



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, JUNE 5, 2007
WWW.USDOJ.GOV/USAO/ALN

CONTACT JILL ELLIS
PH: (202) 244-2015

TRUCKING COMPANIES AGREE TO RESOLVE ALLEGATIONS REGARDING FAILURE TO OBTAIN PROPER BROKERAGE AUTHORITY

BIRMINGHAM, AL - Alan Farmer Trucking, Inc. (“AFTI”) and Sheridan Transportation Systems, Inc. (“STSI”) have agreed to pay the United States \$210,000 to settle civil claims arising out of invoices submitted to the United States Army for shipments that AFTI and STSI handled without having the appropriate brokerage authority. The settlement agreement is announced today by Alice H. Martin, United States Attorney, Northern District of Alabama.

STSI and AFTI are companies related through common ownership. At certain times from 2002 to 2005, STSI contracted with the United States Army for transportation services. However, STSI did not have appropriate authority to broker these services to another company. Despite not having the authority to do so, STSI contracted with AFTI to provide the services.

“Trucking companies doing business with the United States must abide by and follow all regulations regarding insurance and brokerage authority,” said Alice H. Martin, United States Attorney. “Although STSI and AFTI contended that their failures were small regulatory issues, the United States may seek penalties for noncompliance regardless of whether any party was actually harmed. We are pleased with the cooperation by STSI and AFTI and their willingness to settle the claims without the need for formal litigation.”

Assistant United States Attorney Lloyd C. Peeples was the lead attorney in the civil investigation. The lead investigator was David J. Balwinski, Army Criminal Investigative Division, Huntsville, Alabama.

In October 2006, Deputy Attorney General Paul J. McNulty announced the formation of a National Procurement Fraud Task Force designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in government contracting activity for national security and other government programs. The Procurement Fraud Task Force – chaired by Assistant Attorney General Alice S. Fisher for the Criminal Division – includes United States Attorney’s Offices, the FBI, the U.S. Inspectors General community, and a number of other federal law enforcement agencies. This case, as well as other cases brought by members of the Task Force, demonstrate the Department of Justice’s commitment to helping ensure the integrity of the government procurement process.

###