

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT LOUISVILLE**

UNITED STATES OF AMERICA)
)
 Plaintiff,)
)
 v.)
)
 LYNN MOVING AND STORAGE INC.,)
 SHADOWENS MOVING AND STORAGE,)
 INC., E-TOWN MOVING AND STORAGE)
 INC., BONNIE MONTGOMERY,)
 WILLIAM MONTGOMERY, DANA CURL,)
 & LONNIE CURL)
)
 Defendants.)

CIVIL ACTION: 3:18-cv-19-CRS

COMPLAINT

Plaintiff, United States of America (the “United States” or the “Government”), by and through the undersigned attorneys, hereby states as follows:

INTRODUCTION

1. This is a civil action brought by the United States of America (“United States”) against Lynn Moving and Storage, Inc., Shadowens Moving and Storage, Inc., E-Town Moving and Storage, Inc., Bonnie Montgomery, Dana Curl, Lonnie Curl, and William Montgomery (“Defendants”) under provisions of the False Claims Act, 31 U.S.C. §§ 3729-3733 to recover damages, civil penalties, and other relief owed to the United States.

JURISDICTION AND VENUE

2. This Court has jurisdiction over the claims brought under the False Claims Act pursuant to 31 U.S.C. §§ 3730(a) and 3732(a), and under 28 U.S.C §§ 1331 and

1345, over the remaining claims pursuant to 28 U.S.C. § 1345 and over all claims pursuant to the Court's general equitable jurisdiction.

3. Venue lies in this District pursuant to 31 U.S.C. § 3732(a) and 28 U.S.C. §§ 1391(b) and 1391(c), as the defendants reside and/or have conducted business in this District.

THE PARTIES

4. Plaintiff is the United States of America.
5. Defendant, Lynn Moving and Storage, Inc., (herein "LMS") is a Kentucky corporation incorporated in September 1950 with its principal office located in Brooks, Kentucky.
6. Defendant, Shadowens Moving and Storage Company, Inc., (herein "SMS") is a Kentucky corporation incorporated in August 1971 with its principal office located in Brooks, Kentucky.
7. Defendant, E-Town Moving and Storage, Inc., (herein "EMS") is a Kentucky corporation incorporated in November 1994 with its principal office located in Elizabethtown, Kentucky.
8. LMS, SMS, and EMS (collectively herein "the Company") are managed as if they were divisions of a single entity.
9. Defendant Dana Curl, is a resident of Brooks, Kentucky. At all times relevant to this Complaint, Dana Curl has been the President of LMS as well as EMS. Dana Curl is also co-owner of LMS, SMS, and EMS. She is responsible for billing and accounts receivable for the three companies, LMS, SMS, and EMS.
10. Defendant, Lonnie Curl is a resident of Brooks, Kentucky. At all times relevant to

this Complaint, Mr. Curl has been the direct supervisor over the employees of LMS.

Mr. Curl is also co-owner of LMS, SMS, and EMS.

11. Defendant William Ken (herein Kenny) Montgomery is a resident of Brooks, Kentucky. At all times relevant to this Complaint, Mr. Montgomery has been the President of SMS. Mr. Montgomery is also co-owner of LMS, SMS, and EMS.
12. Defendant Bonnie Montgomery, is a resident of Brooks, Kentucky. At all times relevant to this Complaint, Bonnie Montgomery has been a co-owner of LMS, SMS, and EMS. She is responsible for bookkeeping at LMS, SMS, and EMS, to include accounts receivable and accounts payable, but also handles human resources issues.
13. This action arises from Defendants' wrongful conduct in a false claims scheme that has defrauded the United States out of monies by systematically overbilling the United States Army for the shipping costs associated with deploying and/or relocating United States service personnel.

FALSE CLAIMS ACT

14. The FCA provides, in pertinent part, that any person who:
 - (A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval; [or]
 - (B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim...

* * *

is liable to the United States Government [for statutory damages and such penalties as are allowed by law].

31 U.S.C. § 3729(a)(1)-(2) (2006), as amended by 31 U.S.C. § 3729(a)(1)(A)-(B) (West 2010).

15. The FCA further provides that “knowing” and “knowingly”

(A) mean that a person, with respect to information-

- (i) has actual knowledge of the information;
- (ii) acts in deliberate ignorance of the truth or falsity of the information; or
- (iii) acts in reckless disregard of the truth or falsity of the information; and

(B) require no proof of specific intent to defraud [.]

