



Department of Justice

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Chicago Advertising Firm Pays United States \$15.5 Million to Settle Overbilling Allegations on Army Contract

WASHINGTON - Leo Burnett Company, a Chicago advertising firm, has agreed to pay the U.S. \$15.5 million to settle allegations that the company submitted false claims to the U.S. Army, the Justice Department announced today. The firm had a contract from 2000 to 2005 with the Army to provide advertising services for the military service's recruiting mission.

The settlement resolves allegations that Leo Burnett improperly billed the Army while developing the recruiting Web site and for advertising under the "Army of One" multimedia advertising campaign. Leo Burnett will make a cash payment of \$12.1 million and credit the Army \$3.4 million in work performed, but not billed.

"The Justice Department is committed to vigorously pursuing all those who knowingly submit false claims with respect to military contracts," said Gregory G. Katsas, Assistant Attorney General for the Civil Division.

The settlement resolves the lawsuit filed on behalf of the U.S. government by former Leo Burnett employees, Greg Hamilton and Michele Casey, who received \$2,790,000 as their share of the recovery in the case. Under the False Claims Act, private citizens can bring suit on behalf of the United States and share in any recovery obtained by the government.

The litigation and settlement of this case were conducted by the U.S. Attorney's Office for the Northern District of Illinois and the Justice Department's Civil Division.

"The Pentagon's Defense Criminal Investigative Service will aggressively pursue allegations of fraud that are perpetrated against the Department of Defense," said Sharon Woods, Defense Criminal Investigative Service director.

"The American people trust us to ensure their tax dollars are spent appropriately and we will continue to aggressively seek out and investigate those who intend to defraud the Army and the American taxpayer," said Brigadier General Rodney Johnson, Commanding General of the U.S. Army Criminal Investigation Command.

The case was investigated by the Defense Criminal Investigative Service of the Inspector General for the Department of Defense, the U.S. Department of the Army Criminal Investigation Command - Major Procurement Fraud Unit, and the Defense Contract Audit Agency.

This case was prosecuted as part of a National Procurement Fraud Initiative. In October 2006, the Deputy Attorney General 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 is chaired by the Assistant Attorney General for the Criminal Division and includes the Civil Division, the U.S. Attorneys' Offices, the FBI, the U.S. Inspectors General community and a number of other federal law enforcement agencies. This case, as well as others brought by members of the task force, demonstrate the Justice Department's commitment to helping ensure the integrity of the government procurement process.

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