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# Lockheed settles whistleblower lawsuit brought by Phillips & Cohen involving Coast Guard cutters

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SAN FRANCISCO, CALIFORNIA, Jan. 20, 2018 – Lockheed Martin Corp. has agreed to pay the federal government \$2.2 million in cash and make certain repairs valued at an additional \$2.2 million to settle a whistleblower lawsuit brought by Phillips & Cohen LLP that alleged Lockheed sold to the US Coast Guard a defective communications system for the Coast Guard’s National Security Cutters.

The “qui tam” (whistleblower) lawsuit, which the government joined, alleges Lockheed failed to meet the contractual requirements for a critical component of the communications system for the cutters that would allow simultaneous communication on several channels at once.

A federal judge in San Francisco approved the settlement and unsealed the case, making it publicly known, late Friday (Jan. 19).

“The cutters’ communications system must be able to send and receive radio signals on more than one channel simultaneously, because Coast Guard ships need to perform more than one operation at a time,” said Claire M. Sylvia, a whistleblower attorney and partner with Phillips & Cohen LLP.

For instance, a National Security Cutter may have to conduct a rescue operation while stopping the smuggling of illegal drugs.

“The cutters’ communications system is integral to executing Coast Guard operations,” said Sylvia.

The Coast Guard calls the National Security Cutters “the centerpiece of the Coast

Guard's fleet, capable of executing the most challenging operations, including supporting maritime homeland security and defense missions.”

The whistleblower complaint alleges that Lockheed concealed the problem with the communications system from the Coast Guard and was aware of technical defects before it was installed in the first National Security Cutter in 2008.

The settlement requires Lockheed to fix the part of the communications system known as the Radio Frequency Distribution System (RFDS) on each of the nine National Security Cutters affected. The purpose of the RFDS system is to mitigate interference between radio frequency channels to facilitate the simultaneous operation of transmitters and receivers.

The qui tam lawsuit was filed by Phillips & Cohen in federal district court in San Francisco in 2014 on behalf of Stu Rabinowitz. David J. Marshall of Katz, Marshall & Banks LLP represented Rabinowitz on an employment retaliation claim that was filed as part of the lawsuit.

Rabinowitz was a lead member and later a principal member of Lockheed's engineering staff in New Jersey from 2000 to 2012. In 2010, he was assigned to investigate the operation of the communications system in response to complaints from the Coast Guard. The crew on one cutter told him that they had experienced difficulties receiving signals from a helicopter while it was trying to land on the ship's helipad and the cutter was simultaneously transmitting another signal.

“The helicopter was able to land safely, but the implications of the situation were concerning,” Rabinowitz said.

The complaint alleges that Rabinowitz investigated the matter, conducted tests on the communication system, and repeatedly reported the problem to his superiors.

He was subsequently laid off.

“I have worked with and designed communication systems since I was 17, so sacrificing my career to become a whistleblower has been a difficult experience,” Rabinowitz said. “However, knowing that the National Security Cutters are now being repaired brings a great deal of comfort. Coast Guard personnel risk their lives to perform their missions and need to be provided with safe, reliable equipment.”

Sylvia commended Rabinowitz for his effort and dedication.

“Because of Stu Rabinowitz, the Coast Guard will have the functioning system that it needed and had paid for,” said Sylvia.

Rabinowitz and his attorneys thanked Assistant US Attorney Sara Winslow of the Northern District of California and Department of Justice Trial Attorney Alicia Bentley for their diligence and hard work on the case and their efforts to ensure the cutters’ communications system works properly.

The False Claims Act allows private individuals to file civil lawsuits, known as “qui tam” lawsuits, against companies that are defrauding the government to stop the fraud and recover the government’s losses. If the government joins the case, whistleblowers are entitled to 15 percent to 25 percent of the recovery as a reward. Rabinowitz will receive 22.5 percent for the contributions to the case by him and his attorneys.

Mr. Rabinowitz also will receive a payment for resolution of his claim, under the False Claims Act’s anti-retaliation provision, that he was retaliated against for reporting the problem to his employer. “The False Claims Act protects employees who risk their jobs when they report such issues to their employers,” said attorney

Marshall. “Stu Rabinowitz had the courage to speak up, and was able to win compensation for losing his job.”

The US Department of Justice press release is posted here.

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