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## **SIKORSKY AIRCRAFT CORPORATION TO PAY \$3.5 MILLION TO SETTLE ALLEGATIONS UNDER THE FALSE CLAIMS ACT**

Deirdre M. Daly, United States Attorney for the District of Connecticut, today announced that SIKORSKY AIRCRAFT CORPORATION of Stratford, Conn., which manufactures Black Hawk helicopters and spare parts for the helicopters for the U.S. Military and for friendly nations has entered into a civil settlement in which it will pay \$3.5 million to resolve allegations that it violated the False Claims Act arising from the submission of inflated costs in the pricing of spare parts.

The government alleges that from February 7, 2008 through September 8, 2011, Sikorsky failed to disclose accurate, complete and current cost and pricing data to the Army Aviation and Missile Life Cycle Management Command ("AMCOM"). AMCOM is one of the purchasing commands of the Army that is charged with purchasing spare parts for the Black Hawk.

The Truth In Negotiations Act requires that contractors disclose accurate, complete and current cost and pricing data to the government during the negotiation process. When determining the prices to be charged to the government, Sikorsky failed to disclose that it had lower prices for certain parts. As a result, the government paid artificially excessive prices for those parts.

The Black Hawk repair work was principally performed at the Corpus Christi Army Depot in Corpus Christi, Texas.

"In this era of shrinking defense budgets, it is particularly important to guard the public coffers and safeguard against the unnecessary expenditures of funds from American taxpayers," said U.S. Attorney Daly. "Failure to disclose accurate, complete and current cost and pricing data created an uneven playing field in the negotiation process which tilted unfairly in Sikorsky's favor."

“Unethical decisions and instances of fraud occurring within the Defense contractor community continue to burden the U.S. Defense budget and puts U.S. military readiness at a disadvantage,” stated Craig W. Rupert, Special Agent in Charge, Defense Criminal Investigative Service (DCIS) Northeast Field Office. “With the current state of the economy, taxpayers can ill-afford to overpay for warfighter necessities required to carry out our Defense mission. This investigative effort and resulting settlement reflects DCIS’ commitment to safeguarding our military members and protecting the taxpayer’s interests by ensuring transparency and accountability in the Department of Defense procurement system.”

This investigation was conducted by the Defense Criminal Investigative Service, Defense Contract Audit Agency, Department of Defense Office of Inspector General-Audit Division, and the Defense Contract Management Agency. The investigation was led by Assistant U.S. Attorney Alan M. Soloway.

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