

June 2, 2008

Alliant Techsystems, Inc.  
5050 Lincoln Drive  
Edina, MN 55436

Dear Sir or Madam:

Sometime in the next few weeks, the Project On Government Oversight (POGO) will update its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including Alliant Techsystems. On February 28, 2006 and November 15, 2006, we sent Alliant Techsystems information regarding findings in POGO's database. As of today, we have not received a response from you. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Alliant Techsystems, please be assured that any response received by POGO will be posted on the website along with the data.

The biggest change we will be making to the database is the inclusion of more federal contractors (the top 100). We are also adding new instances that we have found in recent months and updating instances already in the database with new information. Please note that the database also includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Neil Gordon  
Investigator

Enclosure

## **Instances**

1. National Metal Technologies, Inc. v. Alliant Techsystems Inc. (Antitrust and Breach of Contract)

Date: 03/24/2005 (Date of Settlement)

Misconduct Type: Antitrust

Enforcement Agency: Non-Governmental

Contracting Party: Non-Governmental

Court Type: Civil

Amount: \$6,000,000

Disposition: Settlement

Synopsis: On March 12, 2002, a civil action was filed against ATK [Alliant Techsystems Inc.] in the U.S. District Court for the Southern District of California. National Metal Technologies (NMT) had a contract to supply ATK with ammunition links for the ammunition production business. The charges alleged that ATK breached this contract, violated antitrust laws, and interfered with competition and, therefore, the plaintiffs were entitled to damages of \$30 million. The case was settled for \$6 million on March 24, 2005.

2. Pratt v. Alliant Techsystems, Inc. and Hercules, Inc. (Overcharging the Government)

Date: 03/30/1998 (Date of Settlement)

Misconduct Type: Cost/Labor Mischarge

Enforcement Agency: Defense – Navy

Contracting Party: Defense - Navy

Court Type: Civil

Amount: \$2,250,000

Disposition: Settlement

Synopsis: In March of 1997, Alliant Techsystems was charged with overcharging the Navy for labor costs on contracts dealing with the Intermediate-Range Nuclear Forces Treaty. The complaint was made by a former employee of Alliant and co-defendant Hercules, Inc. under the False Claims Act, 31 U.S.C. § 3729, et seq., and filed in the U.S. District Court in Los Angeles. The complaint alleged that the companies falsified labor hours and led employees to do so. Each company agreed to settle for \$2.25 million, or a total of \$4.5 million.

## **Pending Instances**

U.S. ex rel. Kendall Dye v. ATK Thiokol Inc. (Defective Battlefield Flares)

Date: 06/22/2007 (Date of Unsealing)

Misconduct Type: Government Contract Fraud

Enforcement Agency: Defense – General

Contracting Party: Defense - General

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: The Department of Justice joined a whistleblower lawsuit alleging that ATK Thiokol Inc., a wholly owned subsidiary of Alliant Techsystems, made defective battlefield flares for

which the U.S. Army and Air Force paid ATK more than \$100 million. The flares, which could ignite if dropped from low heights, constitute a major safety hazard. The lawsuit also alleges company officials knew of the defect but never notified the government and never tested the flares. Kendall Dye, a manager of ATK's flare program, filed the qui tam lawsuit in federal district court in Salt Lake City, Utah, in April 2006. The case documents were unsealed in June 2007.