NASA CONTRACTOR AGREES TO PAY $3 MILLION SETTLEMENT UNDER FALSE CLAIMS ACT

BIRMINGHAM – Pratt & Whitney Rocketdyne, Inc., has agreed to pay the government almost $3 million to resolve allegations under the False Claims Act arising out of a dispute over fees charged on a contract with NASA after Pratt & Whitney merged with Rocketdyne in 2005, according to a settlement announced today by U.S. Attorney Joyce White Vance.

Prior to the merger, Rocketdyne had subcontracted with Pratt & Whitney for work on a Space Shuttle flight support services contract Rocketdyne had with NASA. Following the August 2005 merger, Pratt & Whitney Rocketdyne billed NASA fees under the pre-merger subcontract. In December 2006, the Defense Contract Audit Agency questioned whether those subcontract fee billings allowed the merged company to reap excess profits.

Following an investigation, the parties reached a settlement. Under the terms of the settlement agreement, Pratt & Whitney Rocketdyne will pay $2,988,819 to resolve the allegations under the False Claims Act.

“Contractors who work on government projects have a duty to correctly bill the government for work completed under the contract,” Vance said. “My office is committed to ensuring that in cases where a contractor has improperly charged the government, a proper resolution that protects the taxpayers’ interests is achieved. The return of almost $3 million today is a good result for the citizens,” she said.


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