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FOR IMMEDIATE RELEASE

Tuesday, February 6, 2018

Defense Contractor Agrees To Pay Over A Half-Million Dollars To Settle False Claims Act Allegations Relating To Charging Unallowable Costs On Army Contract

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Baltimore, Maryland – Integral Consulting Services, Inc. has agreed to pay the United States \$505,838.00 to settle False Claims Act allegations that it submitted false claims to the United States by inflating certain indirect cost rates in connection with work performed on a Department of the Army contract.

The civil settlement was announced by Acting United States Attorney for the District of Maryland Stephen M. Schenning; Special Agent in Charge Robert E. Craig, Jr. of the Defense Criminal and Civil Investigative Service - Mid-Atlantic Field Office; and Special Agent in Charge L. Scott Moreland, Mid-Atlantic Fraud Field Office, Major Procurement Fraud Unit, U.S. Army CID.

Integral Consulting Services, Inc. ("ICS") is a Maryland-based company that provides IT solutions to federal government agencies and commercial organizations. The services ICS provides range from biometric technologies to enterprise IT management and development of software applications. In 2012, ICS was awarded an Army contract, W911W5-12-D-0002, under which it was required to provide the Army's National Ground Intelligence Center's Biometric Intelligence Program with identity intelligence analysis support.

The civil settlement agreement resolves allegations that from on or about May 1, 2012 through June 27, 2014, ICS took costs and expenses it and its employees incurred in connection with litigation arising out of a teaming agreement with another contracting company and included the costs and expenses in the General and Administration (“G&A”) indirect cost pool that was spread amongst ICS’s various government contracts, including Army Contract Number W911W5-12-D-0002, and submitted to the United States government. The inclusion of such costs had the effect of inflating the claims paid by the Army to ICS.

The civil settlement resolves United States ex rel. Amit Dalal v. Integral Consulting Services, Inc., Civ. No. GJH-14-2529 (D. Md.), a lawsuit filed by a relator under the whistleblower provision of the False Claims Act. The Act permits private parties to file suit on behalf of the United States for false claims and obtain a portion of the recovery by the United States. As part of the civil resolution, the relator will receive approximately \$92,315.

Acting United States Attorney Stephen M. Schenning commended the DCIS and the Army Major Procurement Fraud Unit for their work in the investigation and thanked Assistant U.S. Attorneys Sarah Marquardt and Tarra DeShields who handled this case.

Component(s):

USAO - Maryland

Updated February 6, 2018