting costs uniquely associated with its commercial contracts onto Federal contracts. The Defense Contract Audit Agency conducted an analysis of the costs charged to Federal contracts and estimated that \$13.9 million was overbilled to numerous Government agencies, including EPA, the Department of Defense, and the Department of Energy. The EPA work involved Superfund and engineering activities.

In February 2002, ADL filed for relief under Chapter 11 of the U.S. Bankruptcy Code. Payment of this settlement agreement will be in accordance with the terms and conditions of the bankruptcy filing.

This investigation was conducted jointly with the Defense Criminal Investigative Service.