

## Dynamics Research Corp. to Pay U.S. \$15 Million to Resolve Kick-Back and False Claims Allegations

Written by Administrator

Monday, 17 August 2009 18:20

---

On August 13, 2009 the Department of Justice (DOJ) announced a \$15 million settlement with [Dynamics Research Corporation](#) (DRC) of Andover, MA to resolve allegations that two former vice presidents "steered Air Force contracts for computer equipment and services to companies owned by themselves, [one executive's] wife, and others, in exchange for kickbacks and inflated contract prices that produced windfall profits for the two DRC executives. In one of the schemes, [the executives] allegedly substituted inexpensive memory modules for those required by the contract, causing the Air Force to overpay for the nonconforming modules." The announcement states that the U.S. filed a civil suit against DRC, "seeking damages and penalties under the Anti-Kickback Act, the False Claims Act, and for breach of contract." In addition, the announcement notes that in related criminal proceedings "in 2001, [the executives] pleaded guilty to conspiring to defraud the government. Both received prison sentences and were ordered to pay restitution."

See the DOJ announcement

[here](#)

.