

## URS Ducks False Claims Suit Over NASA Replacement Tires

By **Jacob Fischler**

*Law360, Washington (December 2, 2015, 4:46 PM ET)* -- A Florida federal judge tossed a False Claims Act suit alleging URS Federal Services Inc. and a subcontractor filed more than 1,000 fraudulent claims on work replacing tires for NASA, ruling Wednesday that the government's allegations fell short.

U.S. District Judge Gregory A. Presnell gave the government until Jan. 4 to amend its complaint to include more-specific claims that URS and subcontractor Yang Enterprises' practice of replacing vehicle tires more frequently than necessary was actually fraudulent. He said in his one-page order Wednesday that he tossed the case for reasons he stated "in open court" at a hearing the day before.

URS had argued last month that the complaint inadequately alleged the tire replacements were unnecessary. The contractor said the government claimed URS schemed to file \$387,000 in false claims for a fleet of U.S. General Services Administration tires used by NASA, but without explaining how the government knew the changes were gratuitous — an argument Judge Presnell apparently accepted Wednesday.

"Defendant contends that the complaint fails to satisfy the pleading standard of [the Federal Rules of Civil Procedure]," Judge Presnell wrote. "The court agrees."

A spokesman for the U.S. Attorney's Office for the Middle District of Florida, which prosecuted the case, said in an email Wednesday prosecutors planned to file an amended complaint.

"We are presently working on an amended complaint," spokesman William C. Daniels wrote.

Maryland-based URS has a \$1.4 billion contract with the federal government to provide technical, construction and engineering services, including vehicle maintenance, at the Kennedy Space Center, according to the September complaint.

The suit accused the companies of FCA violations by billing NASA and the GSA over a six-year period for repeated tire replacements on cars before the normal, 20,000-mile interval. The bills were not properly documented and included replacements for tires that had fewer than 5,000 miles on them, the suit said.

One vehicle had six tire changes in 27 months, and in another instance, a tire showing the wear pattern characteristic of a car with severely misaligned wheels was found on a car with normal alignment, making it appear that URS was replacing good tires with worn-out ones before service, according to the complaint.

While URS did not dispute the government's claim that the company shirked its contractual requirement to maintain proper documentation of the tire replacements, the company argued that its insufficient record-keeping was not enough to establish URS was scamming NASA, saying record-keeping was not a condition of payment.

Opposing URS' move to toss the suit, the government said on Nov. 6 that the dismissal effort was "misguided" and that the complaint contained both specific examples and the particular allegations needed to survive dismissal.

The government is represented by A. Lee Bentley and Jason Mehta of the U.S. Department of Justice.

Yang and URS are represented by James J. Swartz Jr. and J. Stanton Hill with Polsinelli PC. URS is also represented by Benjamin J. Razi of Covington & Burling LLP and Bryan D. Hull of Bush Ross PA.

The case is U.S. v. URS Federal Services Inc. et al., case number 6:15-cv-01429, in the U.S. District Court for the Middle District of Florida.

--Additional reporting by Diana Novak Jones and Bryan Koenig. Editing by Edrienne Su.

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