United Technologies Corporation Pays More Than $1 Million to Resolve False Claims Violations

John H. Durham, United States Attorney for the District of Connecticut, today announced that UNITED TECHNOLOGIES CORPORATION (“UTC”) has entered into a civil settlement agreement with the federal government and paid $1,060,000 to resolve federal False Claims Act violations involving Goodrich Pump and Engine Controls Systems, a company UTC indirectly owned from July 2012 through March 2013.

As alleged in the settlement agreement, Rolls-Royce was a prime contractor to the U.S. Army, and Goodrich Pump and Engine Controls Systems (GPECS) was a subcontractor to Rolls Royce. GPECS sold its Full Authority Digital Engine Control Units, which includes the Engine Control Unit (FADEC/ECU), to Rolls-Royce Corporation for installation into its M-250 series engines. The M-250 series engines were then sent to the U.S. Army for installation into U.S. Army helicopters, specifically the OH-58 Kiowa Warrior aircraft and A/MH-6M Mission Enhanced Little Bird (MELB). From 2005 to 2012, GPECS purchased, shipped and caused counterfeit microprocessors to be integrated into FADEC/ECU assemblies, which were then incorporated into the M-250 series engine, ultimately for the Kiowa Warrior aircraft and MELB.

It is further alleged that from 2005 through 2012, GPECS provided to the government numerous false certifications as to the authenticity of the FADEC/ECU assemblies, and that 172 false certifications occurred between 2011 and 2012, alone.

“Federal contractors must abide by the certification requirements set forth in government contracts so that taxpayer dollars are not wasted, and our national security is not threatened,” said U.S. Attorney Durham. “Vulnerabilities caused by counterfeit parts will not be tolerated. We thank the Defense Criminal Investigative Service and U.S. Department of Transportation Office of Inspector General for thoroughly investigating this matter, and UTC for cooperating with the government’s investigation.”

“This settlement agreement is the direct result of a successful investigation conducted by the Defense Criminal Investigative Service (DCIS), the DOT-OIG and the U.S. Attorney’s Office, District of Connecticut,” stated Special Agent-in-Charge Leigh-Alistair Barzey, DCIS Northeast Field Office. “The
integrity of the DoD's supply chain is of critical importance to America’s national security and DCIS is committed to working with the DOJ and its law enforcement partners to ensure that counterfeit materials do not endanger U.S. military forces.”

This matter was investigated by the Defense Criminal Investigative Service and the U.S. Department of Transportation’s Office of Inspector General, and was handled within the U.S. Attorney’s Office by Assistant U.S. Attorney Ndidi N. Moses.

**Topic(s):**  
False Claims Act

**Component(s):**  
USAO - Connecticut

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