

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Friday, May 6, 2022

Virginia Company Agrees to Pay \$800,000 to Resolve False Claims Act Allegations

NEWARK, N.J. – An information technology service provider to the United States military has agreed to pay \$800,000 to resolve allegations that it violated the False Claims Act by purchasing items for the personal use of their employees and billing those items against its government contracts, U.S. Attorney Philip R. Sellinger announced today.

The settlement resolves allegations that from Jan. 1, 2012, to Jan. 31, 2017, employees of Subsystems Technologies Inc. (STI), of Arlington, Virginia, purchased various electronic and luxury items for personal use, and then provided those items, along with sporting event tickets and other things of value, to government employees in order to gain favorable treatment. STI admitted that its employees purchased electronic and luxury items for the personal use by both STI employees and government employees while improperly charging those items against the government contracts awarded to STI for services at Picatinny Arsenal in Morris County, New Jersey.

U.S. Attorney Sellinger credited special agents of the U.S. Department of Defense, Defense Criminal Investigative Service, Northeast Field Office, under the direction of Special Agent in Charge Patrick J. Hegarty; special agents of the FBI, under the direction of Acting Special Agent in Charge Michael Messenger in Newark; and special agents of the U.S. Army, Major Procurement Fraud Unit, Criminal Investigation Command, under the direction of Special Agent in Charge is Larry S. Moreland, with the investigation that led to the settlement.

The government is represented by Assistant U.S. Attorney Mark C. Orlowski of the U.S. Attorney's Government Fraud Unit in Newark.

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

Attachment(s):

[Download STI.Agreement.pdf](#)

Topic(s):

False Claims Act

Component(s):

USAO - New Jersey

Press Release Number:

22-170

Updated May 6, 2022