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GENERAL ELECTRIC PAYS \$7.1 MILLION TO SETTLE FRAUD SUIT
ALLEGING JET ENGINES DID NOT MEET BONDING REQUIREMENTS

WASHINGTON, D.C. -- The General Electric Company of Fairfield, Connecticut, will pay the United States \$7.1 million to settle allegations the company's Aircraft Engines business group in Evendale, Ohio, sold several thousand jet engines to the military that did not comply with military electrical bonding and electromagnetic interference testing requirements, the Department of Justice and the U.S. Attorney in Cincinnati, Ohio, announced today.

Subsequently, the Air Force tested the engines and found them to be safe.

Assistant Attorney General Frank W. Hunger, in charge of the Civil Division, said the agreement settles a lawsuit filed in U.S. District Court in Cincinnati in December 1993 by Ian Johnson, an engineer at GE's Aircraft Engines plant in Evendale.

"I commend those who worked hard to resolve this case," said Edmund Sargus Jr., U.S. Attorney in Cincinnati. "The provisions of the False Claims Act allow us to protect the integrity of the

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products and services the government buys."

Johnson's suit alleged that GE delivered jet engines to the Air Force, Navy and Army even though the company knew that certain controls and accessories in the engines did not meet the electrical bonding requirements as required under contracts with the government. The government said the allegations referred to F110-GE-100 and F110-GE-129 engines installed in the Air Force's F-16 single-engine fighter jet, F101-GE-102 engines installed in the B-1B Bomber, CFM56-2B engines installed in Air Force tankers, and other engines used in various Air Force, Navy and Army aircraft.

Johnson filed suit on behalf of the United States under the qui tam provisions of the False Claims Act, which allow a private party to sue companies and individuals who have submitted false claims to the federal government and receive a portion of the settlement if the government takes over the suit and prosecutes it successfully. The suit, United States ex rel. Johnson v. General Electric Company, No. C-1-93-0846, was under seal until the government intervened and took over prosecution of the case in June 1994.

Johnson will receive more than \$1.7 million as his share of the settlement.

The Department said electrical bonding refers to the level of electrical resistance between different components of an aircraft engine. Low-resistance electrical bonding protects aircraft from the effects of electromagnetic interference (EMI),

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an electromagnetic disturbance that interrupts or degrades the

performance of electronic equipment. Low-resistance electrical bonding helps to ensure that an aircraft is not susceptible to EMI generated by communication, navigation and radar transmitters or other sources such as lightning. Low-resistance electrical bonding also helps to ensure that an aircraft engine does not emit EMI that might adversely affect the performance of electronic equipment aboard the aircraft.

The lawsuit claimed that GE delivered the engines to the military even though the company knew that certain controls and accessories did not meet the bonding requirements.

The Department said GE could have been liable for damages and penalties under the False Claims Act for submitting false claims to the United States for payment even though the engines presented no safety problems as Johnson's suit alleged.

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