31 U.S.C. § 3729(b) (2006), as amended by 31 U.S.C. § 3729 (b)(1) (West 2010).

16. The FCA, at 31 U.S.C. § 3729(a)(1), provides that a person is liable to the United States Government for three times the amount of damages which the Government sustains because of the act of that person, plus a civil penalty of \$5,500 to \$11,000 per violation.

DEFENDANTS’ VIOLATIONS

Personal Property Program

17. Since 2001, the United States has deployed its armed forces in significant numbers across the globe, including to conflicts in Iraq and Afghanistan. This has resulted in multiple deployments and redeployments for the nation’s men and women in uniform and required them to move themselves, their families, and their personal belongings from the United States to their assignments overseas.

18. United States service personnel are also frequently relocated among the nation’s many service installations pursuant to new assignments, training, or future deployment. This constant relocation of United States’ service personnel comes at great cost to the United States and its taxpayers who pay these relocation costs.

19. In order to facilitate these frequent relocations, the United States Department of

Defense (DOD) Transportation Command (USTRANSCOM) and the Military Surface Deployment and Distribution Command (SDDC) jointly developed the Defense Personal Property Program (DP3) to facilitate the shipment of service members' household goods (HHG), unaccompanied baggage, privately owned vehicles, and other personal belongings.

20. From DP3, an internet-based system to manage moves was created: the Defense Personal Property System (herein "DPS").
21. Move.mil became the official portal for DP3 and connects users to DPS, where moving jobs are posted for service members and accepted by transportation service providers to move and store HHGs.
22. For providers to be approved by DOD, they must sign an Electronic Terms of Service Signature Sheet (herein "ETOSSS"). This certifies that they have read and understand the terms and conditions and agree to provide services set forth within the tender of service (herein "TOS"), international tender, and domestic tariff.
23. DOD Transportation Regulations, promulgated by the USTRANSCOM, govern the DP3 program. See 48 C.F.R. § 47.301–3 (requiring compliance with DOD, Def. Transp. Reg. 4500.9–R.). Generally, these regulations require billing for transportation services based upon the net weight of a shipment as determined by a certified scale and weighmaster. See *id.* § 52.247-11; see also 49 C.F.R. § 375.507. A copy of a certified weight certificate must accompany the invoice seeking payment. 48 C.F.R. § 52.247-11.
24. The DP3 program allows transportation service providers (TSP) to bill for services based on a previously-submitted schedule that ties the freight rate of payment to the

pounds moved and distance traveled. See generally, DOD, Def. Transp. Reg. 4500.9–R.

25. DP3 shipments are transported pursuant to government bills of lading (GBL). See generally, GSA, Fed. Mgmt. Reg., Part 102-118 (regulating the use of transportation GBLs). GBLs evidence a contract between the United States and the moving company, such as the Defendants, whereby the moving company offers shipping services for a set cost and the United States accepts.
26. Tariff 400NG serves as the principal DOD domestic tariff that governs the transportation of HHG, personal effects, property and other similarly defined articles in all points of the United States and District of Columbia with the exception of Hawaii. This tariff was developed by SDDC as part of Defense Personal Property Program, in partnership with all the military services and commercial industry associations.
27. Tariff 400NG contains two components: (1) a printed tariff document that contains the governing rules and regulations and (2) an electronic rating engine used to compute the cost of individual shipments.
28. Tariff 400NG specifically applies stringent weight regulations which one must agree to abide by in order to enter into an agreement with DP3.
29. DP3 details how and when transportation vehicles should be fueled as well as whether it is appropriate for crew members to be included when calculating Tariff shipment weights.
30. Tariff 400 NG requires that the weight of each shipment be obtained by determining the difference between the tare weight of the vehicle on which the shipment is to be

loaded prior to the loading, and the gross weight of this same vehicle after the shipment is loaded; or, the gross weight of the vehicle with the shipment loaded and the tare weight of the same vehicle after the shipment is unloaded.

