

United Technologies: US probes Sikorsky on Navy contract

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United Technologies says the Justice Department has launched a criminal probe into allegations that subsidiary helicopter maker Sikorsky and two subsidiaries overbilled the Navy.

The aerospace and building systems conglomerate said in a regulatory filing Friday that the government accuses the subsidiaries of adding profit and overhead costs to the price of spare parts.

The government filed a complaint last October in federal court that Sikorsky and subsidiaries, Derco Aerospace and Sikorsky Support Services Inc., violated the False Claims Act in connection with the 2006 Navy contract.

United Technologies Corp., based in Hartford, Connecticut, said it believes the subsidiaries were lawfully permitted to add profit and overhead and no false information was filed.

Lockheed Martin Corp., which recently agreed to buy Sikorsky for \$9 billion, said it was aware of the issue and will monitor it.

Shares of United Technologies fell \$1.40, or 1.4 percent, to \$99.74 in afternoon trading Friday. Lockheed Martin shares fell \$1.44 to \$201.39.

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