

Department of Justice

FOR IMMEDIATE RELEASE MONDAY, JANUARY 23, 2017 WWW.JUSTICE.GOV CIV (202) 514-2007 TTY (866) 544-5309

WASHINGTON RIVER PROTECTION SOLUTIONS AGREES TO PAY \$5.275 MILLION TO SETTLE FALSE OVERTIME AND PREMIUM PAY ALLEGATIONS

WASHINGTON – Washington River Protection Solutions LLC (WRPS) has agreed to pay the United States \$5.275 million to settle allegations that WRPS knowingly submitted false claims to the Department of Energy (DOE) for overtime and premium pay and also failed to comply with the contract's internal audit requirements. The contract was performed at DOE's Hanford Site near Richland, Washington.

"The monies utilized by DOE to fund important nuclear site environmental remediation across the nation are both precious and limited," said Deputy Assistant Attorney General Joyce R. Branda of the Justice Department's Civil Division. "Today's settlement demonstrates that the Department of Justice will pursue contractors that knowingly divert those funds from the projects for which they were provided."

Since 2008, WRPS has received millions of dollars from a prime contract with DOE to perform environmental cleanup and maintenance efforts at an area of DOE's Hanford Nuclear Site known as the Tank Farms. The Tank Farms is a large area of the Hanford Site consisting of underground storage tanks that contain radioactive and hazardous waste from nuclear weapons production. The government alleged that, upon being awarded the Tank Farms Contract in October 2008, WRPS was advised by law enforcement of specific concerns about systemic timecard fraud being committed by the previous contractor at the Tank Farms, many of whose employees and procedures were retained by WRPS. WRPS allegedly made no actual changes to the timekeeping procedures at the Tank Farms for nearly five years and did not take steps, until after July 2013, to curtail the prior fraudulent practices. As a result, the government alleged that WRPS knowingly charged DOE for overtime for busy work or for work that was not actually performed and premium emergency call-in pay that was not authorized by the Tank Farms Contract.

The government also alleged that WRPS charged the government for auditing work that was not performed. WRPS allegedly installed as the head of the contractually required Internal Audit Department for the first three years of the Tank Farms contract its own general counsel, who allegedly had no auditing experience and failed to provide any meaningful oversight of the Audit Department. The government alleged that this knowing violation of an important safeguard in the contract enabled the extensive timecard fraud.

"This resolution demonstrates law enforcement's continuing resolve in the Eastern District of Washington to hold fraudsters at all levels accountable," said U.S. Attorney Michael C. Ormsby for the Eastern District of Washington. "In particular, the ongoing anti-fraud efforts at Hanford continue to be bolstered by the outstanding dedication of this office's partners at the Department of Energy Office of Inspector General and at the Department of Justice Civil Frauds Section."

"The Department of Energy Office of Inspector General is committed to ensuring the integrity of Departmental contracts and financial expenditures," said Acting Inspector General April G. Stephenson. "We will continue to investigate allegations of fraudulent diversion of tax dollars throughout DOE programs. This settlement is a result of our staff's dedicated work to ensure public funds are used for the mission-related purposes for which they are intended. We appreciate the support of Department of Justice attorneys in these matters."

The settlement was the result of a coordinated effort by the U.S. Attorney's Office for the Eastern District of Washington, the Civil Division's Commercial Litigation Branch and the U.S. Department of Energy, Office of the Inspector General.

The claims resolved by the settlement are allegations only; there has been no determination of liability.

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