



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* OHIO

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Department of Justice

U.S. Attorney's Office

Southern District of Ohio

FOR IMMEDIATE RELEASE

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Company agrees to pay nearly \$1.4 million for underpaying Army and Air Force base food service provider

COLUMBUS, Ohio – A Delaware Corporation headquartered in Irving, Texas has agreed to pay the United States nearly \$1.4 million to settle a False Claims Act lawsuit filed in Cincinnati district court.

According to the settlement, Darling Ingredients Inc. underpaid rebates to the Army and Air Force Exchange Service (AAFES) for more than a decade. Darling denied any wrongdoing.

Darling is a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients. Darling collects, and rebates its customers for, used cooking oil from its customers' restaurants, food establishments and grocery stores, including food service establishments on United States Air Force and Army bases owned or operated by AAFES.

Darling (and its wholly owned subsidiary Griffin Industries, Inc.) had contracts with AAFES to collect used cooking oil from food establishments on military bases and provide AAFES with a rebate for the used cooking oil received from AAFES.

The complaint was filed on behalf of the United States, under the *qui tam* provisions of the False Claims Act, by a former employee of Darling. The complaint alleged that from at least 2008 until November 2019, Darling submitted inaccurate reports to AAFES in order to underpay per the terms they promised in their contract.

The complaint included conduct alleged at numerous government installations, facilities and military bases across the country, including Wright-Patterson Air Force Base and the VA Hospital in Cincinnati.

Darling has agreed to pay the United States \$1.375 million, including \$687,500 in restitution to AAFES.

“Parties that contract with the government are held to the letter of the contract,” U.S. Attorney David M. DeVillers said. “U.S. Supreme Court Justice Oliver Wendell Holmes, Jr. wrote in 1920 that ‘Men must turn square corners when they deal with the Government.’ That still rings true 100 years later. If you cut corners on your contractual obligations, you will pay.”

“The settlement announced today is the result of a joint effort by the U.S. Attorney’s Office, Southern District of Ohio, the Defense Criminal Investigative Service (DCIS), Air Force OSI and Army CID,” stated Special Agent-in-Charge Leigh-Alistair Barzey, DCIS Northeast Field Office. “DCIS is committed to protecting the integrity of the defense procurement system by working with its law enforcement partners to identify and investigate companies that fail to meet their contractual obligations with the U.S. Department of Defense.”

“The collaboration between the Department of the Air Force, Office of Special Investigations, its investigative partners, and the U.S. Attorney's Office, Southern District of Ohio, to combat fraud and safeguard the integrity of the Department of Defense's acquisition process, was significant in this outcome,” said Special Agent-in-Charge Blair Holmstrand, Office of Investigations, Procurement Fraud Detachment 3, San Antonio. “As the executive investigative agency for AAFES, the Office of Special Investigations is dedicated to the identification and neutralization of fraud affecting AAFES and the impact such fraud has on AAFES's funding of quality-of-life improvement programs for the military service members and their families.”

Assistant United States Attorney Andrew M. Malek is representing the United States in this case.

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