TAF Whistleblower Perspectives Panel at 2026 Annual Conference

DOJ Press Releases associated with panelists' whistleblower cases

***U.S. ex rel. Doe v. Raytheon Co. et al.*, No. 21-cv-2343 (D.D.C.).**

DOJ Press Release: https://www.justice.gov/opa/pr/raytheon-companies-and-nightwing-group-pay-84m-resolve-false-claims-act-allegations-relating

DOJ PRESS RELEASE

Raytheon Companies and Nightwing Group to Pay $8.4M to Resolve False Claims Act Allegations Relating to Non-Compliance with Cybersecurity Requirements in Federal Contracts

Thursday, May 1, 2025

For Immediate Release

Office of Public Affairs

Raytheon Company (Raytheon), RTX Corporation, and Nightwing Group LLC, and Nightwing Intelligence Solutions LLC (collectively, Nightwing), have agreed to pay $8.4 million to resolve allegations that Raytheon violated the False Claims Act by failing to comply with cybersecurity requirements in contracts or subcontracts involving the Department of Defense (DoD). Raytheon is a subsidiary of Arlington, Virginia-based defense contractor RTX Corporation (formerly known as Raytheon

Technologies Corporation). In March 2024, RTX Corporation sold its Cybersecurity, Intelligence, and Services business, which since became part of Dulles, Virginia-based Nightwing. The settlement resolves conduct that allegedly occurred between 2015 and 2021, prior to Nightwing's acquisition of the business.

The settlement was announced by U.S. Attorney Edward R. Martin Jr., Acting Assistant Attorney General Yaakov Roth, head of the Justice Department's Civil Division, Special Agent in Charge Kenneth DeChellis of the Department of Defense Criminal Investigative Service Cyber Field Office, Special Agent in Charge William W. Richards of the Air Force Office of Special Investigations (AFOSI), Special Agent in Charge Keith K. Kelly of the Department of the Army Criminal Investigation Division's Fraud Field Office, and Special Agent in Charge Greg Gross, NCIS Economic Crimes Field Office.

"Cyber threats have grown in size and reach in recent years, leaving no room for complacency among those in the public sector, private sector, or even among private citizens," said U.S. Attorney Edward R. Martin Jr. for the District of Columbia. "Government contractors must comply with the cybersecurity rules that govern their performance and be candid about their compliance. This settlement reflects the Government's commitment to pursue contractors that fail to live up to those expectations."

"As cyber threats continue to evolve, it is critical that defense contractors take the required steps to protect sensitive government information from bad actors," said Acting Assistant Attorney General Yaakov Roth of the Justice Department's Civil Division. "We will continue our efforts to hold contractors accountable when they fail to honor their DoD cybersecurity commitments."

The settlement resolves allegations that Raytheon and its then-subsidiary Raytheon Cyber Solutions, Inc. (RCSI), failed to implement required cybersecurity controls on an internal development system that was used to perform unclassified work on certain DoD contracts. The United States alleged that Raytheon and RCSI failed to develop and implement a system

security plan for the system, as required by DoD cybersecurity regulations, and failed to ensure that the system complied with other cybersecurity requirements contained in the Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012 and Federal Acquisition Regulation (FAR) 52.204-21. FAR 52.204-21 requires federal contractors to apply basic safeguarding requirements to information systems that process or store federal contract information. DFARS 252.204-7012 requires contractors to provide adequate security for information systems that process or store covered defense information. The settlement resolved allegations that Raytheon used its noncompliant internal system to develop, use, or store covered defense information and federal contract information during its performance on 29 DoD contracts and subcontracts.

"The Defense Criminal Investigative Service (DCIS), the law enforcement arm of the DoD Office of Inspector General, is steadfastly committed to upholding the integrity of all business systems used to process and store defense information," said Special Agent in Charge DeChellis of the DCIS Cyber Field Office. "DCIS, along with our investigative partners, will continue to protect our service members and military technological edge by ensuring defense contractors strictly adhere to their cyber security contractual obligations."

"Failure to implement cybersecurity requirements can have devastating consequences, leaving sensitive DoD data vulnerable to cyber threats and malicious actors," said Special Agent in Charge William Richards of the Air Force Office of Special Investigations Procurement Fraud Office, Andrew AFB, Md. "AFOSI, alongside our investigative partners and the Department of Justice, will continue to combat fraud affecting the Department of the Air Force and hold those accountable that fail to properly safeguard sensitive defense information."

"This settlement further demonstrates the resolve of the Department of the Army Criminal Investigation Division and our law enforcement partners to protect and defend the assets of the United States Army," said Special Agent in Charge Keith K. Kelly of the Department of the Army Criminal Investigation Division's Fraud Field Office."

