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**MISTRAL SECURITY, INC AGREES TO PAY \$458,000 TO RESOLVE
ALLEGATIONS THAT IT OVERBILLED THE GOVERNMENT ON TWO
GOVERNMENT-FUNDED GRANTS TO PROVIDE DRUG DETECTION KITS**

Baltimore, Maryland – Mistral Security, Inc. (MSI) located in Bethesda, Maryland has agreed to pay \$458,000 to settle allegations under the False Claims Act that it mischarged the government for unapproved overhead costs in connection with two government-funded grants to provide certain school districts with aerosol-based drug detection kits.

The settlement was announced by United States Attorney for the District of Maryland Rod J. Rosenstein and Acting Inspector General Cynthia A. Schnedar of the U.S. Department of Justice Office of the Inspector General..

According to the settlement agreement, from August 2000 through February 2007, MSI entered into cooperative agreements with the government to provide certain school districts with aerosol-based drug detection kits to combat student drug use. During a financial audit conducted in late January and early February 2007, the government found that MSI had billed the government for overhead costs that were not approved as part of the cooperative agreements thereby inflating the cost of the drug detection kits.

The settlement was the result of an investigation by the U.S. Attorney's Office for the District of Maryland and the Department of Justice Office of the Inspector General. The case was handled by Assistant U.S. Attorney Tarra DeShields.