



THE UNITED STATES ATTORNEY'S OFFICE
WESTERN DISTRICT *of* KENTUCKY

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Department of Justice

U.S. Attorney's Office

Western District of Kentucky

FOR IMMEDIATE RELEASE

Thursday, April 19, 2018

Owners Of Hardin And Bullitt County Moving Companies Sentenced For Defrauding The Army

Owners admitted to illegally increasing weights of household good shipments

LOUISVILLE, Ky. – The owners of three moving companies, located in Bullitt and Hardin Counties in Kentucky, were sentenced today in United States District Court by Senior Judge Charles R. Simpson, to serve 15 months in prison, serve a three year period of supervised release, and pay a \$7,500 fine, for overbilling the United States Army for Household Good Shipment moves of Soldiers, announced United States Attorney Russell M. Coleman. There is no parole in the federal prison system.

"This is a victory for taxpayers and a warning to those who would line their pockets by engaging in a fraud against the United States," stated United States Attorney Russell Coleman. This office is committed to working with our federal partners in pursuing criminal charges and financial penalties against dishonest government contractors."

"These sentencings should serve as a deterrent to defense contractors at any level who would engage in dishonest and fraudulent practices in order to increase their profit margin," said Brian Hauck, Special Agent-in-Charge of the U.S. Army Criminal Investigation Command's North Central Fraud Field Office. "We will diligently pursue those engaged in criminal activity that impacts the integrity of U.S. Government programs and resources within our purview."

"U.S. Armed Forces members sacrifice a great deal while serving their country, including making frequent duty station moves with their families and household goods," said John F. Khin, Special Agent in Charge, Southeast Field Office, Defense Criminal Investigative Service. "It is unacceptable for any DoD contractor to manipulate military Permanent Change of Station moves through corrupt practices to line their pockets while providing essential transportation services to our Warfighters. These sentences highlight the effectiveness of DCIS investigations, in concert

with our law enforcement partners, to combat fraud, waste, and abuse throughout the Department of Defense.”

Lonnie Curl, 63, of Brooks, Kentucky, is jointly and severally liable with the codefendant, William Kenneth Montgomery, 59, of Shepherdsville, Kentucky for the full amount of restitution due totaling \$132,413.26 to the United States Army.

Both defendants admitted in open court in their plea agreements that they owned Lynn Moving and Storage, E-Town Moving and Storage, and Shadowens Moving and Storage. The three companies provided household good shipment (HHG) moves to members of military through the transportation office located at Ft. Knox in Radcliff, Kentucky, in the Western District of Kentucky. Curl and Montgomery engaged in a conspiracy to fraudulently increase the weight of HHG shipments and overbill the United States Department of the Army for HHG shipments. Curl and Montgomery agreed to instruct and instructed employees to increase the weight of HHG shipments by adding fuel prior to a final shipment weight and adding a pallet of paper weighing between 1000 to 2000 pounds, among other methods. Curl and Montgomery agreed to cause and caused the fraudulently inflated weight tickets to be submitted to the Army for payment, and agreed to cause and caused fraudulently inflated payments to be issued to Lynn Moving and Storage, E-Town Moving and Storage, and Shadowens Moving and Storage. The amount of the overpayments was \$132,413.26. Both

Curl and Montgomery acted as managers and supervisors of five or more employees that were encouraged and instructed to participate in the conspiracy to increase the weight of HHG shipments billed to the United States Department of the Army.

Further, the companies and its owners admitted to violating the False Claims Act and on January 10, 2018 agreed to pay \$264,826.52 in civil penalties and damages. The Consent Judgment resolved a lawsuit filed by the United States in the Western District of Kentucky styled United States of America v. Lynn Moving and Storage, Inc. et al., Civil Action No. 3:18-cv-000190-CRS (WDKY).

The criminal case was prosecuted by Assistant United States Attorney Joshua Judd and was investigated by the Defense Criminal Investigative Service and the Army Criminal Investigative Division. The civil case was handled by Assistant United States Attorney Ben Schechter.

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Topic(s):

Financial Fraud

Component(s):

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