

Client Alert

Disclosing Fraud by Principals

March 17, 2016

In *ALGESE 2 s.c.a.r.l. v. U.S.* (Mar. 14, 2016), the Court of Federal Claims provided guidance on the terms “principal” and “criminally . . . charged” in the FAR responsibility certification when it enjoined the Navy from proceeding with an award to a company because the Navy should have found it non-responsible upon learning of the corruption and fraud of its parent corporation during a protest of a parallel contract before the GAO. Examining the structure of the company’s family of corporations and conduct, the CFC highlighted that essentially none of the related entities disclosed the many criminal investigations, charges, and convictions in SAM and FAPIIS because the family had “created a new subsidiary in which to dump its criminal liability problems.”

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

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