

AG's Fraud Recover Strike Force recovers big money

Written by Staff Report
Friday, 23 October 2015 09:22



SANTA ROSA – Today, New Mexico Attorney General Hector Balderas announced the Office of the Attorney General's Fraud Recovery Strike Force reached a \$124,455 settlement with United Parcel Service (UPS), the world's largest package delivery company, stemming from allegations that its employees violated the false claims acts of New Mexico, 13 states, Chicago, New York City and Washington, D.C. The agreement resolves allegations that certain UPS employees violated the law by recording inaccurate delivery times on packages sent via UPS next-day delivery services by government customers. That resulted in premium-priced packages that appeared to be delivered by their guaranteed commitment times when, in fact, they were not.

"Corporations that improperly profit at the expense of taxpayers will be held accountable and the Fraud Recovery Strike Force will continue to aggressively seek damages on behalf of New Mexico taxpayers," said Attorney General Balderas.

The governments alleged that UPS employees also applied inapplicable or inappropriate "exception codes" to excuse late next-day packages – including claims of "weather emergencies" despite sunny conditions. As a result, the government customers were unable to claim or receive refunds for the late deliveries under the terms of their contracts. Under the agreement, New Mexico taxpayers will recover \$124,455.

The settlement covers allegations of wrong doing from 2004 to 2014 against government agencies in New Mexico, California, Delaware, Florida, Hawaii, Illinois, Indiana, Massachusetts, Minnesota, Montana, New York, North Carolina, Tennessee, Virginia, and the three cities.

As a result of the settlement, the state and local governments will be compensated for these inaccurately recorded late deliveries. In addition, as reflected in the agreement, UPS has

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instituted remedial training, monitoring, and reporting compliance programs to address any potential delivery failures or policy violations.