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PRESS RELEASE

On February 2, 2011, Defendants Allstate Van & Storage, Inc. and Inter-World Forwarders, Inc. made the final payment on a \$461,000.00 settlement of a federal *Qui Tam* False Claims Act action. The lawsuit was brought by Pack & Crate Services, Inc. on April 17, 2007, unsealed by the U.S. District Court, Southern District of California on June 19, 2009, and served upon the Defendants on September 1, 2009. In light of the final settlement payment, the U.S. District Court dismissed the action with prejudice on February 9, 2011.

The *Qui Tam* lawsuit had alleged multiple violations of the False Claims Act against Defendants Allstate Van & Storage, Inc. and Inter-World Forwarders, Inc. Pack & Crate Services, Inc. filed the action as the Relator on behalf of the United States Government, pursuant to the False Claims Act, 31 United States Code § 3729, *et seq.*

As alleged in the *Qui Tam* complaint, the action arose out of false and fraudulent claims presented by Allstate and Inter-World, two moving companies which had contracts with the U.S. Government to perform local moves at Camp Pendleton and the San Diego Naval Base, respectively. Defendants Allstate and Inter-World are related companies, owned by husband and wife Tom and Paula Luni, respectively. The companies are operated out of the same facility in Poway, California. The companies have another facility in Oceanside, California for move jobs performed in connection with the Marine Base Camp Pendleton.

As the complaint alleged, these Defendants knowingly submitted false claims to the U.S. Government with respect to the weights of – and consequently the price charged to the Government for – the movement of household goods of military servicemen and women. The complaint alleged that the Defendants' actions were unlawful, and resulted in the submission of thousands of fraudulent moving claims to the U.S. Government, and the diversion of substantial amounts of money relating to these false and fraudulent claims. During the lawsuit, substantial evidence was revealed which supported these claims, including photos, video, documents, including thousands of invoices presented to the U.S. Government for payment, and testimony from witnesses, at least one of whom acknowledged under oath having participated in the fraud.

As more particularly described in the Complaint, Defendants, through their employees, agents, and sub-contractors, encouraged and actively participated in a scheme designed to increase (or “bump”) the weight of each household move and thereby falsely increase the cost to the Government and ultimately to the taxpayer.

The Complaint further alleged that although the Defendants, their employees and their agents employed various methods to promote and further the scheme, there was a single purpose: to artificially and fraudulently increase the net weight of the household goods and thereby to fraudulently obtain money from the Government to which they were not entitled.

The Relator Pack & Crate Services, Inc. originally reported the Defendants’ weight-bumping activity in early 2006 to the County of San Diego and the State of California, who started a joint investigation shortly thereafter. The Relator then filed the *Qui Tam* lawsuit on behalf of the U.S. Government.

The settlement was reached with the consent of the United States Attorney’s Office, Southern District of California. The settlement called for the payment of a total of \$461,000.00 by the Defendants. This amount included amounts paid to the U.S. Government Treasury, and amounts paid to reimburse the Relator Pack & Crate Services, Inc. for its attorneys’ fees and costs incurred in bringing the False Claims Act lawsuit.

Steven T. Coopersmith, Esq. of The Coopersmith Law Firm represents Pack & Crate Services, Inc. All inquiries regarding this matter should be directed to Mr. Coopersmith.