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PRESS RELEASE

\$1.31 MILLION RECOVERED FROM COMPANIES THAT ALLEGEDLY DEFRAUDED USAID

Washington, D.C. – The U.S. Agency for International Development (USAID), Office of Inspector General announced today that two companies, GA Paper International (USA) Inc. and Ramtech Overseas Inc., have agreed to pay a total of \$1.31 million to settle allegations they defrauded USAID while participating in the agency's Commodity Import Program. A civil suit filed by United States Attorney's Office for the Southern District of New York alleges the two companies knowingly submitted more than 100 false and inflated claims for reimbursement. The two separate settlement agreements were approved on October 6, 2005 by United States District Court in Manhattan.

Under USAID's Commodity Import Program, companies exporting goods to foreign nations -- in this case Egypt -- may apply to USAID for reimbursement of the cost of the commodities, freight, and insurance. In return, the Egyptian importer of the goods pays the same cost of the transaction into a USAID account in Egypt that funds economic development projects. This arrangement promotes trade between U.S. and Egyptian companies and, at the same time, generates funds to be used for economic development projects in Egypt.

The Government's complaint alleges the defendants violated the False Claims Act by knowingly submitting more than 100 false and inflated claims for reimbursement to USAID, overstating the charges actually incurred for freight and insurance. In some cases, the defendants allegedly erased the actual charge that appeared on freight bills and typed in a different, inflated charge. It is further alleged, as a result of the defendants' actions, federal funds budgeted for economic development projects abroad instead went to reimburse the defendants for freight and insurance charges they had not, in fact, incurred.

In settling the allegations, neither GA Paper International (USA) Inc. nor Ramtech Overseas Inc. admits any wrongdoing or liability. Under the terms of their respective agreements, GA Paper International (USA) Inc. agreed to pay \$1.18 million, and Ramtech Overseas Inc. agreed to pay \$130,000.

Acting Deputy Inspector General Paula F. Hayes stated: "The US taxpayer demands all who participate in the foreign assistance program do so in a transparent and lawful way. Attempts to illicitly profit from



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our development resources will not be tolerated and will be pursued aggressively by this office." Mrs. Hayes praised the hard work and dedication of Assistant United States Attorney David J. Kennedy in the prosecution of this case.