



U.S. Department of Justice

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PRESS RELEASE

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Harbert Companies Agree to Pay \$47 Million To Resolve False Claims Act Allegations

WASHINGTON - Harbert Corporation, Harbert International, Inc., Bill Harbert International Constructions Inc., Harbert Construction Services (U.K.) Ltd. and Bilhar International Establishment have agreed to pay the United States \$47 million to settle claims that they submitted false claims, and caused others to submit false claims, to the U.S. Agency for International Development (USAID), the Justice Department announced today.

The settlement resolves claims under the False Claims Act that the Harbert entities conspired to rig the bids on a USAID-funded construction contract that was bid and performed in Cairo, Egypt, in the late 1980s and early 1990s. Harbert International Inc. was part of a joint venture that bid on, and was ultimately awarded, Contract 20A to build a sewer system. The United States alleges that various Harbert entities entered into agreements with other potential bidders on Contract 20A to ensure that the joint venture would win the bid. The United States contends that other potential bidders agreed to either not bid or bid intentionally high in return for a payoff. The United States previously obtained a judgment against Harbert Construction Services (U.K.) Ltd. and Bilhar International Establishment on these claims.

“Attempts to collude or rig bids undermine the integrity of the government contracting process,” said Stuart F. Delery, Acting Assistant Attorney General for the Civil Division. “As this case demonstrates, we will take action against those who seek to abuse that process and pad their profits at taxpayer expense.”

“This case demonstrates our endurance in the fight against corporations that attempt to defraud the government,” said Vincent H. Cohen Jr., Principal Assistant U.S. Attorney for the District of Columbia. “Two decades after a bid-rigging conspiracy corrupted a massive construction project in Egypt, we have obtained a \$47 million settlement on behalf of the American taxpayer. Our resolve in this matter should serve as a warning to other contractors who are thinking about abusing the contracting process.”

The allegations that the Harbert entities conspired to rig the bidding on the contract were first made in a lawsuit that whistleblower Richard F. Miller filed in the U.S. District Court for the District of Columbia in 1995. Under the qui tam provisions of the False Claims Act, private citizens may file actions on behalf of the United States alleging the submission of false claims and share in any recovery. The claims settled by this agreement against Harbert Corporation, Harbert International Inc., and Bill Harbert International Constructions Inc. are allegations only, and there has been no determination of liability.

“It’s been a very long road to justice in this case. We are pleased that it has ended with this significant recovery of taxpayer funds,” said Michael G. Carroll, Acting Inspector General, USAID.

This matter was handled by the Commercial Litigation Branch of the Civil Division, the U.S. Attorney’s Office for the District of Columbia and USAID’s Office of Inspector General.

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