



Department of Justice

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SANDIA CORPORATION AGREES TO PAY \$4.7 MILLION TO RESOLVE ALLEGATIONS RELATED TO LOBBYING ACTIVITIES

WASHINGTON – The Justice Department announced today that Sandia Corporation has agreed to pay \$4,790,042 to resolve allegations that Sandia violated the Byrd Amendment and the False Claims Act by using federal funds for activities related to lobbying Congress and federal agencies to obtain a renewal of its Management and Operating (M&O) Contract with the Department of Energy’s (DOE’s) National Nuclear Security Administration (NNSA) to operate the Sandia National Laboratories (SNL). Sandia is headquartered in Albuquerque, New Mexico, and is a wholly-owned subsidiary of Lockheed Martin Corporation (LMC).

“The money allocated by Congress for the Sandia National Laboratories is designed to fund the important mission carried out by our national laboratories, not to lobby Congress for more funding,” said Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department’s Civil Division. “This resolution demonstrates that the Justice Department will work to ensure that public funds are used for the important purposes for which they are intended.”

Between 1993 and the present, NNSA contracted with Sandia to manage and operate the SNL, a government-owned, contractor-operated laboratory that is part of the NNSA’s nuclear weapons complex, with its main facilities located in Albuquerque and Livermore, California. Between 2008 and 2012, Sandia allegedly used federal funds to support activities to lobby Congress and other federal officials to receive a non-competitive extension of the M&O Contract in violation of a federal law known as the Byrd Amendment, which prohibits the use of federal funds for lobbying.

“Using public funds to lobby for a non-competitive extension of a contract is simply unacceptable,” said Inspector General Gregory H. Friedman of the DOE. “I salute the work of the Department of Justice in pursuing this matter and the work of the Office of Inspector General professionals who were responsible for gathering the facts that served as the basis for the settlement.”

This case was handled by the Civil Division’s Commercial Litigation Branch with investigative assistance provided by the DOE’s Office of Inspector General.

The claims resolved by this settlement are allegations only; there has been no admission of liability.