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Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Wednesday, October 11, 2017

U.S. Attorney Reaches Settlement for False Claims Act Violations on Project Management Oversight Contract

Project Management Oversight Entity Agrees to Pay \$900,000

PHILADELPHIA – Louis D. Lappen, Acting United States Attorney for the Eastern District of Pennsylvania, announced today that the United States had reached a civil settlement with URS Corporation (“URS”) resolving civil claims concerning URS’ improperly billing under a Joint Venture Project Management Oversight Agreement (“PMO”) with Amtrak. To resolve the government’s civil claims against it, URS has agreed to pay the United States \$900,000.00 pursuant to the settlement agreement.

URS and its joint venture partner performed project management functions on several Amtrak construction projects throughout the eastern United States. The PMO contract required that URS bill actual labor and overhead rates for the employees working the various projects. The United States contends that it has certain civil claims against URS arising from URS’ billing under the PMO contract during the period January 1, 2011 through December 31, 2014. This conduct included: a) continuing to bill overhead at a maximum rate listed in the Joint Venture PMO Contract without adjusting the overhead rate to actual costs incurred; and b) billing employees at home overhead rates although they were considered as field employees’ in URS’ general ledger.

The case arose when an audit of URS’ billing showed discrepancies. Amtrak and the Department of Transportation’s Offices of Inspector General investigated this case. For the United States Attorney’s Office for the Eastern District of Pennsylvania, Assistant United States Attorney Colin Cherico and Auditor Dawn Wiggins handled the investigation and settlement.

The claims resolved by this settlement agreement are allegations only and there has been no determination of liability.

Topic(s):
False Claims Act

Component(s):
USAO - Pennsylvania, Eastern

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