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**CROWELL & MORING CLIENT USA ENVIRONMENTAL VINDICATED IN
FALSE CLAIMS ACT LAWSUIT**

Washington, D.C. –March 17, 2009 – Crowell & Moring LLP client USA Environmental Inc. of Tampa, FL, has been fully vindicated in a False Claims Act (FCA) lawsuit. A longstanding service provider to the U.S. Government, the company was the subject of a lawsuit brought by U.S. Rep. Alan Grayson (D-FL) and his former firm, Grayson & Kubli, LLC, on behalf of former USA Environmental employee, Patricia Howard. The suit was dismissed for lack of merit and a final judgment was entered on behalf of USA Environmental, Inc. on March 13th.

In a 15-page Order and decision, dated March 12, 2009, U.S. District Court Judge Virginia M. Hernandez Covington granted USA Environmental, Inc.'s motion to dismiss Ms. Howard's allegations that USA Environmental, Inc. retaliated against her in violation of the FCA. Judge Covington dismissed Ms. Howard's Amended Complaint with prejudice, directed the entry of judgment in favor of USA Environmental, Inc. on all claims alleged, and ordered that the case be closed, thereby fully vindicating USA Environmental, Inc., which maintained from the outset that Ms. Howard's allegations were without merit.

Previously, in her 17-page Order dated January 19, 2009, Judge Covington dismissed with prejudice Ms. Howard's claims that USA Environmental, Inc. submitted false claims to the Government and used false documents and records in support of such claims relative to a contract it had with the U.S. Army to dispose of enemy ammunition in Iraq by failing to provide proper personnel protective equipment. As stated in the Order:

Relator's allegations that Defendant submitted false statements to the government, based on information and belief, are woefully inadequate, and her complaint cannot survive Defendant's motion to dismiss "[T]he complaint does no more than guess that false claims were filed suggesting or certifying that the health and safety provisions were adhered to." [A] relator's FCA complaint cannot survive if its core allegations – those surrounding the submission of false claims to the Government – are contingent upon barren assumptions.

January 19, 2009 Order at pp. 9-10 (attached).

In dismissing Ms. Howard's sole-remaining claim that she was retaliated against by USA Environmental, Inc. for making the above referenced allegations, Judge Covington's Order describes that:

[Ms. Howard] has not alleged – nor can she truthfully do so – that she was investigating (or objecting to) the submission of allegedly false claims to the Government or that [USA Environmental] was aware she was doing so. This is not surprising There is no indication that she was involved in any way in the preparation or submission of any claims to the Government under [USA Environmental's] contract with the Army. Nor is there any indication that she even had any knowledge or understanding of the claims submission process. Although her allegations fail to do so, even the suggestion that she investigated the submission of alleged false claims to the Government cannot be reconciled with the allegations that demonstrate that she had no involvement in the claims process, and is unable to identify a single allegedly false claim or a single person who was allegedly involved in the claims process.

March 12, 2009 Order at p. 13 (attached). Further, the Court ruled:

While Plaintiff's amended complaint contains a formulaic recitation of the elements of a FCA retaliation claim A closer evaluation of the amended complaint reveals that her allegation is unsupported. Her conduct ... was unrelated to the submission of a false claim – the sine qua non of all FCA actions. This Court finds that [Ms. Howard's] complaint is fatally deficient because [she] did not, and cannot, allege that she engaged in protected activity under the FCA.

Id. at pp. 14-15 (attached).

The Government did not intervene in Ms. Howard's complaint. And, as the Court noted in dismissing her lawsuit:

"[T]o adopt [Ms. Howard's] misguided position – that a breach of any provision in a Government contract amounts to fraud on the Government punishable under the FCA – is not only contrary to case law, but contrary to public policy. Allowing such a position would expose every Government contractor to nearly limitless litigation and strike suits The Government – the real party in interest to the contract – could have filed a breach of contract suit against [USA Environmental] if it felt that it had been wronged, but it did not; and it could have intervened in this case if it felt that it had been defrauded, but, again, it did not."

Id. at 14, n. 2.

Crowell & Moring Government Contracts Group partner Robert T. Rhoad, counsel for USA Environmental, Inc. said, "This decision is simply one example in a long line of cases evidencing the abuse -- and potential abuse -- of the False Claims Act by unscrupulous, so-called whistleblowers and their counsel to denigrate well-respected companies for pecuniary gain and self-interest. Of course it is one thing to proclaim and much another to prove. We are incredibly fortunate that we have courts who take the time, effort and rigor to examine cases like these properly."

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