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JUSTICE NEWS

## Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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### Verizon Communications Pays United States \$93.5 Million to Resolve False Claims Act Allegations

WASHINGTON - Verizon Communications Inc. has paid the United States \$93,525,410.96 in order to resolve allegations that the company overcharged the General Services Administration (GSA) on invoices dealing with government-wide voice and data telecommunications services contracts, the Justice Department announced today.

Verizon subsidiary MCI Communications Services Inc. dba Verizon Business Services is alleged to have invoiced GSA for a variety of federal, state and local taxes and surcharges in violation of the contracts or applicable regulations in connection with the FTS2001 and FTS2001 Bridge contracts. The department's joint investigation with GSA's Office of the Inspector General (OIG) found that Verizon and MCI submitted false claims under the contracts for the reimbursement of property taxes, common carrier recovery charges and unallowable surcharges, charges that are not directly reimbursable under the FTS2001 contracts.

"Corporations that contract to provide services to federal, state and local governments must play by the rules," said Tony West, Assistant Attorney General for the Civil Division of the Department of Justice. "We will protect taxpayers against those who seek to charge more than they deserve."

"A government contract is not a blank check," said U.S. Attorney Ronald C. Machen Jr. "Contractors who overbill the government will be aggressively pursued and required to make the taxpayers whole. This \$93 million recovery should make contractors realize that we are firmly committed to ensuring the integrity of corporate billing practices with respect to government programs."

Stephen M. Shea and 2Probe LLC filed the *qui tam* or whistleblower complaint on behalf of the government. The case is captioned *United States ex rel. Stephen M. Shea and 2Probe LLC v. Verizon Communications Inc.*, Civ. No. 1:07CV00111 (GK) (D.D.C.).

"This case is another demonstration of the value of OIG audits in pursuing, proving, and recovering overbillings on government programs," said GSA Inspector General Brian D. Miller.

This settlement was the result of a coordinated effort by the Commercial Litigation Branch of the Justice Department's Civil Division, the U.S. Attorney's Office for the District of Columbia and GSA's Office of Inspector General and Office of General Counsel.

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Civil Division



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