RANDTRON SYSTEMS INC. WILL PAY UNITED STATES $500,000 TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

WASHINGTON, D.C. -- A unit of Lockheed Martin Tactical Systems will pay the United States $500,000 to settle claims it didn't give the government relevant information that would have lowered the price of military contracts for radar antennas, the Department of Justice announced today.

Assistant Attorney General Frank W. Hunger of the Civil Division and Michael J. Yamaguchi, United States Attorney for San Francisco, said the settlement resolves claims with Randtron Systems Inc. of Menlo Park, California, that the government had intended to bring in a suit filed under the False Claims Act.

The Department said Randtron produced TRAC-A radar antennas for the Navy's E-2C Hawkeye early warning aircraft under subcontracts with Grumman Aerospace Corporation, the prime contractor for the Hawkeye.

The government alleged that during negotiations for four production subcontracts from 1986 through 1988 Randtron failed to make required disclosures to Grumman and Department of Defense officials that it had substantial quantities of excess parts and materials left over from prior antenna production jobs that it intended to use in the contracts under negotiation.

The government claimed that if Randtron had made such disclosures the Navy would have negotiated lower prices for the radar antennas. The government alleged that Randtron was required to disclose the information to the government under the Truth in Negotiation Act.

Randtron entered into the settlement agreement without admitting liability, legal fault or responsibility.

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