31. Tariff 400 NG prohibits the driver or any other persons from being inside or on the vehicle at the time of either weighing.
32. Tariff 400 NG requires that the fuel tanks on the vehicle be full at the time of each weighing or, in the alternative, prohibits fuel being added between the two weighings when the tare weighing is the first weighing performed.
33. The rules governing the interstate and intrastate movement of personal property for military personnel are set forth in the Personal Property Publication for Tariff 400NG, as amended. (Exhibit A).

Defendants' Participation in the DOD Personal Property Program

34. On January 7, 2009, EMS and its President, defendant Dana Curl, agreed to abide by the terms of the Tender of Service and other items and conditions applicable to the DPS by executing an ETOSSS (Exhibit B).
35. On January 14, 2009, SMS and its President, defendant Kenny Montgomery, agreed to abide by the terms of the Tender of Service and other items and conditions applicable to the DPS by executing an ETOSSS (Exhibit C).
36. On January 7, 2009, LMS and its President, defendant Dana Curl, agreed to abide by the terms of the Tender of Service and other items and conditions applicable to the DPS by executing an ETOSSS (Exhibit D).
37. From January 2009 through December 2014, LMS, SMS, and EMS agreed to be bound by all rules and regulations applicable to the DPS and Tariff 400NG.

38. LMS, SMS, and EMS were either contracted directly by the United States or acted as a subcontractor to another transportation company to move HHG shipments by truck from Fort Knox to other military posts throughout the United States.
39. Most of the work performed by LMS, EMS, and SMS pursuant to the DPS is comprised of HHG shipments out of Fort Knox, Kentucky.
40. Prior to the move date, Company employees travel to the customer's address to conduct a pre-move survey. The composition of the customer's HHG are observed, and the weight estimated during this survey, in order for the Company to plan what will be needed for the move.
41. On the day of a move, the unloaded weight, or "tare weight", of the truck is measured by a certified truck scale (often operated by CAT Scale Company) and recorded on a weight ticket. The crew is then sent to the customer site, where the HHG are loaded, and an inventory of the HHG is completed.
42. The crew packs the HHG's into cardboard boxes. If the goods are going into storage, the cardboard boxes are packed into large wooden crates that are stored at a warehouse owned and operated by one of the defendants.
43. Once the truck is fully loaded, the crew returns to a scale location where the loaded weight, or "gross weight" is measured and recorded on a weight ticket. The shipment is now ready for transport to its destination.
44. The weight tickets are given to either defendant Kenny Montgomery or defendant Lonnie Curl who deliver them to the Company business office. Weight information is then entered on a bill of lading, and the form is signed.
45. Payments for many components of the moving service is based on the net weight of

the shipment, which is the difference between the tare weight and gross weight, documented on the bill of lading.

46. In the case of transports originating from Fort Knox, Kentucky, the Company business office submits documents including the bill of lading, weight tickets, and HHG inventory, to the Transportation Office within the Fort Knox Logistics Readiness Center, as a claim for payment.

47. The United States relies on the bill of lading and weight tickets in order to pay LMS, SMS, and EMS.

48. The United States remits payment to LMS, SMS, or EMS.

THE FALSE CLAIMS SCHEME

49. Defendants violated the federal False Claims Act, 31 U.S.C. § 3729 *et seq.*, by causing false, inflated weight tickets to be created through violations of Tariff 400NG, entering false, inflated weight information on bills of lading, submitting these false records and bills for payment, causing these false records and bills to be submitted for payment, and conspiring to perpetuate the scheme described herein.

50. From January 2009 through December 2014, LMS, SMS, and EMS engaged in a company-wide conspiracy to defraud the United States government by causing false, inflated weight tickets to be created, and entering false, inflated weight information on bills of lading to increase the weight of shipments in order to receive more money than they were entitled to for the services provided.

51. Company employees were directed by management, supervisors, and the owners, to cause false, inflated weight tickets to be created in order to increase the weight of the shipments and the amount of payment to the Company.

52. Generally, this scheme was perpetuated by the Company through various methods.

One method was to add fuel between obtaining the tare weight and gross weight.

