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## **Virginia-Based Defense Contractor Calnet to Pay \$18.1 Million to Resolve False Claims Act Lawsuit**

FOR IMMEDIATE RELEASE

June 1, 2012

WASHINGTON – Calnet Inc. has agreed to pay the United States \$18.1 million to resolve allegations that the company submitted false claims to the Department of Defense, the Justice Department announced today. Calnet Inc., an intelligence analysis, information technology and language services company, is headquartered in Reston, Virginia.

The settlement with Calnet relates to three contracts under which the company supported the United States' war effort by providing translation and linguist services at Guantanamo Bay and several other facilities beginning in 2005. Calnet was a subcontractor on one of the contracts, and the prime contractor on the other two contracts. The United States alleged that Calnet overstated its provisional indirect or overhead rates on each of these contracts and thus submitted inflated claims for payment to the United States.

"Contractors are expected to comply with their statutory obligations and act in good faith when dealing with the United States government," said Stuart F. Delery, Acting Assistant Attorney General for the Department of Justice's Civil Division. "We will not tolerate false statements and failure to disclose information that is important to the government's contracting processes."

"We're using every tool available to assure the integrity of government contracting," said U.S. Attorney MacBride. "This is one of several cases we have pursued to protect against procurement fraud in the Eastern District of Virginia."

The settlement with Calnet resolves a lawsuit filed in the U.S. District Court for the Eastern District of Virginia under the False Claims Act by former Calnet employee, Kimthy Chao. Under the False Claims Act, private citizens can bring suit on behalf of the United States and share in any recovery obtained by the government. Mr. Chao's share of the Calnet settlement will be \$2,669,724.

This settlement was the result of a coordinated effort by the Department of Justice, Civil Division, Commercial Litigation Branch; the U.S. Attorney's Office for the Eastern District of Virginia; the Defense Criminal Investigative Service and the Defense Contract Audit Agency. The claims settled by this agreement are allegations only and there has been no determination of liability.