

THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* PENNSYLVANIA

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Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Friday, April 29, 2022

KCF Technologies, Inc. To Pay \$1.2 Million To Resolve Civil Liability For Alleged Violations Of The False Claims Act

HARRISBURG, PA —The United States Attorney's Office for the Middle District of Pennsylvania announced that KCF Technologies, Inc., located in State College, PA, has agreed to pay the United States \$1,226,436.14 to resolve civil liability for alleged violations of the False Claims Act.

According to United States Attorney, John C. Gurganus, the investigation arose from KCF's conduct with respect to various Department of Defense contracts. It is alleged that KCF billed labor time spent on commercial contracts improperly to contracts it had both with the Department of the Navy and the Department of the Army between 2016 and 2019.

"Investigating procurement fraud allegations is a top priority for the DoD Office of the Inspector General's Defense Criminal Investigative Service (DCIS)," stated Special Agent in Charge Patrick J. Hegarty, DCIS Northeast Field Office. "This settlement reflects our commitment to working with our law enforcement partners and the U.S. Attorney's Office for the Middle District of Pennsylvania to ensure contractors who misuse taxpayer funds are held accountable."

"NCIS and our federal law enforcement partners remain committed to ensuring the good stewardship of taxpayer dollars by rooting out procurement fraud at its source," said Acting Special Agent in Charge Greg Gross of the NCIS Economic Crimes Field Office.

In addition to DCIS and NCIS, the case was also investigated by the Major Procurement Fraud Field Office, U.S. Army Criminal Investigation Division (CID) under the leadership of Special Agent in Charge Scott Moreland.

KCF cooperated with the investigation. This Settlement Agreement is neither an admission of liability by KCF, nor is it a concession by the United States that its claims are not well founded.

The investigation was handled by Assistant United States Attorney Tamara Haken, and the Affirmative Civil Enforcement (ACE) Unit within the U.S. Attorney's Office.

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Component(s):

USAO - Pennsylvania, Middle

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