



# Department of Justice

UNITED STATES ATTORNEY JOYCE WHITE VANCE  
NORTHERN DISTRICT OF ALABAMA

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## NASA CONTRACTOR AGREES TO PAY \$3 MILLION SETTLEMENT UNDER FALSE CLAIMS ACT

BIRMINGHAM – Pratt & Whitney Rocketdyne, Inc., has agreed to pay the government almost \$3 million to resolve allegations under the False Claims Act arising out of a dispute over fees charged on a contract with NASA after Pratt & Whitney merged with Rocketdyne in 2005, according to a settlement announced today by U.S. Attorney Joyce White Vance.

Prior to the merger, Rocketdyne had subcontracted with Pratt & Whitney for work on a Space Shuttle flight support services contract Rocketdyne had with NASA. Following the August 2005 merger, Pratt & Whitney Rocketdyne billed NASA fees under the pre-merger subcontract. In December 2006, the Defense Contract Audit Agency questioned whether those subcontract fee billings allowed the merged company to reap excess profits.

Following an investigation, the parties reached a settlement. Under the terms of the settlement agreement, Pratt & Whitney Rocketdyne will pay \$2,988,819 to resolve the allegations under the False Claims Act.

“Contractors who work on government projects have a duty to correctly bill the government for work completed under the contract,” Vance said. “My office is committed to ensuring that in cases where a contractor has improperly charged the government, a proper resolution that protects the taxpayers’ interests is achieved. The return of almost \$3 million today is a good result for the citizens,” she said.

The Defense Contract Audit Agency and the NASA Office of the Inspector General investigated this matter and assisted in settlement negotiations. Assistant U.S. Attorney Lloyd Peoples represented the United States in the case.

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[Back to Northern District of Alabama Main Page](#)