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**MAYOR BLOOMBERG AND INVESTIGATIONS COMMISSIONER GILL HEARN
ANNOUNCE \$500 MILLION PAYMENT BY PRIME CITYTIME CONTRACTOR SAIC
TO SETTLE CITY'S CLAIMS**

Settlement Recoups Most of the Funds Paid by the City

Mayor Michael R. Bloomberg and Department of Investigation Commissioner Rose Gill Hearn today announced that Science Applications International Corporation (SAIC) will pay more than \$500 million to the United States government in settlement of charges that SAIC engaged in fraud resulting in cost overruns to implement the City's computerized timekeeping system, CityTime. Of the \$500 million payment, the United States government will remit \$466 million to the City to compensate the City for its losses resulting from SAIC's fraud and, as part of this settlement, SAIC has agreed to waive more than \$40 million still owed by the City to SAIC in connection with the CityTime project, bringing the total value of the settlement to more than \$500 million for the City. Since 2000 when SAIC contracted with the City, the City has paid approximately \$589 million to SAIC in connection with CityTime, and this settlement will compensate the City for the fraudulent overcharges associated with the project. In June, Mayor Bloomberg wrote to SAIC to request that the City, as the victim of a crime, be reimbursed for the entire cost of the project. Today's settlement, combined with funds already frozen or recouped, results in the City being reimbursed for most of the costs of the project.

"Today's settlement is a major victory for taxpayers, and just as importantly, it is a major a victory for justice and public integrity," said Mayor Bloomberg. "Our Administration has zero tolerance for corruption and since day one we have focused on rooting out corruption and preventing it from occurring in the first place. As a result, we have run the cleanest administration in New York City's history and that is in large part due to the work of the best Investigations Commissioner this City has ever had – Rose Gill Hearn. After Commissioner Gill Hearn and her team began uncovering the fraud in the project, they contacted the U.S. Attorney's office and together, they conducted a sweeping probe. I want to again sincerely thank our outstanding U.S. Attorney and his team and Commissioner Gill Hearn and her team for aggressively pursuing this case. In addition to recouping most of the costs of the project, we have built what we set out to create: a fully functioning, automated timekeeping system that will save taxpayers money. I also want to thank City Comptroller John Liu, who was an instrumental partner in getting the system on-line and completing the project."

(more)

“This settlement starkly shows that when the City is victimized it will find the perpetrators and recoup its financial loss,” said Commissioner Rose Gill Hearn. “Lax oversight or disregard for warning signs of fraud are not the way for companies to do business in this city and will not be tolerated. I am pleased that DOI’s criminal investigation and partnership on this case with the U.S. Attorney’s Office for the Southern District of New York led to this result.”

The settlement announced today resolves the City’s potential civil claims against SAIC for the above-described fraud and any potential criminal liability for the company.




This settlement was approved by the City’s Corporation Counsel and the New York City Comptroller’s Office, which is required to approve all settlements with the City, per City Charter.

SAIC has been paid \$589 million by the City for work on the CityTime project. Spherion has been paid \$49 million and the initial vendors were paid \$14 million for a total paid of \$652 million by the City on the CityTime project

The U.S. Attorney’s Office and the Department of Investigation had already frozen or recovered more than \$52 million of funds related to fraud in the project.

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Contact: Stu Loeser/Marc La Vorgna (212) 788-2958
 Diane Struzzi (DOI) (212) 825-5931

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