

FALSE CLAIMS ACT AND GOVERNMENT CONTRACTS



Bartlit Beck has an extraordinary record of success in False Claims Act, government contracts, and cost accounting standards cases, including trials and appeals against the Department of Justice and other government agencies. These disputes often present unusual challenges, such as litigating against a significant customer and a complex statutory scheme regime that often advantages the government. Our trial focus and preparation puts our clients in a position of strength – ready to try the case if necessary or to leverage our trial readiness to obtain a favorable settlement.

EXPERIENCE

United States v. United Technologies

Represented United Technologies in ten-week bench trial of False Claims Act case brought by the Department of Justice. Government sought \$624 million, alleging price inflation on jet engine sales by UTC division Pratt & Whitney to the Air Force. Trial court's judgment rejected the government's \$624 million damages claim, held that the government suffered no actual damages, and imposed statutory penalties of \$7 million. UTC appealed after a subsequent remand ruling in which the district court reversed its trial ruling and awarded \$664 million. The Sixth Circuit reversed the damages award, held that the government had suffered no actual damages, and remanded to the trial court again. On the second remand, the government finally abandoned its \$600 million damages theory, and the trial court entered final judgment of \$1.2 million with interest of \$2.8 million (plus the \$7.1 million penalty). [Click here to read Law360 article.](#)

Sikorsky Aircraft Corporation v. United States

Represented Sikorsky in two related actions by the Department of Justice in which the government asserted claims of more than \$100 million. The government alleged that Sikorsky overcharged for military aircraft and parts in violation of government contracts and Cost Accounting Standards. In the first action, Sikorsky prevailed at trial, and the Federal Circuit affirmed the judgment for Sikorsky. In the follow-on related action, the trial court granted Sikorsky's motion for judgment on the pleadings, dismissed the government's claims, and awarded Sikorsky costs. The government again appealed to the Federal Circuit, but voluntarily withdrew the appeal before briefing, concluding the litigation in Sikorsky's favor. [Click here to read the Law360 article.](#)

Trinity ET Plus Litigation

Represent Trinity Industries and Trinity Highway Products in various cases alleging personal injuries from Trinity's ET Plus guardrail end terminal system. The matters include products liability cases pending in multiple

state and federal jurisdictions, class actions, and state *qui tam* actions.

Pratt & Whitney

Represent Pratt & Whitney before the Armed Services Board of Contract Appeal in an action challenging the government's \$210 million claim alleging non-compliance with Cost Accounting Standards in connection with Pratt's use of collaboration agreements for the design, development, and manufacture of commercial aircraft engines.

Baycol Qui Tam

Represented Bayer in litigation concerning Baycol, a cholesterol-lowering medicine. Litigation included a False Claims Act *qui tam* action. Obtained dismissal of the *qui tam* action. On appeal, the Eighth Circuit affirmed the dismissal of the False Claims Act claims for failure to plead with particularity and affirmed the district court's refusal to allow the relator to amend the complaint a third time. The Eighth Circuit let stand a fraudulent inducement theory that related to a portion of the case. On remand, the court granted Bayer's motion to dismiss the remaining claims, and the relator again appealed. The Eighth Circuit reversed and remanded. A motion to dismiss was denied, and the case is active and pending in the D. Minnesota.

United States, ex rel. Oberg v. Nelnet, et al.

Represented Nelnet in a *qui tam* action under the False Claims Act in E.D. Virginia. The relator alleged that Nelnet exploited a statutory loophole to submit false claims for about \$300 million in student loan subsidies, threatening trebled damages of nearly \$1 billion. After successfully moving to limit the relator's expert testimony, litigation was favorably resolved the day before jury selection.

United States, ex rel. Jimenez v. Otter Products LLC

Represented Otter Products in a False Claims Act case related to customs duties in D. Colorado. The relator and the government claimed that Otter Products failed to pay customs duties on molds used to create OtterBox protective cases for phones imported into the United States. Customs and Border Protection conducted a parallel investigation while the relator filed suit in the District of Colorado. Litigation favorably resolved amongst the relator, the Department of Justice, and Customs and Border Protection.

Confidential Mediation

Represented defense contractor in a Department of Justice investigation of an aircraft part failure. The dispute was resolved favorably by negotiation and mediation, avoiding litigation.