



NEWS RELEASE

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Aerospace Corporation Agrees to Pay \$2.5 Million to Resolve Allegations of Billing for Phantom Employee

LOS ANGELES – The Aerospace Corporation has paid the United States \$2.5 million to settle allegations that for more than seven years it billed the Air Force for the services of an employee who rarely came to work and was not qualified to perform the technical tasks assigned to him.

Aerospace employed William Hunter as an engineer specializing in software quality assurance reviews from 2001 to 2008. When he was hired, Hunter claimed to have a doctorate from Oxford University, but, in fact, Hunter only had a high school education. For the more than seven years he worked at Aerospace, Hunter was simultaneously employed by another defense contractor. He filled out time cards at both employers, claiming to be working full-time at two places and working a considerable number of overtime hours. The evidence uncovered by the government showed that Hunter frequently was not at either employer's site, but instead was visiting bars, amusement parks, theaters and other non-workplace locations.

The government investigation showed that Aerospace was aware of Hunter's fraud, but it nonetheless charged the Air Force for his time.

Hunter died in 2010.

Aerospace is a non-profit corporation that operates a federally funded research and development center for the United States Air Force and the National Reconnaissance Office. The organization also works with NASA and the National Oceanic and Atmospheric Administration.

Aerospace paid the \$2.5 million settlement last Thursday.

The United States Attorney's Office coordinated an investigation of Aerospace for alleged violations of the federal False Claims Act. The government investigative team included agents and investigators with the Air Force Office of Special Investigations and the Defense Contract Audit Agency.

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