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JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, June 6, 2013

Testech and Ceso Agree to Pay \$2.88 Million to Resolve False Claims Act Allegations

United States Alleged That Ohio-based Companies Falsely Claimed Disadvantaged Business Status

The Justice Department announced today that a number of related entities and individuals agreed to pay \$2,883,947 to resolve allegations that they falsely claimed disadvantaged business status on a number of federally-funded transportation projects. These entities are Dayton-based TesTech, Inc. and its owner, Sherif Aziz, and Dayton-based CESO Testing Technology, Inc., CESO International, LLC, and CESO, Inc. (collectively CESO), and their owners, David and Shery Oakes.

"The Disadvantaged Business Enterprises program helps businesses owned by minorities and women work on federal transportation projects," said Stuart F. Delery, Acting Assistant Attorney General for the Civil Division of the Department of Justice. "Those who falsely claim credits under the program to obtain federal funds victimize both the businesses that the program is designed to assist and the American taxpayer."

The Department of Transportation's Disadvantaged Business Enterprise (DBE) program encourages the use of woman- and minority-owned businesses on federally-funded transportation projects. Contractors on such projects must make good-faith attempts to meet DBE participation goals as a condition of federal funding.

"DBE fraud harms the integrity of the program and adversely impacts law-abiding, small business contractors trying to compete on a level playing field," said Michelle McVicker, regional Special Agent-in-Charge of the DOT's Office of Inspector General. "Working with our Federal, State, and local law enforcement and prosecutorial colleagues, we will vigorously pursue those who violate the law, and expose and shut down fraud schemes that adversely affect public trust and DOT-assisted airport and highway programs."

The settlement announced today resolves allegations that the defendants claimed DBE status for TesTech, a civil engineering firm, on numerous highway and airport construction projects in Ohio, Indiana, Michigan, and Kentucky. The United States alleged that TesTech was owned and controlled by CESO, a non-DBE firm, and its owners, the Oakes, who falsely claimed that TesTech was owned by Aziz and qualified as a minority-owned business in order to take advantage of the DBE program.

"The message is that we will work to uphold the integrity of the Disadvantaged Business Enterprise (DBE) and similar programs," US Attorney Carter Stewart said. "Those who attempt to defraud the system will be held accountable."

The allegations resolved by today's settlement were initially alleged in a whistleblower lawsuit filed under the False Claims Act by Ryan Parker, a former employee of TesTech. Under the False Claims Act, private citizens can sue on behalf of the United States and share in the recovery. Mr. Parker will receive \$562,370 of the settlement amount.

This case was handled by the Civil Division of the Department of Justice, the U.S. Attorney's Office for the Southern District of Ohio, and the Department of Transportation Office of Inspector General.

The False Claims Act suit was filed in the United States District Court for the Southern District of Ohio, and is captioned United States ex rel. Parker v. TesTech et al., No. 2:10-cv-1028 (S.D. Ohio). The claims settled in this case are allegations only; there has been no determination of liability.

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Civil Division



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