

## Department of Justice

Office of Public Affairs

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### **US Government Joins False Claims Act Lawsuit Against the Gallup Organization**

*Suit Alleges Polling Firm Overcharged Government on Contracts*

The United States has joined a whistleblower lawsuit against The Gallup Organization, the Justice Department announced today. The lawsuit was filed by Michael Lindley, a former Gallup employee, who alleges that Gallup violated the False Claims Act by making false claims for payment under contracts with the U.S. Mint, the State Department and other federal agencies to provide polling services for various government programs.

According to the whistleblower's complaint, Gallup violated the False Claims Act by giving the government inflated estimates of the number of hours that it would take to perform its services, even though it had separate and lower internal estimates of the number of hours that would be required. The complaint further alleges that the government paid Gallup based on the inflated estimates, rather than Gallup's lower internal estimates. The government intervened in the lawsuit with respect to Gallup's contracts with the Mint and the State Department.

"Contractors must understand that it is unlawful to use inflated estimates to obtain higher contract prices," said Stuart F. Delery, Acting Assistant Attorney General for the Department's Civil Division. "The decision to join this civil lawsuit underscores the commitment of the Department of Justice to recover federal funds that are unlawfully claimed."

The lawsuit was filed under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private parties to sue on behalf of the United States for submission of false claims to the government. The private plaintiffs are entitled to receive a share of any funds recovered through the lawsuit. The False Claims Act authorizes the United States to intervene in such a lawsuit and take over primary responsibility for litigating it. The False Claims Act allows for recovery of three times the government's losses, plus civil penalties.

"Contractors who do business with the federal government must honor their obligations to provide honest services and products," said U.S. Attorney Ronald C. Machen Jr. "Working with relators and federal investigators, we will do all that we can to act against those who illegitimately bill the American taxpayers."

In its notice announcing intervention, the United States also indicated that it plans to assert additional claims related to Gallup's subcontract with the Federal Emergency Management Agency (FEMA). These claims relate to allegations in the whistleblower lawsuit that Gallup negotiated for employment with a FEMA official who was responsible for Gallup's subcontract while, at the same time, Gallup was seeking to obtain additional funding from FEMA for Gallup's subcontract.

The lawsuit, which was filed in the District of Columbia, is captioned *U.S. ex rel. Lindley v. The Gallup Organization*, 09-cv-01985. The claims made in the complaint are only allegations and do not constitute a determination of liability.

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Civil Division