Gross weight inflation, referred to as “bumping weight”, occurred by adding items

to the truck. This occurred when Company employees obtained a legitimate gross

weight, turned the weight ticket in to defendant Kenny Montgomery or defendant

Lonnie Curl, but were quickly directed to add weight to the truck, drive back to the

scale, and obtain an inflated gross weight ticket. Often, this was accomplished by

loading a pallet of packing paper, people, or unrelated HHG from another ship into

the truck. In these instances, the Company’s copy of the legitimate gross weight

ticket was routinely destroyed; however, a record of it was maintained by the scale

operator. The Company only submitted the inflated gross weight ticket with the bill

of lading to the United States for payment.

53. At times, prior to obtaining a legitimate gross weight, the Company would inflate

the gross weight by adding items other than fuel to the truck, such as a pallet of

packing paper, people, or unrelated HHG from another shipment, where these items

were added to the truck before the gross weight was obtained, resulting in the

creating of only one gross weight ticket.

54. Another method used to overstate the net weight, was positioning the truck so that it

was not completely on the scale when taking the tare weight, but completely on the

scale when taking the gross weight. This had the effect of understating the tare

weight, and causing the HHG to appear to weigh more.

55. Company employees were instructed to increase the weight of military HHG

shipments by defendants Lonnie Curl and Kenny Montgomery.

56. Drivers were expected and routinely reminded by supervisors to add fuel after obtaining the tare weight, and before obtaining the gross weight. Crews were expected and routinely reminded to exit the truck when obtaining the tare weight, and remain on the truck when obtaining the gross weight.
57. Defendants Lonnie Curl and Kenny Montgomery routinely told the drivers “we need to get a little more weight on the truck” threatening that “you did it or you lost your job.”
58. Defendants Dana Curl and Bonnie Montgomery were often present during safety meetings when defendants Lonnie Curl and Kenny Montgomery, instructed drivers to add extra weight to the shipments.

Bumping Weight Using Fuel

59. Adding fuel between obtaining the tare weight and gross weight makes the HHG appear to weigh more, thereby increasing payment. Each gallon of diesel fuel added increases the weight of the truck by approximately seven (7) pounds.

Example 1

60. For example, during a shipment in May 2009 (bill of lading ZX-676924, attached as Exhibit E), the Company’s driver (K.B.) added fuel to the truck after the tare weight had been recorded, and before the gross weight was recorded.
61. The tare weight for truck # 605 was recorded at 8:07 a.m. on May 1, 2009, at CAT scale # 411 (Exhibit F), which is adjacent to Pilot station # 356, located at 2050 E. Blue Lick RD in Shepherdsville, KY, near exit # 121 of Interstate 65.
62. Fuel purchasing card records indicate that the Company driver (K.B.) purchased 49.65 gallons of fuel for truck # 605 at 8:25 a.m. on May 1, 2009, at Pilot station #

356 (Exhibit G).

63. The HHG were picked up in Elizabethtown, KY on May 1, 2009, per the HHG inventory (Exhibit H).
64. The gross weight for truck # 605 was recorded at 3:27 p.m. on May 1, 2009, at CAT scale # 411 (Exhibit F).
65. The Company driver (K.B.) acknowledged that bumping weight for shipments, including those he was involved with, through adding fuel as well as adding the paper pallet and other methods, routinely happened at the Company at the direction of defendant Lonnie Curl and with the knowledge of defendant Kenny Montgomery.
66. The Domestic 400NG Tariff details that fuel may not be added between the two weighings when the tare weight is obtained first.
67. The additional fuel increased the weight of truck # 605 by approximately 347 pounds, in violation of Tariff 400NG.
68. Based on the representations associated with Bill of lading ZX-676924, which was submitted to the United States, a total of \$5,923.87 was paid to EMS by the United States.
69. Had the 49.65 gallons of fuel not been added to the vehicle in-between weighings, the United States would have paid \$5,382.09 for Bill of lading ZX-676924.
70. The United States paid \$541.78 more than it should have for Bill of lading ZX-676924 due to the submission of this false claim.

