

## CLIENT ALERT

### Board Rejects Claim Based on Certain Fiscal Law Violations

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In *Parsons Government Services, Inc.* (ASBCA No. 60663, May 3, 2017), the Board dismissed Parsons' \$21 million claim because both contractual allegations turned on fiscal law provisions that did not entitle Parsons to relief. First, Parsons argued that the contract was void *ab initio*, entitling Parsons to quantum meruit, because "the government should have awarded the contract as a construction contract appropriating MILCON funds [pursuant to 10 U.S.C. §§ 2801 *et seq.*] instead of a supply and services contract using O&M funds." Second, Parsons argued that the government "violated the implied duty of good faith and fair dealing by depriving Parsons of its reasonable expectations" of the necessary Congressional oversight and more stringent terms consistent with a MILCON-funded contract...." The Board rejected both arguments under Federal Circuit precedent, finding that the statutory MILCON provision underlying Parsons' claim did not provide a private right of action for contractors to sue because the primary intended beneficiary of the statute was the government.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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