



Department of Justice

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Pratt & Whitney and PCC Airfoils to Pay More Than \$52 Million to Settle Allegations of Selling Defective Jet Engine Parts

WASHINGTON -- Pratt & Whitney and its subcontractor, PCC Airfoils LLC, have agreed to pay the United States \$52,325,000 to resolve False Claims Act allegations that Pratt & Whitney and PCC knowingly sold defective turbine blade replacements for jet engines used in military aircraft, the Justice Department announced today. The engines power the large fleet of twin-engine F-15 and single-engine F-16 fighter aircraft used primarily by the U.S. Air Force.

The government's investigation concerned allegations that between 1994 and 2003, replacement turbine blades designed by Pratt & Whitney and cast by PCC failed to meet a critical design dimension. This defect caused the crash of an F-16 fighter aircraft in Arizona on June 10, 2003; the pilot ejected safely. The finished blades were delivered to the Air Force by Pratt & Whitney.

Pratt & Whitney, a division of United Technologies Corporation, is headquartered in East Hartford, Conn. PCC, located in Beechwood, Ohio, is a subsidiary of Precision Castparts Corporation.

"This settlement demonstrates the government's commitment to maintaining the high quality and safety standards required of contractors and subcontractors selling critical aircraft parts to the Department of Defense," said Gregory G. Katsas, Assistant Attorney General of the Justice Department's Civil Division.

Under the settlement, Pratt & Whitney will pay \$45.5 million and also will provide \$4.825 million in services for re-inspecting potentially serviceable blades bought by the Air Force. PCC will pay \$2 million. Both companies, working with the Air Force, previously provided corrective actions, which the government valued at \$47.1 million. The Air Force has not identified any future safety concerns.

The case was pursued as part of a National Procurement Fraud initiative. The National Procurement Fraud Task Force was formed in October 2006 and was designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs.

The matter was investigated by the U.S. Air Force Office of Special Investigations, the Defense Criminal Investigative Service and the Naval Criminal Investigative Service. The Air Force Materiel Command at Tinker Air Force Base in Oklahoma City and Wright-Patterson Air Force Base in Dayton, Ohio, provided significant technical and legal support, as did the Naval Air Command and Acquisition Integrity Office. Audit support was provided by the Defense Contract Audit Agency. The settlement was negotiated by the Justice Department's Civil Division.

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