

## **Four Multinational Firms Repay Millions to Settle Allegations of Overbilling**

In December 2005, while making no admission of wrongdoing or liability, Bearingpoint, Inc.; Booz Allen Hamilton, Inc.; Ernst & Young, LLP; and KPMG, LLP, each settled lawsuits concerning alleged false claims for travel reimbursement submitted to numerous Federal agencies, including EPA. Bearingpoint has agreed to pay \$15.0 million to settle the matter, Booz Allen \$3.37 million, Ernst & Young \$4.47 million, and KPMG \$2.77 million.

In relation to work performed for the Government, all four firms received rebates on travel expenses from airlines, credit card companies, hotels, rental car agencies, and travel service providers. The companies did not consistently disclose the existence of these travel rebates to the United States and did not reduce travel reimbursement claims by the amounts of the rebates. The lawsuits alleged that Bearingpoint, Booz Allen, Ernst & Young, and KPMG each knowingly presented claims for payment to the United States for amounts greater than the travel expenses actually incurred, violating contractual provisions and the applicable provisions of the Federal Acquisition Regulations.

The settlement resolved suits filed by Neal A. Roberts in January 2001 under the qui tam, or whistleblower, provisions of the False Claims Act. 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. Mr. Roberts will receive an amount to be determined in the near future.

*This investigation was conducted by the Civil Division of the U.S. Department of Justice; the U.S. Attorney's Office for the Central District on California; the U.S. Army Criminal Investigation Command (Major Procurement Fraud Unit); the Defense Criminal Investigative Service; the Defense Contract Audit Agency; and the Offices of Inspector General for the U.S. Department of Energy, National Aeronautics and Space Administration, U.S. Department of Transportation, General Services Administration, U.S. Postal Service, Agency for International Development, U.S. Department of Treasury, and U.S. Environmental Protection Agency. (Case Cost: \$64,143)*