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**BIRMINGHAM, AL** - United States Attorney Alice H. Martin of the Northern District of Alabama announces that Lockheed Martin Missiles and Fire Control, a business unit of Lockheed Martin Corporation ("Lockheed") has agreed to pay the United States \$1.4 million dollars (\$1,400,000.00) to resolve allegations of mischarging the United States Army Aviation and Missile Command.

In 1999, Lockheed Martin voluntarily disclosed inadvertent mischarging between its production and support contracts for the Multiple Launch Rocket System. These contracts are administered by the Army in Huntsville, Alabama. A subsequent audit performed by the Defense Contract Audit Agency challenged the scope of the reported mischarging. Following a cooperative investigation, the parties participated in voluntary mediation and reached a compromise settlement of the disputed amount.

"The United States is pleased that Lockheed cooperated with the investigation and has agreed to refund the over-payments without the need for formal litigation," said Alice H. Martin, United States Attorney. "The settlement demonstrates this office's determination to ensure that companies choosing to do business with the United States remain accountable to taxpayers."

Along with the United States Attorney's Office for the Northern District of Alabama, the Department of Defense's Criminal Investigative Service, the United States Army's Criminal Investigation Division, the Defense Contract Audit Agency, and the Department of Defense's Procurement Fraud Branch participated in the investigation and settlement.

Lloyd C. Peoples, Assistant United States Attorney, was the lead attorney in the investigation.

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