

Department of Justice

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**Contrack International Inc. Agrees to Pay \$3.5 Million
to Resolve False Claims Act Allegations**

Contrack International Inc., a global design and construction company headquartered in McLean, Va., has agreed to pay \$3.5 million to settle allegations that it submitted false claims in connection with U. S. Agency for International Development (USAID) contracts, the Justice Department announced today.

“Misrepresentations during contract negotiations undermine the integrity of the government procurement process,” said Stuart F. Delery, Acting Assistant Attorney General for the Civil Division. “The Justice Department will take action where contractors misrepresent their qualifications for government contracts and programs.”

The settlement concerns USAID-funded contracts for the construction of water and wastewater infrastructure projects in the Arab Republic of Egypt in the 1990s. The bidders for these contracts were required to receive prequalification and, in some cases, establish that they were U. S. companies. However, the contracts were ultimately performed by a joint venture partnership among Contrack; Washington Group International, Inc., a subsidiary of URS Corporation; and Misr Sons Development S.A.E. (Hassan Allam Sons), an Egyptian company. The government filed suit under the False Claims Act and the Foreign Assistance Act alleging that the joint venture partners evaded the prequalification requirement by concealing the identity of the joint venture partners, which prevented USAID from accurately evaluating their qualifications. As a result, the government alleged that Contrack and its partners received USAID-funded contracts for which they were ineligible.

“Proper public contracting, government efficiency and government accountability rely on complete information from contractors,” said Wendy J. Olson, U.S. Attorney for the District of Idaho. “Along with our partners at USAID and the Department of Justice’s Commercial Litigation Branch, we will aggressively seek to recover improperly awarded taxpayer dollars.”

This settlement – which resolves only Contrack’s liability – was the result of a coordinated effort by the Department of Justice, Civil Division, Commercial Litigation Branch; the U.S. Attorney’s Office for the District of Idaho; and the USAID Office of Inspector General. The government is continuing to pursue its claims against the other two defendants in the suit.

The case is United States v. Washington Group International Inc. f/k/a/ Morrison Knudsen, Corporation; Contrack International, Inc.; and Misr Sons Development S.A.E. a/k/a Hassan

Allam Sons, No. 04-555 (N.D. Idaho). The claims resolved by this settlement are allegations only, and there has been no determination of liability.

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Civil Division