

## JUSTICE NEWS

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### **Defense Contractor Agrees to Pay \$4.63 Million to Settle Overcharging Allegations**

L-3 Communications Corporation, Vertex Aerospace LLC and L-3 Communications Integrated Systems LP (collectively L-3) have agreed to pay \$4.63 million to resolve allegations that they inflated labor hours for time spent by independent contractors at the military's Continental U.S. Replacement Centers (CRC) in Fort Benning, Georgia, and Fort Bliss, Texas, preparing to deploy to overseas posts to support U.S. military operations abroad. The CRCs prepare individuals for deployment by providing orientation briefings, training, health screenings, payroll processing and addressing other administrative matters.

"The Justice Department is committed to vigorously pursuing all those who knowingly submit false claims under government contracts," said Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department's Civil Division. "Contractors that seek taxpayer funds must be scrupulous in their billing, and invoice only for work and amounts permitted by their contracts."

L-3 performed rotary aviation maintenance and support services for the U.S. Army in Afghanistan, Iraq, Egypt and Kuwait under contracts with the U.S. Air Force. The United States alleges that from 2006 through November 2011, L-3 knowingly overcharged the government for time their independent contractors spent at the CRCs by billing for each individual not based on the actual time that individual spent at the CRC, but based instead on the earliest arrival or latest departure time of any other individual who also processed through the center that same day.

"Contractors owe a duty to the taxpayers to accurately bill the United States for the actual work performed," said U.S. Attorney John Horn of the Northern District of Georgia. "This settlement demonstrates our commitment to hold contractors accountable for false billing and restore wrongfully taken funds to the military."

"This collaborative investigative effort reflects the Defense Criminal Investigative Service's commitment to protecting American taxpayers' interests by ensuring integrity and accountability throughout the Defense contracting system," said Special Agent in Charge John F. Khin of the Defense Criminal Investigative Service (DCIS) Southeast Field Office.

"Today's settlement is a testament to the hard work of our special agents and also highlights the importance of the whistleblower provision of the False Claims Act," said Director Frank Robey of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. "In this particular case, a concerned citizen wasn't afraid to speak up, alerted the proper authorities, and helped save the U.S. government millions of dollars."

The allegations settled today arose from a lawsuit filed by a whistleblower, Robert A. Martin, a former L-3 independent contractor, under the *qui tam* provisions of the False Claims Act. Under the act, private citizens can bring suit on behalf of the government for false claims and share in any recovery. Mr. Martin will receive \$798,675 from the recovery announced today.

This case was handled by the Civil Division's Commercial Litigation Branch and the U.S. Attorney's Office of the Northern District of Georgia, with the assistance of DCIS, the U.S. Army Criminal Investigation Command's Major

Procurement Fraud Unit and the Defense Contract Audit Agency.

The lawsuit is captioned *United States ex rel. Martin v. L-3 Communications Corp., et al.*, 1:10-CV-1622-CAP (N.D. Ga.). The claims resolved by the settlement are allegations only; there has been no determination of liability.

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Civil Division

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