



THE UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT *of* VIRGINIA

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Department of Justice  
U.S. Attorney's Office  
Eastern District of Virginia

FOR IMMEDIATE RELEASE

Monday, December 5, 2022

## **Government Contractor Agrees to Pay over \$500,000 to Resolve False Claims Act Allegations**

ALEXANDRIA, Va. – Obsidian Solutions Group, LLC (Obsidian), located in Fredericksburg, has agreed to pay \$510,991.08 to settle allegations that it violated the False Claims Act by billing the Defense Intelligence Agency (DIA) for labor performed by personnel that did not meet contractual requirements.

Obsidian had a contract with DIA to provide strategic-level analytical support to advance national and Department of Defense (DOD) goals and objectives for protecting the DOD's supply chain. The government alleged that Obsidian employed personnel who failed to meet the qualifications specified by the contract, either because the personnel lacked a required degree or the required years of relevant professional experience. As a result, according to the government's allegations, DIA paid more for labor than could be justified by the personnel's qualifications.

"To be scrupulous stewards of taxpayer funds, government contractors must comply with contractual requirements, particularly while continuing to charge the government for the costs associated with meeting the requirements," said U.S. Attorney Jessica D. Aber. "EDVA will continue its work to safeguard the government procurement process."

"Protecting the integrity of the Defense Intelligence Agency (DIA) procurement process is a top priority for the DIA Office of the Inspector General," stated Assistant Inspector General for Investigations William B. Borden III, DIA OIG. "The Office of the Inspector General, DIA, will continue to root out fraud, waste, and abuse in DIA programs and operations as we strive to improve government funds stewardship from our civilian and contractor workforce."

"This settlement demonstrates the continued commitment of the Department of Defense, Office of Inspector General, Defense Criminal Investigative Service (DCIS) and its law enforcement partners, to investigate and resolve allegations of false claims. DCIS is steadfast in its commitment to hold defense contractors

accountable for employing corrupt business practices” stated, Paul K. Sternal, Assistant Inspector General for Investigations, DCIS. “It is imperative that the procurement process remain free of false statements and that DoD contractors commit to providing adequately qualified personnel as specified by the contracts. A qualified workforce is the foundation of success for the DoD and DIA.”

The resolution obtained in this matter was the result of a coordinated effort between the U.S. Attorney’s Office for the Eastern District of Virginia, the DIA Office of Inspector General, the DIA Office of the General Counsel, the Defense Criminal Investigative Service, and the Defense Contract Audit Agency.

The matter was investigated by Assistant U.S. Attorney Clare P. Wuerker. The civil claims settled by this False Claims Act agreement are allegations only; there has been no determination of civil liability.

A copy of this press release may be found on the website of the [U.S. Attorney’s Office for the Eastern District of Virginia](#).

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**Topic(s):**

False Claims Act

**Component(s):**

[USAO - Virginia, Eastern](#)

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