NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California

United States Attorney
Carol C. Lam

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For Immediate Release

NEWS RELEASE SUMMARY - October 4, 2004

United States Attorney Carol C. Lam announced today that defense contractor Photon Research Associates, Inc. (PRA) and Dr. James A. Myer (Myer) have paid $1,900,000 to settle a civil fraud case filed on October 23, 2003. This action was filed under the *qui tam* provisions of the False Claims Act, 31 U.S.C. Sec. 3729, *et seq.*, which allows private citizens ("relators") to bring actions, filed under seal, on behalf of the United States. The allegations were investigated by the Defense Criminal Investigative Service (DCIS) and the Defense Contract Audit Agency (DCAA), in conjunction with the United States Attorney's Office.

The civil complaint filed in the case alleges that PRA and Myer caused false claims to be submitted to the United States in the form of invoices containing inflated labor costs billed to Government defense contracts. On October 1, 2004, United States District Judge M. James Lorenz entered an order unsealing this action and approving the dismissal of the case.

PRA is based in San Diego. Myer is PRA's founder, CEO, and Chairman. The Relator, represented by the San Francisco law firm Phillips and Cohen, received a percentage of the settlement totaling $361,000, as permitted under the False Claims Act.

U. S. Attorney Lam praised the efforts of DCIS, which conducted the investigation, and DCAA, which provided invaluable assistance in this case to help achieve the civil settlement on behalf of the United States.

DEFENDANTS   03 CV 2103 J(RBB)

Photon Research Associates, Inc. (PRA)

Dr. James A. Myer (Myer).

SUMMARY OF CHARGES

False Claims Act, 31 U.S.C. §§ 3729-3733

AGENCIES

Defense Criminal Investigative Service
Defense Contract Audit Agency