

AECOM to Pay \$11.8 Million to Resolve False Claims Act Allegations in Connection with Hurricane Disaster Relief

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AECOM, an architecture and engineering firm based in Dallas has agreed to pay \$11.8 million to resolve allegations that it violated the False Claims Act (FCA) by knowingly submitting false claims to the Federal Emergency Management Agency (FEMA) for the replacement of certain educational facilities located in Louisiana that were damaged by Hurricane Katrina.

Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and corresponding rules, FEMA provided institutional applicants, such as schools and universities, with public assistance (PA) funds for the repair or replacement of facilities damaged by Hurricane Katrina. Funding was limited to the cost of repairing a damaged facility, unless that cost exceeded 50% of the facility's replacement cost, in which case full-replacement funding was available.

Between 2006 and 2010, AECOM served as a technical assistance contractor in support of FEMA disaster recovery efforts following Hurricane Katrina. In this role, AECOM prepared requests for PA funds on behalf of applicants that included, among other things, damage descriptions, estimates of the cost to repair damage and estimates of the cost to replace structures.

The settlement resolves allegations that an AECOM project officer deployed to Louisiana for the Hurricane Katrina recovery effort submitted to FEMA fraudulent requests for disaster assistance funds for several educational facilities in New Orleans, which resulted in certain applicants receiving PA funds in excess of what FEMA rules permitted, including in some cases because the facility was entitled only to repair rather than replacement costs. These facilities included the gymnasium, student center and electrical grid at Xavier University of Louisiana and a cafeteria building at the Roman Catholic Archdiocese of New Orleans' St. Raphael the Archangel School. According to the allegations in the government's complaint, AECOM supervisors reviewed and did not correct disaster assistance applications that included materially false design, damage and replacement eligibility descriptions.

"FEMA plays an essential role in helping communities recover from natural disasters," said Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Justice Department's Civil Division. "Today's settlement sends a strong message that FEMA contractors, as well as funding recipients, must provide truthful and accurate information so that FEMA's resources are used to help those truly in need."

"Federal disaster funds are instrumental in the effort to aid disaster victims with their recovery," said the U.S. Attorney Duane A. Evans for the Eastern District of Louisiana. "The favorable resolution of this False Claims Act matter illustrates the collaborative efforts and firm commitment by our federal partners to use all available remedies to address signs of fraud, waste and abuse."

"With our law enforcement partners - the Department of Justice Civil Division and the United States Attorney's Office for the Eastern District of Louisiana - DHS-OIG worked tirelessly to ensure that these defendants were brought to justice and that nearly \$12 million in disaster relief funds will be returned to the U.S. taxpayer," said Inspector General Dr. Joseph V. Cuffari of DHS.

The settlement with AECOM resolves claims brought in a lawsuit filed under the *qui tam* or whistleblower provisions of the False Claims Act, which permit private parties to file suit on behalf of the United States for false claims and share in a portion of the government's recovery. The United States may intervene in the action, as it did in part in this case. The lawsuit is captioned *United States ex rel. Robert Romero v. AECOM, Inc., et al.*, No. 16-cv-15092 (E.D. La.). As part of the settlement with AECOM, the whistleblower, Robert Romero, will receive more than \$2.4 million.

The United States has now recovered nearly \$25 million in connection with the disaster assistance applications prepared by AECOM. The United States previously settled with Xavier University of Louisiana and the Roman Catholic Archdiocese of New Orleans with respect to their alleged role in the submission of the false certifications for FEMA funding prepared by AECOM.

The resolution obtained in this matter was the result of a coordinated effort among the Civil Division's Commercial Litigation Branch, Fraud Section and the U.S. Attorney's Office for the Eastern District of Louisiana, with substantial assistance from FEMA's Office of Chief Counsel. Investigative support was provided by the DHS-OIG's Major Fraud and Corruption Unit and New Orleans Resident Office.

This matter was handled by Trial Attorneys Laura Hill, Richard Hagner, Gavin Thole, and Robin Overby of the Civil Division, along with Assistant U.S. Attorney Mimi Nguyen for the Eastern District of Louisiana and Charles Schexnaildre of FEMA's Office of Chief Counsel.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

[Settlement](#)

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