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PRESS RELEASE

PRICEWATERHOUSECOOPERS TO PAY \$41.9 MILLION TO SETTLE FALSE CLAIMS REGARDING TRAVEL REIMBURSEMENTS

WASHINGTON, D.C. – The Office of Inspector General (OIG) for the United States Agency for International Development (USAID) announced today that PriceWaterhouseCoopers, LLP (PWC) has agreed to pay the U.S. government \$41.9 million to resolve allegations that it made false claims to the United States in connection with travel reimbursement under contracts it had with several federal agencies. The OIG further announced that the portion of the total recovery attributable to USAID contracts is \$3.36 million.

This settlement is the result of a multi-agency joint taskforce investigation, which confirmed allegations that PWC received rebates for its federally-financed travel expenses from various travel and credit card companies, airlines, hotels, rental car agencies and travel service providers, and despite a duty to do so, PWC did not consistently disclose the existence of these travel rebates to the United States nor did it reduce the travel reimbursement claims it submitted to the government by the amounts of the rebates.

The settlement agreement resolves an action originally filed under the *qui tam* (whistleblower) provision of the False Claims Act (31 USC 3730) by a private individual. This provision of the False Claims Act allows private individuals who file successful actions alleging fraud against the government to receive a share of any resulting financial recovery obtained by the government. After conducting its investigation, the Department of Justice decided to exercise its option to join the individual's original action and filed a Complaint in Intervention for the purpose of achieving this settlement. The amount of money the individual will receive from the \$41.9 million settlement will be determined in the near future.

In filing its Complaint in Intervention, the government alleged that PWC knowingly presented claims for payment to the United States for amounts greater than the travel expenses it actually incurred, in violation of contractual provisions and the applicable provisions of the Federal Acquisition Regulations.

USAID's Acting Inspector General Bruce N. Crandlemire stated that: "This multi-agency investigative effort and the ensuing result should serve notice to those who would attempt to defraud the government on a large scale, and across jurisdictional lines, that government investigative resources can and will be pooled and coordinated in order to ensure full accountability of taxpayer dollars."

In addition to the USAID/OIG, other offices participating in the task force investigation included: The Civil Division of the Department of Justice and the United States Attorney's Office for the Central District of California, the Army's Criminal Investigation Division (Major Procurement Fraud Unit), the Defense Criminal Investigative Service, the Defense Contract Audit Agency, and the Offices of the Inspector General for the Department of Energy, the National Aeronautics and Space Administration, the Department of Transportation, the General Services Administration, the United States Postal Service, the Environmental Protection Agency, and the Department of Treasury.

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