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LOCKHEED MARTIN TO PAY UNITED STATES OVER $2 MILLION
FOR MISCHARGING ON TRIDENT MISSILE CONTRACTS

WASHINGTON, D.C.- A unit of Lockheed Martin Corporation, Tactical Systems Division, has agreed to pay the United States $2,122,603 to resolve allegations that the company

submitted or caused to be submitted certain claims to the Navy that were false and fraudulent, the Justice Department announced today. The government contended that, while still a part of Unisys Corporation, the Tactical Systems Division began improperly charging the Strategic Systems Program of the Navy for bid and proposal costs on a series of defense contracts for services and materials for the Trident Missile Program during the period from 1988 through 1996.

"This settlement illustrates the Justice Department's determination to recover funds inappropriately billed on government contracts," said Robert D. McCallum, Jr. Assistant Attorney General for the Department's Civil Division. "Guarding against the improper diversion of defense procurement funds continues to be one of our biggest priorities."

The allegations were originally brought under a qui tam or whistleblower suit against the company by Barbara Groshans. As a result of the settlement, Ms. Groshans will receive $281,000 – 13% of the government's recovery. The Tactical Systems Division was bought and sold several times by various defense contractors during the period covered by the fraud allegations and was eventually purchased by Lockheed Martin in the mid-1990's.

The settlement was reached following an investigation by the Federal Bureau of Investigation's field office in Falls Church, Virginia and the Navy Criminal Investigative Service in conjunction with the Civil Division of the Department of Justice.

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