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Lawyers battle to keep whistleblower case alive, ultimately reaching settlement of allegations that private contractor U.S. Investigation Services (USIS) violated the False Claims Act

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MONTGOMERY, Ala., Dec. 21, 2015 /PRNewswire/ -- Lawyers from **Beasley, Allen, Crow, Methvin, Portis & Miles, P.C.** helped to secure an agreement in cooperation with the U.S. Department of Justice (DOJ) to settle allegations that private contractor U.S. Investigations Services, Inc. (USIS), formerly the Federal Government's largest provider of security background checks, violated the False Claims Act (FCA). Beasley Allen Principals Larry Golston and W. Daniel "Dee" Miles, III, who is head of the firm's Consumer Fraud section, represented former USIS employee Blake Percival, who filed a whistleblower complaint in 2011.

The lawsuit filed by Beasley Allen on behalf of Mr. Percival alleged that USIS knowingly conducted flawed investigations of individuals seeking security clearances. Beginning in at least March 2008 and continuing through at least September 2012, USIS management devised and executed a scheme to deliberately circumvent contractually required quality reviews of completed background investigations in order to increase the company's revenues and profits.

Specifically, Mr. Percival and the United States alleged that USIS engaged in a practice referred to internally as "dumping" or "flushing," which involved releasing cases to the Office of Personnel Management (OPM) as complete when in fact investigations on individuals were either not complete or no substantive investigation was performed. According to the allegations, approximately 40 percent of all USIS security background checks – at least 665,000 in total – involved dumping/flushing and resulted in individuals receiving security clearances for positions for which they were not properly vetted.

The DOJ joined the lawsuit in 2013. However, in the spring of 2015, USIS's parent company, Altegrity, filed for bankruptcy, which made it more difficult for the government to recover what the company owed, and for Mr. Percival to receive a whistleblower reward. Under the whistleblower provisions of the False Claims Act, the whistleblower is entitled to receive up to 30 percent of any money the government recovers. This is both an incentive and a reward for the tremendous sacrifices – both personal and professional – whistleblowers often make by reporting the truth.

Recognizing the importance of the case, Golston and Miles fought to continue the litigation, and the Justice Department agreed to remain a part of the case, and ultimately USIS agreed to forego at least \$30 million in payments legitimately owed to the company to settle the government's allegations.

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