

Default entered against military contractor

By [Bill Rankin](#)
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A default has been entered in a massive false claims lawsuit against a Kuwaiti firm already facing indictment for allegedly overcharging the U.S. military.

The default, entered Friday in U.S. District Court in Atlanta, means that the next phase of the case will determine how much Public Warehousing Co., now known as Agility, has to pay, Atlanta attorney Raymond Moss said Saturday.

The suit seeks more than \$1 billion in damages, said Moss, who is working on the case with Atlanta lawyer Jerry Froelich.

"They now have to face the music," Moss said. "They can run but they can't hide from the U.S. government, the U.S. taxpayer and the U.S. legal system."

The whistle-blower suit was initially filed in 2005, and the U.S. Attorney's Office later joined the litigation. The suit alleges that the contractor significantly overcharged U.S. troops in Kuwait and Iraq for supplies. It also names Sultan Center Food Products Co. as a defendant.

Last week, the lawyers representing the whistle-blower filed a motion for a default because neither Agility nor Sultan Center Food filed an answer to the initial lawsuit or to subsequent, amended complaints.

Moss said the judge overseeing the case may now schedule a hearing to determine what damages must be paid. "I believe this is the largest fraud case involving war-time contracting since the enactment of the False Claims Act during Abraham Lincoln's presidency," Moss said.

In 2009, Agility was indicted by a federal grand jury in Atlanta for the alleged fraud. The company has pleaded not guilty and recently filed motions requesting the charges be dismissed.

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