

Department of Justice

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U.S. SETTLES LAWSUIT WITH ITOCHU CORP. AND ITOCHU INTERNATIONAL REGARDING DEFECTIVE BULLET-PROOF VESTS

WASHINGTON - The United States has reached a \$6.75 million settlement with Itochu Corp. of Japan and its American subsidiary, Itochu International Inc., to resolve claims under the False Claims Act in connection with the companies' importation and sale of defective Zylon fiber used as the key ballistic material in bullet-proof vests purchased by the United States for federal, state, local and tribal law enforcement agencies, the Justice Department announced today.

The Itochu companies imported the Zylon fiber on behalf of the Zylon manufacturer, Toyobo Co. Ltd. of Japan. The United States alleged that the Itochu companies were aware that the fiber degraded quickly over time and that the companies knew that this degradation rendered bullet-proof vests containing woven Zylon unfit for use. The government further alleged that, despite this knowledge, Itochu personnel actively participated in the marketing of the Zylon fiber and downplayed the extent of the degradation problem.

"We will not tolerate companies that put the lives of law enforcement officers at risk by providing defective material for bullet-proof vests," said Tony West, Assistant Attorney General for the Justice Department's Civil Division. "This agreement resolves our allegations that these defendants wasted taxpayers dollars by failing to address problematic vests even after they were aware of them."

This settlement is part of a larger government investigation of the industry's use of Zylon in body armor. As part of today's agreement, Itochu has pledged its cooperation in the government's ongoing investigation. The United States has previously settled with five other participants in the Zylon body armor industry for over \$47 million. Additionally, the United States has pending lawsuits against Toyobo Co., Honeywell Inc., Lincoln Fabrics, Ltd., Second Chance Body Armor Inc., and First Choice Armor Inc. Several former executives of Second Chance and First Choice are also named in those suits.

Assistant Attorney General West acknowledged the contributions of the many federal agencies assisting the government's ongoing investigation of the Zylon body armor industry, including the Justice Department's Civil Division; the U.S. Attorney's Office for the District of Columbia; the General Services Administration, Office of the Inspector General; the Department of Homeland Security, Office of Inspector General; the Department of the Treasury's Inspector General for Tax Administration; the Defense Criminal Investigative Service; the U.S. Army Criminal Investigative Command; the Air Force Office of Special Investigations; the Department of Energy, Office of the Inspector General; the U.S. Agency for International Development,

Office of the Inspector General; the Defense Contracting Audit Agency; and the Federal Bureau of Investigation.

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