



U.S. Department of Justice

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## PRESS RELEASE

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### **Former CEO of Souktel, Inc., Agrees to Pay \$100,000 to Settle False Claims Act Allegations**

WASHINGTON – The former Chief Executive Officer of Souktel, Inc., Jacob Korenblum, has agreed to pay the United States \$100,000 to resolve allegations that he knowingly caused employees of the company to submit false claims to the United States Agency for International Development (USAID), in Souktel’s performance of grants and contracts to provide customized technology platforms on aid projects in developing countries.

The announcement was made today by U.S. Attorney Matthew M. Graves and Special Agent in Charge Vanessa Freeman for the USAID Office of Inspector General.

“Companies and individuals that do business with the federal government have a responsibility to have controls in place to prevent overbilling and charge only for the work that is actually performed,” said U.S. Attorney Graves. “This case underscores our resolve to work with USAID and other partners to promote accountability and protect taxpayers’ money. It also underscores that companies that discover and disclose their wrongdoing and cooperate in the government’s investigation will be in a far better position than those that fail to disclose their wrongdoing.”

“USAID-funded organizations must ensure that invoices submitted to the government for payment reflect actual work performed on a project,” said USAID OIG Special Agent in Charge Freeman. “USAID OIG, using its global investigative resources, will continue to work with the Department of Justice to hold accountable those who compromise the integrity of important U.S. foreign assistance programs.”

Souktel was a digital consulting firm based in Delaware, with offices in Washington, D.C., Toronto, Canada, and Ramallah, West Bank. Beginning in 2013, the firm was awarded USAID-funded sub-grants and sub-contracts to design and build software programs for mobile

phones, used to reach aid workers and beneficiaries in developing countries. In 2019, Souktel self-disclosed to USAID OIG that it had made significant overbillings to USAID prime implementers on several of its projects. The company dissolved in 2021.

The U.S. Attorney's Office and USAID OIG determined that between February 2014 and January 2017, Souktel submitted at least 55 invoices that contained false or speculative labor hours for its staff. Specifically, despite being under cost-reimbursement awards and required to bill USAID only for labor hours incurred, Souktel, at the direction of its CEO, Jacob Korenblum, submitted fabricated timesheets to five prime awardees to support false or speculative labor hours of its staff while working on USAID-funded projects.

Korenblum cooperated with the investigation and agreed to settle the matter prior to a determination of liability in a civil case. Under the settlement agreement, he agreed to pay \$100,000 on top of slightly more than \$90,000 that Souktel paid as reimbursement to USAID after its self-disclosure.

The investigation in this matter was conducted by USAID OIG and Assistant U.S. Attorney John C. Truong of the Civil Division of the U.S. Attorney's Office for the District of Columbia.

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