WASHINGTON, DC – Bethesda, Maryland-based Lockheed Martin Corporation and BAE Systems Controls of Johnson City, New York, have agreed to pay the United States $6.2 million to settle their civil liability in a case involving alleged violations of the False Claims Act, the Justice Department announced today.

Before 1993, General Electric (GE) produced flight control electronics sets at its Johnson City, New York facility under contracts with the Navy. GE was also a principal subcontractor on McDonnell Douglas Aircraft Corporation's (MDA) contracts with the Navy to produce F/A-18 "Hornet" aircraft, a single seat and two-seat, twin engine, multi-mission fighter/attack aircraft that can operate from either aircraft carriers or land bases.

In 1993, Martin Marietta Corporation purchased GE's operation in Johnson City and in 1995 Martin Marietta combined with Lockheed Corporation resulting in the formation of Lockheed Martin. BAE Systems bought Lockheed Martin's operation in Johnson City in 2000. The government alleged that from 1987 through 1994, GE and Martin Marietta manufactured and delivered for installation in Hornet aircraft more than 1,300 Accelerometer Sensor Assemblies that did not comply with electromagnetic interference contractual requirements. The assemblies are components within flight control electronic sets that help control Hornet aircraft rudders.

"Today's settlement is an example of the Justice Department's determination to ensure that work contracted by our armed forces is carried out at the highest possible standards and within the contractual requirements," said Robert D. McCallum, Jr., Assistant Attorney General for the Department's Civil Division.

The lawsuit was originally filed in Cincinnati by Raymond Anderson, a former quality test technician at GE, Martin Marietta and Lockheed Martin. Anderson filed the suit under the False Claims Act, which permits private citizens to sue on behalf of the government to recover federal funds that were obtained by false or fraudulent claims. Anderson will be paid $1.2 million from the settlement with the balance of $5 million dollars...
going to the federal government.

The case was investigated by the Naval Criminal Investigative Service's Resident Agency; Earle Naval Weapons Station at Colts Neck, New Jersey; the Defense Criminal Investigative Service's Syracuse, New York Resident Agency and National Aeronautics and Space Administration's Office of Inspector General, Office of Criminal Investigations, at Cleveland, Ohio. Audit support was provided by the Defense Contract Audit Agency's Mid-Atlantic Region, Northern New Jersey Branch office, Johnson City suboffice, in Johnston City, New York.

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