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Department of Justice

U.S. Attorney's Office

Western District of Washington

FOR IMMEDIATE RELEASE

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**Former lab director sentenced to prison for falsifying
results of steel testing on parts for Navy subs**

**Over 32 years, metallurgist falsified results on steel parts destined for 30 Navy
Submarines**

Tacoma – The former Director of Metallurgy at Bradken Inc. was sentenced today in U.S. District Court in Tacoma to 30 months in prison, and a \$50,000 fine, for falsifying test results that measure the strength and toughness of steel that Bradken sold for installation in U.S. Navy submarines, announced U.S. Attorney Nick Brown. Elaine Thomas, 67, of Auburn, Washington, pleaded guilty November 8, 2021, to major fraud against the United States. At the sentencing hearing U.S. District Judge Benjamin H. Settle said it was, “a crime of pride and ego, that in some way she knew better than those who set the standards.”

“For 32 years, Elaine Thomas betrayed the trust of the United States Navy, knowingly placing its sailors and military operations at risk,” said U.S. Attorney Nick Brown. “She falsely stated that steel Bradken produced met critical specifications– standards developed to keep our military personnel safe– and allowed inferior steel to go to Navy subs in half the orders she reviewed.”

“Our Sailors and Marines depend upon high quality products and services from our contractors to safely and effectively meet the worldwide mission of the Department of the Navy,” said Secretary of the Navy Carlos Del Toro. “This outcome demonstrates that we will continue to insist that our contractors must meet these high standards and that the actions of Elaine Thomas and others like her will not be tolerated. The efforts seen today are the result of the strong cooperation between the Department of the Navy, the Department of Defense, and the Department of Justice to prevent fraud and to ensure that those who do commit fraud against the Government are brought to justice.”

According to records filed in the case, Bradken is the U.S. Navy’s leading supplier of high-yield steel castings for naval submarines. Bradken’s Tacoma foundry produces castings that prime

contractors use to fabricate submarine hulls. The Navy requires that the steel meets certain standards for strength and toughness to ensure that it does not fail under certain circumstances, such as a collision. For 30 years, the Tacoma foundry (which was previously known as Atlas, and acquired by Bradken in 2008), produced castings, many of which had failed lab tests and did not meet the Navy's standards. Elaine Thomas, as Director of Metallurgy, falsified test results to hide the fact that the steel had failed the tests. Thomas falsified results for over 240 productions of steel, which represents about half the castings Bradken produced for the Navy.

Court filings indicate there is no evidence that Bradken's management was aware of the fraud until May 2017. At that time, a lab employee discovered that test cards had been altered and that other discrepancies existed in Bradken's records. In April 2020, Bradken entered into a deferred prosecution agreement, accepting responsibility for the offense and agreeing to take remedial measures. Bradken also entered into a civil settlement, paying \$10,896,924 to resolve allegations that the foundry produced and sold substandard steel components for installation on U.S. Navy submarines.

The Navy has taken extensive steps to ensure the safe operation of 30 affected submarines. Those measures will result in increased costs and maintenance as some of the substandard parts are monitored. To date, the Navy says it has spent nearly \$14 million including 50,000 hours of engineering work to assess the parts and risk to the submarines.

"This sentencing holds Ms. Thomas accountable for her actions, which needlessly jeopardized the safety of countless U.S. Navy personnel and wasted millions of taxpayer dollars," said the Honorable Sean W. O'Donnell, Acting Inspector General, Department of Defense. "As exemplified in this case, we and our oversight partners will vigorously investigate fraud, especially where substandard materials endanger our military men and women. Protecting the lives of our service members remains a top priority for the Department of Defense Office of Inspector General."

"The announced sentencing demonstrates Naval Criminal Investigative Service (NCIS) and our law enforcement partners are committed to hold individuals accountable for supplying substandard products that can cause serious harm and negatively impact Department of Navy (DON) readiness and war fighting capabilities. NCIS will continue to work meticulously with our law enforcement partners to safeguard DON major acquisition programs and ensure the safety of our Sailors and Marines," said Timothy King, Special Agent in Charge, NCIS Northwest Field Office."

The criminal case against Thomas, deferred prosecution agreement, and civil settlement with Bradken are the result of a coordinated effort among the U.S. Attorney's Office for the Western District of Washington, the Civil Division's Commercial Litigation Branch, the Department of Defense Office of Inspector General's Defense Criminal Investigative Service, Naval Criminal Investigative Service, and the Defense Contract Audit Agency.

The criminal prosecution was handled by Assistant United States Attorney Seth Wilkinson.

Topic(s):

Financial Fraud

National Security

Component(s):

USAO - Washington, Western

Contact:

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