

Emery Worldwide Airways (Fraudulent Billing)
Department of Justice News Release

Tuesday, November 14, 2006

Washington, D.C. - The United States Government has reached a \$10,000,000 settlement with former U.S. Postal Service (USPS) contractor Emery Worldwide Airlines (Emery), concerning its responsibility for the acts of Emery's employees in allegedly submitting knowingly inflated billings to the USPS for the handling of Priority Mail at mail processing facilities during a multi-year contract, U.S. Attorney Jeffrey A. Taylor and Inspector General for the United States Postal Service David C. Williams, announced today. Emery and the United States have agreed to settle this matter arising under the False Claims Act, 31 U.S.C. §§ 3729, et seq., after lengthy negotiations. The False Claims Act provides for civil penalties of up to \$11,000 per claim and treble damages (i.e., three times the amount of the government's loss).

The United States Government discovered evidence that indicated that Emery employees inflated billings to the Government for services by, among other things, misclassifying the size of mail, double-weighting mail and inaccurately weighing mail. The investigation by the U.S. Postal Service Office of Inspector General (USPS OIG) covered the period November 1997, to January 2001, and involved facilities located throughout the United States. Emery denies that it engaged in any wrongdoing and denies that it violated the False Claims Act.

In announcing the settlement, U.S. Attorney Taylor and Inspector General Williams commended members of the U.S. Postal Service's Office of Inspector General and the Postal Service Law Department. In particular, they praised the outstanding investigative efforts and assistance of OIG Special Agent Brian Cropper, who was assisted in the early investigation by field agents of the Federal Bureau of Investigation (Boston area), OIG auditor Sylvia Anderson, and Postal Service attorney Harold Durham. In addition, they commended Assistant U.S. Attorney Laurie Weinstein who coordinated the civil investigation and settlement discussions.