



Department of Justice

United States Attorney Benjamin B. Wagner
Eastern District of California

FOR IMMEDIATE RELEASE

June 3, 2010

www.usdoj.gov/usao/cae

CONTACT: Lauren Horwood

PHONE: 916-554-2706

usacae.edcapress@usdoj.gov

NORTHROP GRUMMAN CORPORATION PAYS \$700,000 DOLLARS

Defense Contractor Settles Claims Arising from Alleged Fraud and Improper Billing

SACRAMENTO, Calif.—United States Attorney Benjamin B. Wagner announced today that Northrop Grumman Corporation (Northrop) has paid \$700,000 to settle the government's civil claims for fraudulent and improper billing under two defense procurement contracts.

According to the settlement agreement, the United States contends that Northrop submitted false claims to the government and improperly charged for lodging expenses for Northrop employees who actually stayed in accommodations provided by the government. This settlement resolves these allegations along with improper billing under the subject contracts.

“This office is committed to detecting and stopping false and fraudulent billing under defense procurement contracts. Imposing financial penalties through civil enforcement statutes is an important tool to meet this goal,” stated United States Attorney Wagner.

"This payment is a clear indication of our commitment to fully investigate any and all credible allegations of fraudulent and improper billing associated with contracts involving the United States Army," said Brigadier General Colleen McGuire, the Provost Marshal General of the Army and Commanding General of the U.S. Army Criminal Investigation Command.

This settlement results from an investigation by the U.S. Army Criminal Investigation Command and the Defense Criminal Investigative Service, with support from the Defense Contract Audit Agency, and was negotiated by Assistant United States Attorney Catherine Swann.

###