"Strict compliance with contractual cybersecurity requirements is of dire importance to adequately safeguard sensitive information from sophisticated adversaries, assure the safety of our warfighters, and maintain our military's competitive edge," said Special Agent in Charge Greg Gross, NCIS Economic Crimes Field Office. "NCIS and our federal partners remain committed to investigating entities that do not responsibly protect critical information entrusted to them."

The settlement resolves a lawsuit filed under the whistleblower provisions of the False Claims Act, which permit private parties to sue on behalf of the government when they believe that a defendant has submitted false claims for government funds and receive a share of any recovery. The settlement in this case provides for the whistleblower, Branson Kenneth Fowler, Sr., a former Director of Engineering with Raytheon, to receive a $1,512,000 share of the settlement amount. The *qui tam* case is captioned *U.S. ex rel. Doe v. Raytheon Co. et al.*, No. 21-cv-2343 (D.D.C.).

The resolution obtained in this matter was the result of a coordinated effort between the Justice Department's Civil Division, Commercial Litigation Branch, Fraud Section, and the United States Attorney's Office for the District of Columbia, with assistance from the Air Force Materiel Command, AFOSI, DCIS, NCIS, and Army Criminal Investigation Division.

The matter was investigated by Assistant U.S. Attorney Darrell Valdez of the District of Columbia and Senior Trial Counsel Kimberly Friday of the Justice Department's Civil Division.

The claims resolved by the settlement are allegations only and there has been no determination of liability.

Updated July 3, 2025

DOJ PRESS RELEASE

Hanford Contractor, Hanford Mission Integration Solutions (HMIS), Agrees to Pay $3.45 Million to Resolve Allegations of Fraud

Monday, March 2, 2026

For Immediate Release

U.S. Attorney's Office, Eastern District of Washington

Richland, Washington – First Assistant United States Attorney S. Peter Serrano announced that on February 2, 2026, federal contractor Hanford Mission Integration Solutions (HMIS) paid $3,450,000 to the U.S. Department of Justice (DOJ) as part of a settlement agreement resolving allegations that HMIS fraudulently overcharged the U.S. Department of Energy (DOE) for millions of dollars in labor hours.

This settlement with HMIS resolves allegations under the False Claims Act that HMIS' management was aware of and failed to prevent inflated labor hours being charged to DOE. These hours were paid to HMIS by DOE from federal funds and included payment for labor hours for which HMIS employees were not scheduled or assigned sufficient work to perform.

Since 2020, HMIS has had a multi-billion dollar performance-based prime contract with DOE for infrastructure and site services which are integral and necessary to accomplish the environmental cleanup mission. Under its prime contract with

DOE, HMIS receives reimbursement for its claimed allowable costs, including labor. According to the allegations filed in court, HMIS fraudulently inflated reimbursable costs by failing to provide its employees with work assignments sufficient to fill an entire shift and then directed those same employees to record their time as if they had worked the entire shift. This false recording of time resulted in HMIS knowingly submitting false claims for the payment of those labor hours.

Under the settlement agreement entered into with the U.S. Attorney's Office, HMIS admitted that between August 17, 2020, and September 30, 2025, it sought and received reimbursement from DOE for labor hours made up of unallowable excessive idle time. HMIS has further admitted in the settlement agreement that, at times, it did not schedule or assign sufficient work to be performed by its personnel. HMIS has paid a total settlement amount of $3,450,000, of which $1,725,000 is restitution.

"Corporate fraud perpetrated upon the taxpayer at Hanford distracts from DOE's vital clean up mission," stated First Assistant U.S. Attorney Serrano. "This resolution shows our continuing commitment to fighting fraud at Hanford and to ensuring that those tasked with the responsibility of essential environmental cleanup do not abuse our trust in them. I am grateful that HMIS ultimately did the right thing by admitting its conduct and paying back twice what it took from the taxpayers. I hope every individual and business that contracts with the federal government sees this settlement and knows there's a real risk of prosecution when the United States is defrauded."

In December 2021, a HMIS employee came forward with allegations of labor mischarging by filing a qui tam complaint under seal in the U.S. District Court (EDWA) under the False Claims Act. In May 2024, the same individual, a whistleblower known as a "Relator" under the False Claims Act, came forward with a second qui tam complaint, also filed under seal, making additional allegations of HMIS' fraud. When a relator files a qui tam complaint, the False Claims Act requires the United States to investigate the allegations and elect whether to intervene and take over the action or to decline to intervene and allow the relator to go forward with the litigation on behalf of the United States. The relator is generally able to then share in any recovery. This settlement resolves both qui tams filed by the relator. As part of the settlement agreement, the relator will receive $793,500 of the settlement amount and is entitled to have HMIS pay the relator's attorney fees.