Example 2

71. During a shipment in July 2013, (bill of lading FAAM0007989, attached as Exhibit

- D) a Company driver (B.S.) added fuel to the truck after the tare weight had been recorded and before the gross weight was recorded.
72. The tare weight for truck # 545 was recorded at 7:33 a.m. on July 24, 2013, at CAT scale # 411 (Exhibit J).
73. Fuel purchasing card records indicate that the Company driver (B.S.) purchased 165.36 gallons of fuel for truck # 545 at 2:14 p.m. on July 24, 2013, at Pilot station # 356 (Exhibit K).
74. The HHG were picked up in Louisville, KY on July 24, 2013, per the HHG inventory (Exhibit L).
75. The gross weight for truck # 545 was recorded at 2:22 p.m. on July 24, 2013, at CAT scale # 411 (Exhibit J).
76. The Company driver (B.S.) acknowledged that bumping weight for shipments, including those he was involved with, through adding fuel as well as adding the paper pallet and other methods, routinely happened at the Company at the direction of the Company's owners.
77. The additional fuel increased the weight of truck # 545 by approximately 1,157 pounds, in violation of Tariff 400NG.
78. Based on the representations associated with bill of lading FAAM0007989, which was submitted to the United States, a total of \$10,335.32 was paid to LMS by the United States.
79. Had the 165.36 gallons not been added to the vehicle in-between weighings, the United States would have paid \$9,385.19 for bill of lading FAAM0007989.
80. The United States paid \$950.13 more than it should have for bill of lading

FAAM0007989 due to the submission of this false claim.

81. There were over 200 shipments between 2009 and 2014 occurring both locally and outside Kentucky involving dozens of the Company's drivers where bills of lading were submitted to the United States with misleading and false information concerning the net weight of the HHG, and overpayments were made by the United States to EMS, LMS, and SMS as a result of the defendants' scheme to manipulate weight by adding fuel in violation of the DPS and Tariff 400NG. These shipments are summarized in Exhibit M attached to this Complaint.
82. In all, shipment net weights were overstated in the aggregate by approximately 58 tons as a result of improperly fueling vehicles in between recording the tare weight and gross weight.

Weight Inflation through Other Means

83. Besides adding fuel in between recording the tare weight and gross weight, the Company improperly added weight to their vehicles through other means in order to increase payments to them. Sometimes a gross weight was recorded, and a legitimate gross weight ticket was generated, before the Company directed its employees to engage in this conduct on a shipment. In these instances, the legitimate gross weight ticket enables the United States to quantify the weight inflation.
84. The Company routinely destroyed the legitimate gross weight tickets, and never submitted them to the United States. However, record of the weight ticket was maintained by the scale operator.

Use of a Pallet

85. Often, a pallet containing rolls of packing paper was added to a truck to inflate the gross weight, making the HHG appear to weigh more, and causing the United States to pay more for transportation services than it should have paid. The amount of weight added when using this pallet varied depending on how many rolls of paper were loaded on it.

Use of Additional People

86. Company employees were routinely told to have crew members exit the truck when recording the tare weight, but to have crew members stay on the truck when recording the gross weight.

87. By engaging in this conduct, the defendants overstated the true weight of the transported HHG and misrepresented the weight of the HHG to the United States. This caused the United States to pay more for the transportation services than it should have paid.

Manipulating Scale Weights

88. Sometimes Company drivers were directed to pull their truck onto the weight scale behind a truck driven by another driver. The driver of the second truck would place the front tires of his truck on the scale while the first truck was recording the gross weight.

89. By engaging in this conduct, the defendants inflated the true weight of the transported HHG and misrepresented the weight of the HHG to the United States. This caused the United States to pay more for the transportation services than it should have paid.

Example 3

90. During a shipment in March 2011, (bill of lading FAAQ0000548, attached as Exhibit N) weight was added through other means.

91. The tare weight for truck # 061 was recorded on March 21, 2011, at CAT scale # 411. The time stamp is not readable on the copy of the weight ticket retained by the Company (Exhibit O). The time stamp on CAT scale weight tickets is only readable on the top copy of the multi-part form. It is common among HHG shipments for one shipping entity to contract with the United States to perform the moving services, but subsequently subcontract the shipment to another entity. In the case of this shipment, Apex Transportation Systems (ATS) contracted to perform the moving services for the United States, but subcontracted the work to SMS. When this occurs, documentation that the shipment was completed is provided by the subcontracting entity to the primary entity, which in turn submits it to the United States for payment. The Company provided the top copy of this weight ticket, upon which the timestamp is readable, to ATS, and retained the underneath copy in its file.

