Northrop Whistleblower and His Attorneys Comment on Company’s $12.5 Million Settlement

PR Newswire

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LOS ANGELES, June 23 /PRNewswire/ -- The fraud charges Northrop Grumman is settling today for $12.5 million were brought to the government's attention by a company manager in its Salt Lake City, Utah, plant who filed a "qui tam" (whistleblower) lawsuit against Northrop in federal district court in Los Angeles in 2006.

After investigating the whistleblower's allegations, the federal government determined that Northrop for nine years had failed to test certain electronic components it sold the military for use in the navigation systems of planes, helicopters and submarines.

Whistleblower: Allen Davis, formerly a quality assurance manager with Northrop's navigation systems division in Salt Lake City. He will receive a reward of $2.3 million as provided in the "qui tam" provisions of the False Claims Act.


"Allen Davis demonstrated a lot of courage in reporting to the government that his employer was failing to ensure that parts used in military products were properly tested. He did everything he could to raise his concerns with his supervisors, but they ignored his complaints. So he turned to us to become a whistleblower to force the company to address the problem. Mr. Davis is deeply committed to doing his part to keep our armed forces safe."

Statement from Eric R. Havian, Phillips & Cohen LLP, San Francisco

"Northrop charged the government for tested parts and delivered untested ones. The government allows defense contractors to use commercial parts in military equipment only if those parts are tested to withstand the extreme temperatures and wear that can occur in combat situations. The military pays contractors extra money to cover the costs of those tests. Allen Davis alleged – and the government's investigation found – that Northrop was knowingly failing to conduct required safety tests."

Statement from Allen Davis

"If an everyday person such as myself can bring about change for the better, anyone can. I pursued this case because we owe the men and women of the armed forces our
best efforts to provide them with the best equipment possible. They are risking their lives every day and depend on the equipment we build to stay safe."

About Phillips & Cohen LLP

Phillips & Cohen LLP is the nation's most successful law firm representing whistleblowers. Qui tam lawsuits brought by Phillips & Cohen have resulted in civil recoveries and related criminal fines totaling $5.3 billion. Phillips & Cohen also represents whistleblowers in cases involving major tax fraud and evasion as well as securities law violations. The firm's attorneys are regularly recognized for their successful work on whistleblower cases with inclusion on such select lists as the Top 10 "Winning Attorneys" in the U.S., the "100 Most Influential Lawyers" and the National Law Journal's Top 20 "Hot List" of plaintiffs' law firms. See www.phillipsandcohen.com for more information.

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