

JUSTICE NEWS

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3M Company Agrees to Pay \$9.1 Million to Resolve Allegations That it Supplied the United States With Defective Dual-Ended Combat Arms Earplugs

The Department of Justice announced today that 3M Company (3M), headquartered in St. Paul, Minnesota, has agreed to pay \$9.1 million to resolve allegations that it knowingly sold the dual-ended Combat Arms Earplugs, Version 2 (CAEv2) to the United States military without disclosing defects that hampered the effectiveness of the hearing protection device.

"The Department of Justice is committed to protecting the men and women serving in the United States military from defective products and fraudulent conduct," said Acting Assistant Attorney General Chad A. Readler of the Department's Civil Division. "Government contractors who seek to profit at the expense of our military will face appropriate consequences."

"Through rigorous enforcement of the False Claims Act, we protect taxpayer dollars from waste, fraud, and abuse," said U. S. Attorney Sherri Lydon for the District of South Carolina. "And in this case in particular, we are proud to defend the integrity of our military programs and ensure that our men and women in uniform are adequately protected as they serve our country."

"Today's settlement will ensure that those who do business with the government know that their actions will not go unnoticed," said Frank Robey, director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. "Properly made safety equipment, for use by our Soldiers, is vital to our military's readiness. Our agents will respond robustly to protect the safety of our military."

"This settlement demonstrates the commitment of the Defense Criminal Investigative Service and our law enforcement partners to hold companies accountable for supplying substandard products, in particular products that could directly impact our service members' health and welfare. DCIS protects the integrity of Defense Department programs by rooting out fraud, waste, and abuse that negatively affect the wellbeing of our troops," said Special Agent in Charge Robert E. Craig, Jr., DCIS Mid-Atlantic Field Office.

The settlement announced today resolves allegations that 3M violated the False Claims Act by selling or causing to be sold defective earplugs to the Defense Logistics Agency. Specifically, the United States alleged that 3M, and its predecessor, Aearo Technologies, Inc., knew the CAEv2 was too short for proper insertion into users' ears and that the earplugs could loosen imperceptibly and therefore did not perform well for certain individuals. The United States further alleged that 3M did not disclose this design defect to the military.

The allegations resolved by the settlement were brought in a lawsuit filed under the *qui tam*, or whistleblower, provisions of the False Claims Act. The act permits private parties to sue on behalf of the government when they believe that defendants submitted false claims for government funds and to share in any recovery. As part of today's resolution, the whistleblower will receive \$1,911,000.

The settlement was the result of a coordinated effort by the Civil Division of the Department of Justice, the United States Attorney's Office for the District of South Carolina, the Army Criminal Investigation Command, and the Defense Criminal Investigative Service.

The case is captioned *United States ex rel. Moldex-Metric v. 3M Company*, Case No. 3:16-cv-1533-MBS (D.S.C.). The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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Component(s):

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