92. The United States obtained weight ticket data from CAT Scale Company (CAT) for scale # 411. This data shows that the tare weight for truck # 061 was recorded at 7:07 a.m. on March 21, 2011 (Exhibit P).

93. Fuel purchasing card records indicate that a member of the crew for this shipment purchased 32.48 gallons of fuel for truck # 061 at 7:18 a.m. on July 24, 2013, at Pilot station # 356 (Exhibit Q).

94. The Company Driver (S.K.) and the rest of the packing crew then proceeded to the

pickup location in Taylor Mill, KY, a drive of approximately 109 miles from CAT scale # 411. The HHG inventory shows that loading of HHG began on March 21, 2011, and was completed on March 22, 2011 (Exhibit R), at which point truck # 061 returned to Shepherdsville, KY. The bill of lading indicates there were no other pickups performed.

95. The legitimate gross weight for truck # 061 was recorded at CAT scale # 411 on March 22, 2011. A hardcopy of this weight ticket was not retained by the Company, or provided to ATS for submission to the United States, instead the Company destroyed it. Weight ticket data from CAT indicates that this legitimate gross weight was recorded at 2:44 p.m. on March 22, 2011, with a gross weight of 22,640 pounds (Exhibit P).
96. A second, inflated gross weight for truck # 061 was recorded at CAT scale # 411 on March 22, 2011, with a weight of 24,100 pounds (Exhibit O). An underneath hardcopy of this weight ticket was retained by the company, with the top copy being provided to ATS. Weight ticket data from CAT indicates that this inflated gross weight was recorded at 3:21 p.m. (Exhibit P).
97. 1,460 pounds of additional weight was added to the shipment weight as a result of, Company driver S.K. being directed to add weight to the shipment and return to the scale to record an inflated gross weight.
98. Company driver S.K. acknowledged that bumping weight for shipments, including those he was involved with, through adding fuel as well as adding the paper pallet and other methods, routinely happened at the Company at the direction of defendant Lonnie Curl and defendant Kenny Montgomery.

99. Company employee D.B. acknowledged witnessing Company employees bumping weight for shipments through adding fuel as well as adding the paper pallet and other methods.

100. The Company, by providing a false, inflated gross weight ticket and a bill of lading with false, inflated weight information to ATS, caused ATS to submit a false claim for payment to the United States.

101. The additional fuel increased the weight of truck # 061 by approximately 227 pounds, in violation of Tariff 400NG.

102. Based on the representations associated with bill of lading FAAQ0000548, which was submitted to ATS and which the Company caused to be submitted to the United States, a total of \$3,817.45 was paid to ATS by the United States, who in turn paid SMS and LMS \$3,027.52 in total (Exhibit S).

103. Had the 32.48 gallons not been added to the vehicle in-between weighings, and the 1,460 pounds of non-HHG not been added to the vehicle prior to the gross weight submitted to ATS being recorded, the United States would have paid \$2,903.95 for bill of lading FAAQ0000548.

104. The United States paid \$913.50 more than it should have for bill of lading FAAQ0000548 due to the submission of this false claim.

Tare Weight Deflation

105. Company employees were directed to remove all packing materials and equipment such as pads, boxes, paper, dollies, and etc. from the truck prior to obtaining a tare weight. This would result in a tare weight that was less than the actual weight of the vehicle being claimed on bills of lading to the United States,

inflating the net weight of the HHG when this equipment and materials were in the truck when the gross weight was recorded.

106. Company drivers were also encouraged to purposely position the truck on the scales so one of the steer tires was partially off the scale when they were obtaining the tare weight of the truck. This would result in a tare weight that was less than the actual weight of the vehicle being claimed on bills of lading to the United States, inflating the net weight of the HHG when the truck was placed fully on the scale when the gross weight was recorded.

Count I: False Claims
(31 U.S.C. § 3729(a)(1)(A))

107. The United States repeats and re-alleges paragraphs 1-106, as if fully set forth herein.

108. Based on the aforementioned conduct, Defendants knowingly presented, or caused to be presented, to an officer or employee of the United States Government, false or fraudulent claims for payment or approval, in violation of the False Claims Act, 31 U.S.C 3729(a)(1)(A), specifically claims for fraudulently billed shipping costs associated with members of the United States Armed Forces. These false claims are detailed in Exhibit M.

