



OFFICE OF THE INSPECTOR GENERAL

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DOJ OIG Releases Summary of Investigations into Defective Combat Helmets Sold to the DOD

The Department of Justice (DOJ) Office of the Inspector General (OIG) announced today the release of a summary of two investigations finding fraud and other irregularities related to the manufacture and sale of Kevlar combat helmets to the Department of Defense (DOD). The investigations were conducted by the OIG with the Defense Criminal Investigative Service (DCIS), and supported by elements of the U.S. Army, in response to whistleblower allegations made by two employees of Federal Prison Industries (FPI).

As described in the summary released today, in 2006, ArmorSource, LLC (ArmorSource), a private company headquartered in Hebron, Ohio, was awarded a DOD contract to manufacture Advance Combat Helmets (ACH). ArmorSource subsequently subcontracted the manufacturing to FPI, a wholly-owned government corporation and inmate reentry program operated within the Federal Bureau of Prisons (BOP) that employs federal inmates. In May 2008, FPI was also awarded a contract to manufacture a different Kevlar helmet, the Lightweight Marine Corps Helmets (LMCH), for the DOD.



In total, from 2006 to 2009, ArmorSource and FPI produced 126,052 ACH helmets, for which ArmorSource received more than \$30 million. FPI separately produced approximately 23,000 LMCH helmets, of which 3,000 were sold and delivered to the DOD. FPI manufactured both kinds of helmets at its facility in Beaumont, Texas.

The investigations described in today's summary determined that FPI had endemic manufacturing problems in Beaumont, and that both the ACH and LMCH helmets were defective and not manufactured in accordance with contract specifications. The numerous defects in the ACH and LMCH helmets included serious ballistic failures, blisters, and improper mounting-hole placement and dimensions, as well as helmets being repressed. Helmets were manufactured with degraded or unauthorized ballistic materials, expired paint (on LMCH helmets), and unauthorized methods. The helmets also had other defects, such as deformities, and the investigations found that rejected helmets were sold to the DOD.

During the investigations, a surprise inspection by the OIG and military personnel uncovered inmates at the Beaumont FPI facility openly using improvised tools on the ACH helmets, which damaged the helmets' ballistic material, and created the potential for the tools' use as weapons in the prison, thereby endangering the safety of factory staff and degrading prison security.

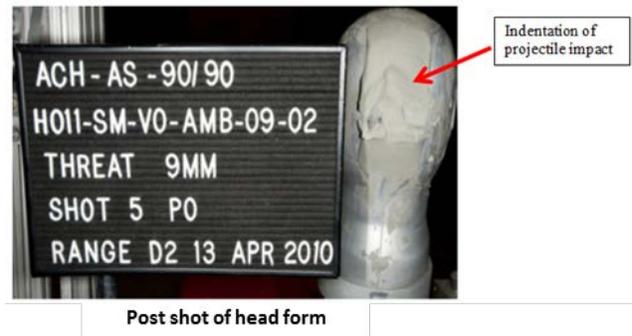


Improvised tools used by inmates at FPI:
Hatchets used to remove paint

In addition to the manufacturing defects at FPI, the investigations uncovered several irregularities in the testing and quality control procedures to which the helmets were subjected. For example, FPI pre-selected helmets for inspection, even though the contracts required such selections to be done randomly, and manufacturing documents that were altered by inmates at the direction of FPI staff to falsely indicate that helmets passed inspection and met contract specifications.

Additionally, ArmorSource did not provide adequate oversight of the manufacture of the ACH helmets, which resulted in helmets that were not manufactured according to contract specifications, and Defense Contract Management Agency inspectors did not perform proper inspections and lacked training. These inspectors also submitted false inspection records wherein they attested that ACH lots were inspected, when in fact they were not. In at least one instance, an inspector certified the lots as being inspected over a fax machine.

The investigations did not develop any information to indicate military personnel sustained injury or death as a result of the defective ACH helmets. However, all 126,052 ACH helmets were recalled, and monetary losses and costs to the government totaled more than \$19 million. Of the approximately 23,000 LMCH helmets, 3,000 were sold and delivered to the DOD, but FPI did not receive payment for them, and the remaining helmets were ultimately quarantined. The non-payment and quarantine were due to actions taken by the OIG and DCIS that resulted in a stop work order.



The FPI's Beaumont facility that manufactured the ACH and LMCH helmets was closed and its entire staff transferred to other duties within the BOP. Criminal prosecution resulting from these investigations was declined, and the DOJ Civil Division's Commercial Litigation Section and the United States Attorney's Office for the Eastern District of Texas entered into a civil settlement agreement with ArmorSource in which ArmorSource agreed to pay \$3 million, an amount that was based on ArmorSource's demonstrated ability to pay, to resolve potential claims against it under the False Claims Act.

The investigative summary released today can be found on the OIG's website at the following link: <https://oig.justice.gov/reports/2016/i1608.pdf>. (A March 2016 press release from the DOJ Civil Division describing the settlement is available [here](#).)