



U.S. Department of Justice

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PRESS RELEASE

JUDGMENT REACHED IN LAWSUIT SEEKING TO RECOVER MONEY FROM DEFENSE CONTRACTOR FOR SOLD FAULTY SEALS TO DEPARTMENT OF DEFENSE

SALT LAKE CITY – The U.S. Attorney’s Office has obtained a judgment in a federal lawsuit seeking to recover costs and penalties from a military contractor who sold faulty F-16 aircraft seals to the Department of Defense. The nearly \$900,000 judgment was entered in federal court on September 25, 2007.

Fifeco, Inc, was ordered to pay the federal government \$884,203.53, including triple damages for \$283,734.51 in payments Fifeco received from the government for the faulty seals, as well as \$33,000 in penalties for filing six false claims. Fifeco, a North Salt Lake, Utah, company, also has been barred from performing work on any government contracts for three years.

The investigation, conducted jointly by the Air Force Office of Special Investigations and the Defense Criminal Investigative Service,

determined Fifeco knowingly substituted substandard materials when manufacturing seals used on F-16 fighter plane canopies. The substituted materials rendered the seals unsafe for the multi-million dollar aircraft and posed a safety risk for military pilots.

“The U.S. Attorney’s Office and the Department of Defense continue to aggressively pursue contractors who jeopardize the lives of American service men and women,” U.S. Attorney for Utah Brett L. Tolman said. “We are also committed to protecting the American taxpayers from businesses who seek to defraud the government.”

The lawsuit filed by the U.S. Attorney’s Office alleged Fifeco manufactured critical aircraft seals, but was only authorized to supply seals manufactured by other companies. The Fifeco manufactured seals were defective and unusable by the U.S. Air Force.