109. Defendants knew the bills of lading would be presented to an officer or employee of the United States Government as a claim for payment and that it was material to payment by the United States.

110. Defendants presented, or caused to be presented, the bills of lading and the weight tickets to an officer or employee of the United States Government for those claims identified in Exhibit M.

111. The bills of lading submitted for those services identified in Exhibit M contained false and otherwise misleading information, and were presented to and paid by the United States for moving service members and their families.
112. Defendants' conduct is a violation of 31 U.S.C. § 3729(a)(1)(A), as amended.
113. Because of the Defendants' acts, the United States sustained damages in an amount to be determined in trial, and therefore is entitled to treble damages under the False Claims Act, plus civil penalties of not less than \$5,500 and up to \$11,000 for each violation.

Count II: False Statements
(31 U.S.C § 3729 (a)(1)(B))

114. The United States repeats and re-alleges paragraphs 1 through 113, as if fully set forth herein.
115. Based on the aforementioned conduct, Defendants knowingly made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim (identified in Exhibit M), in violation of the False Claims Act, 31 U.S.C. 3729(a)(1)(B).
116. Defendants caused false weight tickets to be created, and created false bills of lading, that contained weights that did not reflect the true tare weight and/or gross weight of the vehicles, resulting in false reporting of the weight of shipments being sent on behalf of United States service members.
117. The Defendants knew that the bills of lading and supporting documents submitted for those services identified in Exhibit M contained false statements, and were presented to and paid by the United States for moving service members and

their families.

118. Because of the Defendants' acts, the United States sustained damages in an amount to be determined in trial, and therefore is entitled to treble damages under the False Claims Act, plus civil penalties of not less than \$5,500 and up to \$11,000 for each violation.

Count III: Conspiracy
(31 U.S.C. § 3729(a)(1)(C))

119. The United States repeats and re-alleges paragraphs 1-118, as if fully set forth herein.

120. Defendants conspired to submit false claims for services provided in violation of 31 U.S.C. § 3729(a)(1)(C).

121. Defendants inflated the net weight of numerous shipments by inflating the gross weight and/or deflating the tare weight.

122. Defendants accomplished this by adding fuel between the recording of the tare and gross weights, adding personnel and pallets of paper when recording the gross weight and/or deliberately positioning the truck so that it was not fully on the scale, and removing equipment and packing materials when recording the tare weight.

123. Defendants routinely reminded crew members to engage in these practices threatening termination, should they refuse to do so.

124. Because of the defendant's acts, the United States sustained damages in an amount to be determined in trial, and therefore is entitled to treble damages under the False Claims Act, plus civil penalties of not less than \$5,500 and up to \$11,000

for each violation.

Count IV: Unjust Enrichment

125. The United States repeats and re-alleges paragraphs 1-125, as if fully set forth herein.

126. By virtue of submitting, or causing to be submitted, claims for payment for improperly weighed shipments of service members HHGs, the Defendants obtained inflated payments from the United States.

127. The Defendants were unjustly enriched at the expense of the United States, in such amounts, as determined at trial.

Count V: Payment by Mistake

128. The United States repeats and re-alleges paragraphs 1-128, as if fully set forth herein.

129. Defendants submitted, or caused to be submitted, claims for shipping costs associated with service member relocation to the United States Armed Forces when the weights were not accurately recorded. The United States paid more money to LMS, SMS, and EMS than it would have had the defendants not submitted, or caused to be submitted, claims for inaccurately weighed shipments.

130. The Defendants were mistakenly paid more than they were entitled to receive in such amounts as determined at trial.

PRAAYER FOR RELIEF

WHEREFORE, Plaintiff United States demands and prays that judgment be entered in its favor and against Defendants as follows:

1. Under Counts I, II, and III for treble damages and civil penalties between \$5,500 and \$11,000 for each claim violating the False Claims Act, plus costs;
2. Under Counts IV and V, for damages to be determined;
3. For a jury trial; and
4. For all other relief to which the United States may be entitled.

Respectfully submitted,

RUSSELL M. COLEMAN
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