Defense Contractor Agrees to Pay $4,200,000 to Settle Allegations of Submitting False Claims to The United States Air Force

Oklahoma City – PAE Applied Technologies, LLC, has agreed to pay $4,200,000 to settle civil claims stemming from allegations that it submitted false claims to the United States Air Force, announced Timothy J. Downing, United States Attorney for the Western District of Oklahoma.

PAE is a Delaware limited liability company that provided services to the Air Force under an Aircraft Maintenance, Airfield Management, Aircrew Life Support and Base Operating Support contract. The services were provided at the Vance Air Force Base, which is located in Enid, Oklahoma. The United States alleges that for government fiscal years 2009-2014, PAE knowingly submitted false claims to the Air Force for employee wages under the Contract. More specifically, PAE submitted false claims for wage rates above the applicable wage caps. The case also included allegations that PAE would not have received award fees under the Contract if PAE had disclosed billing the United States for wages that exceeded the wage caps.

This settlement resolves the allegations filed in a lawsuit by a whistleblower who formerly worked for PAE. The lawsuit was filed in federal district court in Oklahoma City under the qui tam, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the United States for false claims and to share in the recovery. The Act also allows the government to intervene in the lawsuit. In this case, the government intervened in the action and resolved all the allegations by this settlement.

In reaching this settlement, PAE did not admit its liability, and the United States did not concede that its claims lack merit. The agreement allows the parties to avoid the delay, expense, inconvenience, and uncertainty of litigating the case.

This case was investigated by the Defense Criminal Investigative Service, Air Force Office of Special Investigations, and Defense Contract Audit Agency. It was prosecuted by Assistant U.S. Attorneys Ronald R. Gallegos and Scott Maule.