

Canadian Company to Pay U.S. More Than \$1 Million Related to Sale of Defective Bullet-Proof Vests - GSA Office of Inspector General

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Washington, D.C. - infoZine - Barrday Inc. and two related companies have agreed to pay the United States more than \$1 million to resolve allegations that they violated the False Claims Act in connection with their role in the weaving of Zylon fabric used in the manufacture and sale of defective Zylon bullet-proof vests, the Justice Department announced today. Barrday, headquartered in Cambridge, Ontario, Canada, is a weaver of ballistic fabrics and designs and produces specialty industrial textiles.

The United States alleged that Barrday's woven Zylon fabric was used in the manufacture of bullet-proof vests sold by Second Chance Body Armor Inc., Point Blank Body Armor Inc. and Gator Hawk Armor Inc. These vests were purchased by the United States, and by various state, local, and/or tribal law enforcement agencies, which were partially reimbursed by a Justice Department program. The government alleged that the Zylon in these vests lost its ballistic capability quickly, especially when exposed to heat and humidity.

Barrday was reportedly aware of the defective nature of the Zylon by at least December 2001, but continued to sell Zylon for use in ballistic armor until approximately 2003, when two police officers were shot through their Second Chance Zylon vests. In 2003, Barrday was the first weaver to permanently withdraw from the Zylon market.

"When a supplier of a component part distributes its product with knowledge of latent defects, that company violates the False Claims Act" said Michael F. Hertz, the acting Assistant Attorney General for the Civil Division. "This settlement will help ensure that component suppliers are held responsible for materials that put our first-responders at risk."

This settlement is part of a larger investigation of the body armor industry's use of Zylon in body armor. As part of today's agreement, Barrday has pledged its cooperation in the government's on-going investigation. The United States previously has settled with four other participants in the Zylon body armor industry for over \$46 million. Additionally, the government has pending lawsuits against Toyobo Co., Honeywell Inc., Second Chance Body Armor Inc. and four former Second Chance executives.

Today's settlement with Barrday was the result of an ongoing investigation by 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 Treasury 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, and the Defense Contracting Audit Agency.

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