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Department of Justice

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District of Columbia

FOR IMMEDIATE RELEASE

Wednesday, December 4, 2019

United States Joins Suit Against Navistar Defense LLC Alleging False Claims Under Marine Corps Contract

WASHINGTON – The United States has intervened in a multimillion dollar whistleblower suit filed in the United States District Court for the District of Columbia against Navistar Defense, LLC. Navistar Defense manufactured large and armored vehicles for the United States military and is a subsidiary of Navistar International, LLC, headquartered in Melrose Park, Illinois. The suit alleges that Navistar Defense violated the False Claims Act (FCA) by submitting fraudulent invoices to support inflated prices for commercial parts on the Mine Resistant Ambush Protected (MRAP) vehicle.

“Contractors who falsify information to induce the military to pay inflated prices will be held accountable,” said Jody H. Hunt, Assistant Attorney General for the Civil Division. “We will continue to protect the military’s procurement process from such abuse.”

“Through rigorous enforcement of the False Claims Act, we protect taxpayer dollars from waste, fraud, and abuse,” said Jessie K. Liu, U.S. Attorney for the District of Columbia. “We expect the utmost integrity and reliability from the contractors that design and build equipment that is meant to ensure that our men and women in uniform are adequately protected as they serve our country.”

In 2007, the United States Marine Corps awarded Navistar Defense a contract to build several hundred MRAP vehicles to replace the Humvee, which proved to be vulnerable to roadside bombs. Navistar Defense ultimately provided nearly 4,000 MRAPs under the contract. In 2009, as the focus of the war effort transitioned from the paved roads and flat terrain of the Iraqi deserts to Afghanistan’s rocky terrain, the Marine Corps sought to upgrade its MRAP vehicles with a modified (?) Independent Suspension System (ISS). During the course of negotiations for the ISS, the Marine Corps asked Navistar Defense to provide evidence of prior commercial sales of the various parts that made up the ISS to ensure that the prices paid were fair and reasonable. The government alleges that Navistar Defense knowingly submitted forged documents of prior, comparable commercial sales to conceal the inflated prices it was charging the Marine Corps. In reality, those sales never occurred.

The suit was filed under the *qui tam* or whistleblower provisions of the FCA by Duquoin Burgess, a former government contracts manager for Navistar Defense. Under those FCA provisions, a private party, known as a relator, can file an action on behalf of the United States and receive a portion of the recovery. Under the FCA, the United States may recover three times the amount of its losses plus civil penalties.

The government’s complaint alleges claims under the FCA, which prohibits knowingly submitting false claims for federal funds, and other common law claims. The lawsuit is being handled by the Civil Division’s Commercial Litigation Branch and the U.S. Attorney’s Office for the District of Columbia. Investigative support is being provided by the Defense Contract Audit Agency, the Naval Criminal Investigative Service, the Defense Criminal Investigative Service, the Army Criminal Investigation Command, and the Federal Bureau of Investigation.

The case is captioned *United States ex rel. Burgess v. Navistar Defense, LLC* (D.D.C). The claims resolved by this settlement are allegations only, and there has been no determination of liability.

Attachment(s):

[Download Navistar LLC Complaint](#)

Component(s):

[USAO - District of Columbia](#)

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