Defense Contractor Settles Allegations Relating to Kickbacks Paid to Its Employees by Subcontractor

DENVER – United Launch Alliance (“ULA”), a defense contractor, has paid the United States $100,000 to settle allegations that its employees were paid kickbacks by a subcontractor in order to induce ULA to award contracts to the subcontractor.

ULA is an aerospace company providing spacecraft launch services to primarily governmental clients. The United States alleged that between July 2011 and July 2015, the owner of a ULA subcontractor, Apriori Technologies, Inc. (“Apriori”), paid gratuities to certain ULA employees in order to induce ULA to award technology, compliance and project management related contracts to Apriori. The United States alleged that certain Apriori-awaited subcontracts resulted in higher costs being billed by ULA to the U.S. Air Force. ULA voluntarily disclosed the allegations of misconduct to the United States.

The investigation leading to the settlement was conducted in conjunction with the Air Force’s Office of Special Investigations, the National Reconnaissance Office’s Office of the Inspector General, and the Defense Criminal Investigative Service.

Assistant U.S. Attorneys Amanda Rocque and Shiwon Choe handled this matter on behalf of the government.

The settlement agreement is neither an admission of liability by ULA, nor a concession by the United States that its claims are not well founded.