“I thank and commend the relator-whistleblower for bringing serious and credible allegations of fraud to our attention” said First Assistant U.S. Attorney Serrano. “Through the relator’s information and the years’ long investigation, we are able to uncover fraud and hold HMIS accountable. I hope the public sees this and understands that when viable information is reported to law enforcement, whether that’s through the filing of an under seal qui tam complaint or stepping forward as a witness, they allow the Department of Justice to do its job and hold fraudsters accountable” continued Serrano.

“The Office of Inspector General remains committed to ensuring the integrity of the Department’s contractors by detecting and holding accountable those who engage in schemes to defraud the Government. The American taxpayers should never be responsible for the costs associated with work that was not performed. This settlement is the result of a collaborative effort with our Office of Investigation’s team and the U.S. Attorney’s Office who have repeatedly demonstrated their dedication to ensure public funds are used for the mission-related purposes for which they are intended,” stated Assistant Inspector General for Investigations Lewe Sessions. “I would like to extend my deep gratitude to our partners at the U.S. Attorney’s Office for pursuing this matter as we remain devoted to partner with them to aggressively investigate those who seek to defraud Department programs and American taxpayers.”

The settlement was the result of an investigation jointly conducted by the United States Attorney’s Office (USAO) and the Department of Energy Office of Inspector General. The USAO’s investigation and prosecution was handled by Assistant United States Attorneys Frieda K. Zimmerman, Jacob E. Brooks, Molly M.S. Smith, and Tyler H.L. Tornabene. The Relator was represented by the law firms of Smith & Lowney, PLLC, Mehri & Skalet PLLC, and Hanford Challenge.

Settlement Agreement

4:24-CV-05051-SAB

4:21-CV-05156-SAB

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***Tornado Bus Company, Inc. & El Expreso Group, LLC*, U.S. District Court for the Northern District of Texas, Case No. 3:25-CV-3101-N.**

DOJ PRESS RELEASE: https://www.justice.gov/usao-ndtx/pr/dallas-based-bus-companies-settle-ppp-lawsuit-39-million

DOJ PRESS RELEASE

Dallas-Based Bus Companies Settle PPP Lawsuit for $3.9 Million

Wednesday, August 12, 2026

For Immediate Release

U.S. Attorney's Office, Northern District of Texas

DALLAS – Tornado Bus Company, Inc. and El Expreso Group, LLC, two affiliated Dallas-based bus companies that operate numerous international bus routes between the United States and Mexico, agreed to pay $3.9 million to resolve allegations that the companies violated the False Claims Act by applying for and receiving loans that they were not eligible for in the Small Business Administration's Paycheck Protection Program (PPP), announced United States Attorney for the Northern District of Texas Ryan Raybould.

Congress created the PPP in March 2020, as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act to provide emergency loans to small businesses suffering economic hardship due to the COVID-19 pandemic. Whether an applicant qualified for a PPP loan depended on various factors, including employee-count size standards for applicants.

Tornado Bus and El Expreso applied for and received PPP loans in the combined principal amount of approximately $2.8 million in 2021, which loans were later forgiven in full. The government contended, however, that Tornado Bus and El

Expreso were not qualified small businesses eligible for these loans because they were related entities and collectively exceeded the applicable size standard.

“PPP loans were meant to provide a much-needed helping hand to Main Street America by assisting small businesses during the COVID-19 pandemic—with an emphasis on ‘small,’” said U.S. Attorney Ryan Raybould. “Our office is committed to aggressively pursuing PPP loan recipients who were ineligible to participate in the program, whether because of their size or for any other reason.”

The settlement resolved a lawsuit filed under the *qui tam* or whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States and share in a portion of the government’s recovery. The *qui tam* lawsuit is case number 3:25-CV-3101-N in the U.S. District Court for the Northern District of Texas, and the *qui tam* relator, Blockquote, Inc., will receive $390,000 in connection with the settlement.

This year, the Trump Administration launched the Task Force to Eliminate Fraud and the National Fraud Enforcement Division to enhance the Administration’s war on fraud, waste, and abuse in federal programs. When unscrupulous actors exploit these programs for their own financial gain, they defraud the government, harm the people these programs are designed to aid and protect, and undermine American businesses that play by the rules. The Civil Division’s False Claims Act enforcement plays a critical role in combatting such fraudulent schemes, recovering billions of dollars for the American taxpayers, and holding wrongdoers accountable. False Claims Act matters will continue to be on the forefront of the battle against fraud, and the Civil Division’s False Claims work will support and advance the mission of the Task Force to Eliminate Fraud and the National Fraud Enforcement Division.

The matter was handled by Assistant U.S. Attorney Najib Gazi, together with Attorney Amber Perez, Office of General Counsel for the Small Business Administration.

The civil claims settled by the agreement are allegations only, and there has been no determination of civil liability.

###**Contact**

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Updated August 12, 2026