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November 2, 2005

PRESS RELEASE

UNITED STATES CHARGES P.A. LANDERS, INC.
WITH CIVIL FALSE CLAIMS ACT VIOLATIONS

Boston, MA... United States Attorney Michael J. Sullivan and Theodore L. Doherty, Special Agent in Charge of the U.S. Department of Transportation's Office of the Inspector General in New England, announced today that the United States has filed a civil Complaint charging P.A. LANDERS, INC., a road construction company located in Hanover and Plymouth, with defrauding the United States government by generating fake and inflated asphalt weight tickets on government-funded paving projects.

According to the civil Complaint, from 1995 through at least 2003, P.A. LANDERS, INC. was a contractor on various construction projects of the Massachusetts Highway Department (MHD) and the Massachusetts Bay Transportation Authority (MBTA) which received federal funding from the United States Department of Transportation. The complaint alleges that, from approximately August 1995 through at least March 2003, employees of P.A. LANDERS, INC. generated fake and inflated asphalt weight tickets on government-funded paving projects on which P.A. LANDERS, INC. worked. The Complaint alleges that, shortly after the company built its asphalt production plant in Plymouth in 1995, the President of the company, Preston "Skip" Landers, ordered that a manual override device be installed in the plant's computer control room. It is alleged that, at the direction of Preston Landers, Gregory Keelan, and other company managers, company employees used that override device to generate fake asphalt weight tickets, which did not correspond to any actual asphalt load, as well as inflated asphalt weight tickets, which overstated the amount of asphalt contained in an actual load. The fraudulent asphalt weight tickets were delivered to federally-funded paving projects. The MHD and the MBTA relied on those fraudulent weight tickets in determining the payments to be made to P.A. LANDERS, INC. The MHD and MBTA subsequently submitted claims to the U.S. Department of Transportation for the federal share of the project costs, and the United States paid those claims.

Under the False Claims Act, a person or entity who knowingly submits or causes to be submitted a false or fraudulent claim to the United States shall be liable for three times the damages suffered by the United States plus a civil penalty of up to \$11,000 for each false claim.

The government filed its civil Complaint today after intervening in a "whistle blower" suit brought in 1999 against P.A. LANDERS, INC. by a former employee of the company, Omar Ali. The case was originally brought under the qui tam or "whistle blower" provisions of the False Claims Act, which permits a private individual to bring suit against a business for submitting or causing the submission of false claims for payment to the United States government. Under the False Claims Act, the United States has the right to conduct an investigation of the allegations and to intervene and take over the action if it chooses to do so. If the law suit is successful, the private plaintiff may receive a share of up to 25 percent of any money recovered for the government.

Today's civil Complaint follows on the heels of a criminal Indictment handed down by a federal Grand Jury on September 28, 2005, charging P.A. LANDERS, INC., Preston A. Landers, and Gregory R. Keelan with Conspiracy, Mail Fraud, and Highway Project Fraud. Those charges are still pending.

The case was investigated by the U.S. Department of Transportation's Office of the Inspector General with assistance from the Massachusetts Highway Department and the Massachusetts Bay Transportation Authority. The case is being prosecuted by Assistant U.S. Attorney George B. Henderson, II in Sullivan's Civil Division.

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