



June 30, 2022

DoJ Sues to Block Acquisition of Defense/Intelligence Contractor EverWatch by Booz Allen on Antitrust Grounds

On June 29, 2022, the U.S. Department of Justice ("DoJ") sued under s. 1 of the Sherman Antitrust Act and s. 7 of the Clayton Act to block the acquisition by Booz Allen Hamilton of defense and intelligence contractor EverWatch. EverWatch's parent, EC Defense Holdings, itself a subsidiary of private equity firm Enlightenment Capital, was also named. A copy of the DoJ complaint can be found [Here](#).

The DoJ alleges that Booz Allen's acquisition of EverWatch, previous successful bidder against Booz Allen of a single contract, shortly to be renewed, for advanced signals simulation and modeling services to the National Security Agency or NSA, would eliminate competition and force NSA to bid against a monopoly for those services.

We have reported in the past on the newly activist merger review policies of the Biden administration under Federal Trade Commission ("FTC") Chair Lina M. Khan and DoJ Antitrust Division Chief Jonathan Kanter after decades of a relatively "laissez faire" treatment of proposed mergers and acquisitions. See, "FTC and DoJ Launch Effort

to Restrict Anticompetitive Mergers," "FTC Restores Restrictive Prior Approval Merger Review Policy," and "FTC Sets Ambitious M&A Enforcement Agenda," all available at [Kurtin PLLC Mergers & Acquisitions](#). Yesterday's DoJ action to block the Booz Allen - EverWatch acquisition is of a piece with this newly activist posture.

A generation of dealmakers and their attorneys have grown up with a relatively relaxed attitude towards the Government's likelihood of closely scrutinizing M&A activity. That time is past. Anyone structuring a transaction that will significantly reduce or eliminate competition generally, and one with national security implications in sensitive industries like Artificial Intelligence or AI, Machine Learning, Quantum Computing, Aerospace and Defense, Telecommunications or Biotechnology should be aware that antitrust review is a real issue even for smaller transactions, should plan for Government scrutiny, and structure their deals with that in mind.

For additional information, please contact us at info@kurtinlaw.com.

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