

Boeing Prevails in Civil False Claims Act Lawsuit

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The Boeing Company [NYSE:BA] has prevailed in a civil False Claims Act lawsuit alleging that a Boeing subsidiary submitted false claims for payment to NASA in connection with the space shuttle program.

Judge David Hittner of the U.S. District Court for the Southern District of Texas entered judgment for Boeing as to all claims at the close of the plaintiff's case.

The Boeing subsidiary at issue, Boeing North American Space Operations Company (formerly Rockwell Space Operations Company), provided engineering, ground support and other services to NASA on the space shuttle program. It entered into subcontracts with Omniplan Corporation and Hernandez Engineering, which provided drafting and document support services to the company.

The plaintiff, William Whipple, was a former Omniplan employee who claimed that Omniplan engaged in wasteful practices designed to artificially inflate labor and other charges to the government. Mr. Whipple claimed that Boeing was aware of the practices, and fraudulently passed along the charges to the government. He brought suit under the *qui tam* provisions of the False Claims Act, which allows private citizens to sue government contractors on behalf of the government, and sought over \$38 million in damages. The government declined to intervene in the case.

In concluding that the claim was without merit, the Court found that Mr. Whipple was not credible and that Boeing had not engaged in any wrongdoing.

"Boeing vigorously defends against frivolous and unfounded allegations of fraud such as those asserted in this case. The company is pleased that the Court recognized that the claim was without merit without Boeing even having to present its case," said company spokesperson Anne Eisele.

Boeing was represented by Michael Goldberg and Paul Elliott of the Houston office of Baker Botts, L.L.P., and Dan Riley of Baker Botts' Washington, D.C. office.

Mr. Whipple was represented by Lee Kaplan, Larry Veselka, and Justin Waggoner of Smyser, Kaplan & Veselka, L.L.P. in Houston, Texas.

Boeing Space and Communications (S&C), headquartered in Seal Beach, Calif., is the world's largest space and communications company. A unit of The Boeing Company, S&C provides integrated solutions in launch services, human space flight and exploration, missile defense, and information and communications. It is NASA's largest contractor; a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; and a leading provider of intelligence, surveillance and reconnaissance. The global enterprise has customers worldwide and manufacturing operations throughout the United States and Australia.

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