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Department of Justice

U.S. Attorney's Office

Western District of Virginia

FOR IMMEDIATE RELEASE

Wednesday, May 25, 2022

United States Attorney Chris Kavanaugh Announces \$3,000,000 Settlement in False Claims Act Case Against HEYtex USA

ROANOKE, Va. HEYtex USA, located in Pulaski, Virginia, has agreed to pay \$3 million to resolve allegations that it violated the False Claims Act between January 1, 2013, and December 31, 2018 when it knowingly sold fabrics to the United States military that failed to meet certain required specifications. HEYtex has also entered into an agreement with the Defense Logistics Agency (DLA) to ensure that HEYtex remains in compliance with testing requirements going forward.

HEYtex USA is a worldwide manufacturer of various technical textiles and materials, and its North American headquarters in Southwest Virginia specializes in fabrics and materials produced for the United States military.

In the settlement, the United States alleged HEYtex caused false claims to be submitted in connection with fabrics manufactured for military and personal equipment. Specifically, an employee of HEYtex USA, who later came forward as a whistleblower, brought information regarding falsified test results to the attention of former company management, but the whistleblower was initially ignored.

The employee alleged that on over 100 separate occasions, HEYtex falsely certified that its military-grade fabrics met all requisite performance specifications set by the military when, in fact, the fabrics failed those tests.

“We applaud the courageous efforts of whistleblowers, who put their livelihood on the line to do what is right. Whistleblowers are essential to combatting fraud against the government and we aggressively investigate all such allegations,” United States Attorney Chris Kavanaugh said today. “We commend our citizen partners and encourage all who know, or have reason to know, of fraud against the government to come forward and report it.”

The civil settlement includes the resolution of claims brought under the *qui tam* or whistleblower provisions of the False Claims Act against HEYtex USA. Under the *qui tam* provisions of the False Claims Act, a private party can file an action on behalf of the United States and receive a portion of the settlement if the government takes over the case and reaches a monetary agreement with the defendant. The *qui tam* case is captioned *U.S. ex rel. Altizer v. Heytex USA, Inc.*, Civil Action No. 7:20-cv-00170 (W.D.Va.).

The resolutions obtained in this matter were the result of a coordinated effort among the United States Attorney's Office for the Western District of Virginia, the Defense Criminal Investigative Service (DCIS), and the United States Army Criminal Investigations Division (Army CID).

Assistant U.S. Attorney Justin Lugar and the Affirmative Civil Enforcement team for the Western District of Virginia investigated the matter in conjunction with Special Agent in Charge, Christopher W. Dillard of the Department of Defense, Office of Inspector General, DCIS, and Army CID Special Agent Joshua T. Kimrey.

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

Topic(s):

False Claims Act

Component(s):

USAO - Virginia, Western

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