

## **Contractor Enters into \$1 Million Settlement Agreement**

On December 23, 2005, while making no admission of wrongdoing or liability, Washington Group International, Inc. (WGI), formerly known as Morrison Knudson Corporation, entered into a \$1 million settlement agreement with the U.S. Department of Justice, Civil Division, and the U.S. Attorney's Office for the Northern District of Oklahoma.

In its case, the Government alleged that between 1996 and 2003, WGI submitted false representations and certifications in progress reports submitted to the Government. WGI also improperly billed costs during its performance of a U.S. Army Corps of Engineers contract funded by EPA to perform cleanup activities at the Tar Creek Superfund Site, Northern Ottawa County, Oklahoma. These false representations and claims resulted in the Government paying more for the cleanup contract than was necessary. Specifically, it was alleged that WGI required truck drivers and others to falsely record, on truck tickets and other reports, more cubic yardage, truck loads, and/or full loads than were actually hauled; directed or caused truck drivers to give the false appearance that the trucks were being fully and efficiently utilized for their intended purpose; paid full salary to workers who had been injured on the job and therefore should have been paid worker's compensation benefits rather than wages; and billed the Government for time and expenses associated with transporting injured workers to medical care.

The settlement resolved a suit filed under the qui tam, or whistleblower, provisions of the False Claims Act, initially filed in January 2000 by several former employees and subcontractors. The False Claims Act qui tam statute allows persons who file successful actions alleging fraud against the Government to receive a share of any resulting recovery. The former employees will receive approximately \$294,000.

WGI also entered into a compliance agreement with the EPA Suspension and Debarment Division. According to the agreement, WGI must continue to maintain its internal audit program, program efficiency and cost accountability system, code of business conduct, and ethics and compliance training program.

*This investigation was conducted jointly with the Defense Criminal Investigative Service and the U.S. Army Criminal Investigation Command. (Case Cost: \$358,404)*