

JUSTICE NEWS

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First RF Corporation Agrees to Pay \$10 Million to Resolve False Claims Act Allegations

The Justice Department announced today that First RF Corporation (First RF), an antenna and radio system company located in Boulder, Colorado, has agreed to pay \$10 million to settle allegations that it violated the False Claims Act by submitting inflated claims for electronic warfare antennas sold to the U.S. Army to combat Improvised Explosive Devices.

“Misrepresentations during contract negotiations undermine the integrity of the government procurement process,” said Acting Assistant Attorney General Joyce R. Branda for the Justice Department’s Civil Division. “The Justice Department will take action where contractors make false statements to inflate the price of goods or services sold to the government.”

The settlement announced today resolves the United States’ investigation into First RF’s conduct in connection with a 2005 Army contract for the sale of electronic warfare antennas. Specifically, the United States alleged that First RF knowingly submitted false data to the Army that misrepresented First RF’s cost to manufacture the antennas, and thereby inflated the price for the antennas and the payments First RF received for them.

“When defense contractors supply our armed forces with equipment, those contractors must be absolutely truthful in their price negotiations,” said U.S. Attorney John Walsh for the District of Colorado. “It is no excuse for dishonesty that the military equipment was urgently needed. Defense contractors that fail to act with integrity in such negotiations should know that they will face consequences.”

“The Defense Criminal Investigative Service (DCIS) is committed to ensuring the integrity of the Defense Department’s procurement process,” said Special Agent-in-Charge Janice M. Flores of the DCIS Southwest Field Office located in Arlington, Texas. “Contractors such as FRF are expected to comply with their statutory obligations and act in good faith when dealing with the U.S. government and this settlement demonstrates that companies will be held accountable for their actions.”

“Our men and women in uniform are putting their lives on the line daily around the world, and the U.S. Army relies heavily on the contracting process to bring the very best to our service men and women,” said Frank Robey, director of the U.S. Army Criminal Investigation Command’s Major Procurement Fraud Unit. “Shortchanging our troops or the American taxpayers in any way, shape or form will not be tolerated and we are committed to investigating all allegations of possible fraud or misrepresentation of costs with great interest.”

This settlement was the result of a coordinated effort by the Commercial Litigation Branch of the Justice Department’s Civil Division, the U.S. Attorney’s Office for the District of Colorado and the Defense Criminal Investigative Service.

The claims resolved by this settlement are allegations only, and there has been no determination of liability.