



DC Federal Court Unseals \$1 Billion-plus Whistleblower Suit against Navistar Defense and Navistar International

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WASHINGTON, Dec. 03, 2019 (GLOBE NEWSWIRE) -- The United States District Court for the District of Columbia Judge Tanya S. Chutkan unsealed a six-year-old *qui tam* Complaint filed by a whistleblower seeking at least \$1.28 billion dollars in damages from Navistar Defense and Navistar International (“Navistar”) (NYSE:[NAV](#)), *U.S. ex. Rel Duquoin Burgess v. Navistar*, Case No. 13-cv-01463 (D.D.C.).

According to the Complaint, Navistar violated the False Claims Act by forging invoices, catalogue prices, and other data during the negotiations of a multi-billion-dollar Defense contract for Mine Resistant, Ambush-Protected (“MRAP”) vehicles. These fabricated and fraudulent representations underlie both the initial contract award and subsequent placement of delivery orders under the contract from 2007 to 2012.

Duquoin Burgess, a former Contract Director at Navistar, witnessed the fraudulent conduct and originally filed the complaint in 2013 on behalf of himself and the United States. The United States Government intervened in the case this year, and will partner with Sanford Heisler Sharp in prosecuting the case against Navistar.

The Complaint alleges that Navistar used false and misleading documents to support alleged “commercial prices” of vehicle components, including the chassis, engines, and suspension systems. The forged and fraudulent documents allegedly served to mask that these vehicle

components either had no commercial sales history at all or, when they did, had commercial prices amounting to approximately half the price that Defendants charged the Government.

Navistar allegedly made use of forgeries to skip the requirement that it present real evidence of past sales. According to the Complaint, Navistar certified the truthfulness of its false and misleading cost and pricing data on all but one of the delivery orders placed under the contract.

In addition to alleging a fraud that began as early as contract formation, the Complaint asserts that Navistar's executive leadership—including the company's former President and Vice President—supported and participated in perpetrating this extensive fraud upon the Government.

The federal government procurement system, above all else, requires honesty to ensure that the Government is protected from less scrupulous vendors. The Complaint alleges that Navistar took advantage of this system and of the Government's critical need for MRAP vehicles in Iraq and Afghanistan and engaged in a pervasive and long-running scheme to charge the U.S. Government wildly inflated prices for vehicle components.

Mr. Burgess is represented by H. Vincent McKnight, Jr., Managing Partner of Sanford Heisler Sharp, LLP's Washington, D.C. Office and co-chair of the firm's whistleblower practice, and former U.S. District Judge for the Middle District of Tennessee Kevin Sharp, Managing Partner of Sanford Heisler Sharp, LLP's Nashville Office. The United States is represented by Darrell Valdez, Assistant United States Attorney in the District of Columbia, and Gary Newkirk, Department of Justice Trial Attorney.

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