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Thursday, July 9, 2015

Covan World Wide Moving, Inc., Coleman American Moving Services, Inc. and other related entities Settle False Claims Act Cases for \$5,000,000.00

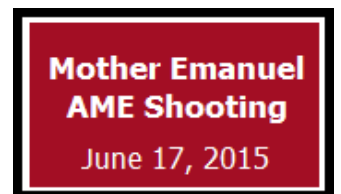
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COLUMBIA, South Carolina ---- United States Attorney Bill Nettles announced today that the United States Attorney's Office for the District of South Carolina, settled claims of fraud with Covan World Wide Moving, Inc., Coleman American Moving Services, Inc., and other related entities with home offices in Dothan, Alabama. The United States contended that Covan and others increased the weights of shipments and storage of servicemember's and federal employee's household goods and then submitted claims for payment to the government for the inflated weights.

The investigation began with the filing of whistleblower lawsuits called *qui tams* lawsuits under the False Claims Act. The suits were filed by employees of Covan's Augusta, Georgia facility who witnessed the falsification of weight tickets ultimately used to bill the government. The False Claim Act allows the government to recover actual damages and penalties of three times the actual damages and up to \$11,000 per false claim. This settlement includes repayment of actual damages and penalties.

The False Claims Act allows individuals to file lawsuits with allegations that fraud has been committed against the federal government on behalf of the government. Whistleblowers, referred to as Relators in the False Claims Act, are entitled to share in any recovery received by the government. In this case, the two relators collectively will receive 25% of the funds of the settlement or \$1,250,000.00 plus they are entitled to attorney fees.

Mr. Nettles said "fraud on the government is high priority in this office. Monies paid to Covan for inflated weights could have been used for the benefit of our



United States

v

Dylann Storm Roof

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Our nation-wide commitment to reducing gun crime in America.

servicemembers. Our aggressive pursuit of this case is further proof of our commitment to combat fraudulent claims made against the Federal Government.”

This case was handled by Assistant United States Attorneys Fran Trapp, Jennifer Aldrich and Stan Ragsdale. The case was investigated by the Defense Criminal Investigative Service, the U. S. Army Criminal Investigative Command, and the Office of the Inspector General for General Services Administration.

Frank Robey, the director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit said "We are very pleased with today's announcement and the result of all the hard investigative work and agency cooperation regarding this investigation. We would also like to thank the honest citizens who came forward and did the right thing which allowed us to fully investigate these allegations and reach today's settlement."

John F. Khin, Special Agent in Charge of the DCIS Southeast Field Office stated "The transportation of household goods is essential to the military's logistics program, enabling our warfighters and their families to get to station and ready to assume their duties, wherever on the globe they may be assigned. The Defense Criminal Investigative Service (DCIS) remains vigilant to ensure DOD programs are free from fraud and those who wish to take advantage of the U.S. Military."

General Robert C. Erickson, General Services Administration Acting Inspector General said "I appreciate all of the hard work on this case. We will continue working with law enforcement partners to investigate allegations of fraud against the United States."

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Component(s):

USAO - South Carolina

Updated July 10, 2015

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