

## JUSTICE NEWS

### Department of Justice

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### **Northrop Grumman Systems Corporation to Pay \$27.45 Million to Settle False Claims Act Allegations**

The Justice Department announced today that Northrop Grumman Systems Corporation (NGSC) has agreed to settle civil allegations that it violated the False Claims Act (FCA), 31 U.S.C. §3729, by overstating the number of hours its employees worked on two battlefield communications contracts with the United States Air Force. Under the settlement, NGSC, headquartered in Falls Church, Virginia, will make a payment of \$25.8 million, which, combined with earlier repayments, will result in a civil recovery of approximately \$27.45 million.

“Contractors that knowingly inflate their bills to the government will face serious consequences,” said Assistant Attorney General Joseph H. Hunt for the Department of Justice’s Civil Division. “This settlement demonstrates, once again, that we will not tolerate those who falsely charge the armed forces or any agency of the United States to illegally profit at the expense of the American taxpayer.”

“Federal contracts are not a license to steal from the U.S. Treasury,” said U.S. Attorney Adam Braverman. “DOJ is firmly committed to vigilantly weeding out abuse and will swiftly pursue all available remedies when egregious fraud occurs.”

“Air Force OSI’s Office of Procurement Fraud is dedicated to protecting the taxpayer’s interests worldwide while safeguarding the needs of the warfighter. This investigation is a testament to AFOSI’s global reach, and to our partnerships with DCIS and the FBI which allowed us to meticulously unravel this international conspiracy to defraud the U.S. Air Force,” said Jason T. Hein, Special Agent in Charge of the Air Force OSI Office of Procurement Fraud, Detachment 6.

“We are committed to ensuring the funds of the American people are used for their intended purpose,” stated John Brown, Special Agent in Charge of the San Diego Field Office - Federal Bureau of Investigation. “This is another example of the incredible partnerships between the FBI and our Department of Defense counterparts. Together, uncovering this immense fraud against the government and returning the funds to the American taxpayer is vitally important to ensuring our military receives the honest services they are due.”

The Air Force entered into two contracts with NGSC for battlefield communications services: the Battlefield Airborne Communications Node contract and the Dynamic Re-tasking Capability contract. Today’s settlement resolves allegations that NGSC billed the Air Force for labor hours purportedly incurred between July 1, 2010, and December 31, 2013, by individuals stationed in the Middle East who had not actually worked the hours claimed. NGSC also entered into a separate agreement with the Criminal Division of the U.S. Attorney’s Office for the Southern District of California related to these contracts under which it has agreed to forfeit an additional \$4.2 million.

The civil settlement was the result of a coordinated effort by the Civil Division’s Commercial Litigation Branch, the U.S. Attorney’s Office for the Southern District of California, the Defense Contract Audit Agency, the Air Force Office of Special Investigations, the Defense Criminal Investigative Service, and the Air Force Materiel Command Law Office Fraud Division.

Except for the conduct admitted in connection with the criminal agreement, the claims resolved by the civil agreement are allegations only, and there has been no determination of civil liability

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