Aircraft Parts Testing Fraud Doesn’t Fly: Whistleblower Receives $90,000 for Reporting Contracting Fraud

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The United States Department of Justice settled a case against aircraft parts foundry WDC Acquisitions LLC d/b/a Wellman Dynamics (WDC) for allegations of failure to perform required testing and then lying about the results. Under the terms of the settlement, the aircraft parts manufacturer, a subcontractor to various big-name prime defense contractors, paid $500,000. The whistleblower is a WDC
employee who internally reported the issues with testing. They are receiving $90,000 as a reward for reporting fraud, with an additional $15,000 to settle a retaliation claim.

According to court documents, the whistleblower alleged that the parts manufacturer did not properly test its large metal castings in the following ways. At various times in 2014-2021 relating to three different types of materials tests, WDC allegedly failed to report testing failures and then did not re-test products, it falsified test results, failed to conduct testing entirely, and recycled passing test results for parts that did not actually pass the tests. Saying that a product meets a requirement when it in fact does not, and then billing the government for that product, is a false claim; receiving government funds for defective products as part of a government contract violates the False Claims Act.

The government relies on contractors to provide goods and services that it cannot otherwise create. When a subcontractor falsely certifies the safety of the parts they send to prime contractors which—in this case—use those parts in equipment for the military—this causes a ripple effect of harm for all involved. The end users (military personnel) cannot rely on their equipment and taxpayers’ funds are wasted. The Acting U.S. Attorney for the Northern District of Iowa emphasized, “It is imperative that our defense contractors and subcontractors provide the high-quality and properly tested products the military needs.”

Whistleblowers with knowledge that their employer is cutting corners on products they make for the government should step forward and file a qui tam suit. Reporting government contracts fraud can result in a reward of 15-25% of the government’s recovery.

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