

Quantadyn Corporation And Owner Settle False Claims Act Allegations of Bribery To Obtain Government Contracts For Simulators - GSA Office of Inspector General

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Department of Justice

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FOR IMMEDIATE RELEASE

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The Department of Justice announced today that QuantaDyn Corporation (QuantaDyn), headquartered in Ashburn, Virginia, has agreed to resolve civil claims arising from allegations that it engaged in a bribery scheme to steer government contracts for training simulators to the company, as part of a broader settlement that includes a guilty plea by the company. As part of the plea agreement, QuantaDyn has agreed to pay \$37,757,713.91 in restitution, which also will resolve the company's civil False Claims Act liability for the scheme. William T. Dunn Jr., the majority owner, President, and Chief Executive Officer of QuantaDyn, has separately paid \$500,000 to resolve his personal False Claims Act liability.

"When government contractors pay bribes to military contracting officials to obtain contracts, they prevent both our military and the American taxpayers from receiving products that are procured fairly and objectively and at a reasonable price," said Acting Assistant Attorney General Jeffrey Bossert Clark for the Department of Justice's Civil Division. "Today's settlement demonstrates our continuing commitment to protecting the integrity of the government's procurement process and ensuring that is untainted by fraud and corruption."

"I am proud that our team and our law-enforcement partners were able to obtain justice for the American taxpayer in this case. We will not tolerate fraud against important federal programs," stated U.S. Attorney John F. Bash for the Western District of Texas.

"The integrity of GSA's contracting is vital to good government," said U.S. General Services Administration (GSA) Inspector General Carol Ochoa. "Our special agents have been tireless in investigating corruption, and we will continue to work with our law enforcement partners to vigorously prosecute it wherever we find it."

Founded in 2000, QuantaDyn is a privately held software engineering firm specializing in developing training simulation systems for Department of Defense agencies, including the Air Force and the Air National Guard, both as a prime contractor and a subcontractor.

The civil settlement announced today, which was based on the company and Dunn's ability to pay, resolves allegations that QuantaDyn, during the time period when Dunn was President, engaged in a bribery scheme to steer the award of government contracts for training simulators to QuantaDyn. The United States alleged that while Dunn was QuantaDyn's President, the company formed a corrupt partnership with an Air Force contracting official who provided procurement-sensitive information to QuantaDyn during the pre- and post-award phases of the contract in exchange for bribes. The United States contended that, as a result of this —
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scheme, QuantaDyn caused a prime contractor to submit false invoices to the United States.

Contemporaneous with the civil settlement, U.S. Attorney John F. Bash for the Western District of Texas announced that the United States and QuantaDyn have entered into a plea agreement to resolve criminal allegations related to the bribery scheme. On Jan. 15, 2020, the U.S. Attorney's Office for the Western District of Texas unsealed indictments against QuantaDyn, the former Air Force contracting official, and other individuals. Under the plea agreement, QuantaDyn has agreed to plead guilty to conspiracy to commit wire fraud, serve a five-year term of probation and to take certain remedial measures, and pay \$37,757,713.91 in restitution, a criminal penalty of \$6,300,000, and forfeiture of \$7,099,863.77.

This civil settlement was the result of a coordinated effort among the Civil Division's Commercial Litigation Branch; the U.S. Attorney's Office for the Western District of Texas; the GSA Office of Inspector General (OIG), Greater Southwest and Rocky Mountain Investigations Division; the Defense Criminal Investigative Service (DCIS), Southwest Field Office; the U.S. Air Force Office of Special Investigations (AFOSI), Procurement Fraud Detachment 3 in San Antonio; the U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit (CID/MPFU), Southwestern Fraud Field Office; the Internal Revenue Service-Criminal Investigation (IRS-CI); and the Defense Contract Audit Agency (DCAA), Headquarters, Operations Investigative Support Division (OIS).

Except as admitted in the plea agreement, the claims resolved by the civil settlement are allegations only and there has been no determination of liability.

Source: U.S. Department of Justice [press release](#).