

CLIENT ALERT

Contractor Socked For Double And Treble Damages

Nov.16.2007

In the fifth and latest installment in the *Morse Diesel* litigation about the consequences of prematurely billing approximately \$2.3 million in surety-insurance premiums that had not yet been paid, including about \$109,000 that was eventually refunded to the contractor under a commission-sharing agreement with an insurance broker, the Court of Federal Claims imposed treble damages and maximum penalties under the False Claims Act for the total amount of the premature billing plus double damages and maximum penalties under the Anti-Kickback Act for the shared commission (2007 WL 3277293, Oct. 31, 2007). The court rejected the contractor's arguments that damages under both acts were duplicative and that the damage resulting from the premature billing should be measured based on the time-value of the accelerated payment rather than the full value of the premature billing.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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