



THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* GEORGIA

[U.S. Attorneys](#) » [Middle District of Georgia](#) » [News](#)

Department of Justice

U.S. Attorney's Office

Middle District of Georgia

FOR IMMEDIATE RELEASE

Wednesday, November 8, 2017

Mercer Transportation Company Agrees To Pay \$4.4 Million To Resolve Alleged Violations Of The False Claims Act

G. F. "Pete" Peterman, III, United States Attorney for the Middle District of Georgia, announced today a civil settlement with trucking company Mercer Transportation Company, Inc. (Mercer). Mercer has agreed to pay \$4.4 million to resolve allegations that it violated the False Claims Act by submitting claims for payment related to shipments originating at the Marine Corps Logistics Base (MCLB) in Albany, Georgia, that were obtained by bribery of Government officials from 2006 through 2012.

This settlement resolves a lawsuit under the qui tam, or whistleblower, provisions of the False Claims Act, which permit private individuals to bring civil actions on behalf of the Government and to share in any recovery. The Act also allows the Government to intervene and take over the action, as it did in this case. The relator who filed this case under the whistleblower provisions of the False Claims Act will receive \$814,000 as his share of the recovery.

In its civil complaint, the United States alleged that Mercer, through its agents, employees, and representatives, bribed two Government employees who worked at MCLB in Albany and who were responsible for awarding contracts for the shipment of Government freight out of MCLB. The United States' complaint alleged that the bribery of these Government employees resulted in Mercer's being awarded contracts for shipments out of MCLB that it would not have otherwise received during the period from October 2006 through May 2012.

"In simple terms, fraud committed by defense contractors is theft directly from the American people," Peterman said. "When dealing with the U.S. Government – especially when dealing with the armed forces whose lives may depend on the work of these contractors – contractors are expected to act in good faith and to comply with their obligations. This U.S. Attorney's Office will

hold accountable contractors that seek to profit unfairly at the expense of American troops and taxpayers.”

“This settlement demonstrates the commitment of the Defense Criminal Investigative Service and its law enforcement partners to protect the integrity of all Department of Defense programs,” said Special Agent in Charge John F. Khin, Southeast Field Office. “DCIS’ efforts in this investigation mitigated further significant loss and waste of taxpayer dollars from this fraudulent scheme.”

According to Special Agent in Charge Mike Wiest, NCIS Southeast Field Office, “the preservation of the integrity of Department of Navy procurement activities is a top priority of the Naval Criminal Investigative Service. Through a joint investigation, NCIS and its partner agencies steadfastly pursued numerous allegations of corruption that caused significant harm to the U.S. Marine Corps and other Department of Defense equities resulting in this settlement.”

“This settlement is a result of the steadfast efforts of our investigators and our law enforcement partners,” said Frank Robey, Director of the U.S. Army Criminal Investigation Command’s Major Procurement Fraud Unit. “Uncovering these types of schemes is a cooperative effort, and we look forward to continuing our work together to eradicate corruption.”

The United States’ civil settlement was the result of a coordinated effort among the Naval Criminal Investigative Service, the Defense Criminal Investigative Service, the U.S. Army Criminal Investigative Command’s Major Procurement Fraud Unit, the United States Attorney’s Office for the Middle District of Georgia, and the U. S. Department of Justice’s Civil Division’s Commercial Litigation Branch. The case was investigated by NCIS Special Agent Riley Proctor, DCIS Special Agent Lam Hoang, and Special Agent Jennifer Coleman of the U.S. Army Criminal Investigative Command.

The United States was represented by Assistant United States Attorney Todd P. Swanson and Assistant United States Attorney W. Taylor McNeill, both of the U.S. Attorney’s Office for the Middle District of Georgia, and Andrew Steinberg, of the Civil Division’s Commercial Litigation Branch.

Mercer fully cooperated in the United States’ pre-intervention investigation. The claims resolved by the settlement are allegations only; there has been no determination of liability. The case is captioned United States ex rel. James E. Reeves v. Mercer Transportation Co., Inc., (Case No. 1:13-CV-108-LJA (M.D. Ga.)).

Questions concerning this case should be directed to Pamela Lightsey, Public Information Officer, United States Attorney’s Office, at (478) 621-2603.

Topic(s):

False Claims Act

Component(s):

USAO - Georgia, Middle

Updated November 8, 2017