PRESS RELEASE

American States Utility Services Settles Allegations of False Price Quotes at Federal Military Installations

Wednesday, July 26, 2023

For Immediate Release

U.S. Attorney’s Office, Eastern District of Virginia

RICHMOND, Va. – American States Utility Services, Inc. (ASUS), located in San Dimas, California, agreed to pay $600,000 to settle allegations that it violated the federal False Claims Act by submitting inflated price estimates to the government.

Between April 2016 and May 2017, ASUS submitted price quotes for 19 water and sewer projects on U.S. military installations in North Carolina to the Defense Logistics Agency (DLA) at Fort Belvoir, Virginia. The United States alleged that each quote contained subcontractor costs that ASUS knew would not be expended, inflating the estimated cost of the project. DLA consequently evaluated the quotes for price reasonableness, which the United States alleged was based on the false premise that the projects would be performed with subcontractor costs. As a result, the government alleged that DLA overpaid more than $300,000 for these projects.

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 Department of Defense Office of
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Inspector General, Defense Criminal Investigative Service; and the Department of the Army Criminal Investigation Division.

The matter was investigated by Assistant U.S. Attorney Robert McIntosh.

A copy of this press release is located on the website of the U.S. Attorney’s Office for the Eastern District of Virginia.

The civil claims settled by this agreement are allegations only; there has been no admission of civil liability.

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