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THURSDAY, MARCH 26, 1998

UNISYS, LOCKHEED MARTIN PAY U.S. $3.15 MILLION TO SETTLE DISPUTE ON INFLATED SPARE PARTS SALES

WASHINGTON, D.C. -- The Department of Justice announced today that Unisys Corporation and Lockheed Martin Corporation will pay the United States $3.15 million to settle allegations that Unisys sold spare parts at inflated prices to the Department of Commerce for the NEXRAD Doppler Radar System. Lockheed Martin succeeded Unisys on the contract between Commerce and Unisys for the NEXRAD system.

Assistant Attorney General Frank W. Hunger, in charge of the Civil Division, said the settlement resolves allegations that Unisys knew that prices it paid Concurrent Computer Corporation for the spare parts were inflated when it passed on those prices to the government. Unisys had obtained price discounts from Concurrent on other items Unisys was purchasing from Concurrent at Unisys' own expense in exchange for agreeing to pay Concurrent the inflated prices.

The NEXRAD System is used by the National Oceanic and Atmospheric Administration to probe weather fronts and provide information on storm circulation.

Separately, the United States sued Concurrent December 19, 1997, in U.S. District Court in Alexandria, Virginia, charging the company violated the False Claims Act. The suit alleged that Concurrent told the government that it did not discount spare parts, when, in fact, Concurrent had previously offered and granted discounts to Unisys for spare parts Unisys purchased from Concurrent at Unisys' own expense. The Concurrent suit is scheduled for trial later this summer.

Under the False Claims Act, Concurrent is liable for triple damages plus a $5,000 to $10,000 civil penalty for each false claim or statement, less what the United States received from Unisys and Lockheed in this settlement.

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