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10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA  
13 *ex rel.* Joel Hirsch,

14 Plaintiff,

15 vs.

16 AEROVIRONMENT, INC.,

17 Defendant.

Case No. **CV 14-09208** SVW (RZ)

COMPLAINT FOR VIOLATION OF  
THE FEDERAL FALSE CLAIMS  
ACT

[31 U.S.C. § 3729 *et seq.*]

JURY TRIAL DEMANDED

**FILED UNDER SEAL PURSUANT  
TO 31 U.S.C. §§ 3730(b)(2) and (3)**

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23 *Qui Tam* Plaintiff Joel Hirsch (“Hirsch”), by and through his attorneys, brings this  
24 complaint on behalf of the United States and on his own behalf as follows:  
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1 I.

2 **NATURE OF ACTION**

3 1. Joel Hirsch, on behalf of the United States, brings this action to recover  
4 treble damages and civil penalties under the False Claims Act, 31 U.S.C. §§ 3729, et seq.

5 2. This action is based upon the defendant's submission of false claims on  
6 Government contracts by inflating its indirect costs charged to the United States as a  
7 result of wrongfully removing commercial contract direct costs from its allocation base  
8 and then wrongfully including those commercial direct costs in its indirect cost pool.  
9 Additionally, the defendant mischarged other commercial contract costs directly to its  
10 U.S. Government contracts. Defendant's false claims have caused millions of dollars in  
11 damages to the United States.

12 II.

13 **JURISDICTION**

14 3. The Court has subject matter jurisdiction to entertain this action under 28  
15 U.S.C. §§ 1331 and 1345. The Court may exercise personal jurisdiction over the  
16 defendants pursuant to 31 U.S.C. § 3732(a).

17 III.

18 **VENUE**

19 4. Venue is proper in the Central District of California under 31 U.S.C. § 3732  
20 and 28 U.S.C. §§ 1391(b) and (c) because the defendant transacts business in this District  
21 and because the defendant committed acts within this district that violated 31 U.S.C. §  
22 3729.

23 5. *Qui Tam* plaintiff Joel Hirsch is a citizen of the United States. Mr. Hirsch  
24 was formerly employed by defendant AeroVironment, Inc. from August 2010 through  
25 August 2012. Mr. Hirsch's job duties focused primarily on researching where  
26 AeroVironment's products were to be built, and working with the company's production

1 partners. Mr. Hirsch reported directly to AeroVironment's CEO and was involved in  
2 upper management meetings where he learned of the facts alleged in this action. Mr.  
3 Hirsch resides in the Central District of California.

4 6. Defendant AeroVironment, Inc. is a publicly traded California corporation  
5 with its head office located in Monrovia, California, in the Central District of California.  
6 AeroVironment has many U.S. Government contracts for the development and  
7 production of unmanned aerial vehicles (drones), and also logistics contracts which are  
8 for Indefinite Delivery Indefinite Quantity, to which it mischarged commercial project  
9 costs as alleged herein.

10 7. Rule 9(b), Fed. R. Civ. P. Allegations. Much of the documentation  
11 necessary to prove the allegations contained herein is in the exclusive possession of the  
12 Defendant or the United States.

13 8. The allegations of fact contained in this Complaint are personally known to  
14 Mr. Hirsch unless identified as being made on information and belief. Each allegation  
15 made on information and belief is based on Mr. Hirsch's knowledge and experience and a  
16 reasoned factual basis for making the allegation, but for which he lacks complete details.  
17

18 9. At all times relevant hereto, the Defendant acted through its agents and  
19 employees and the acts of its agents and employees were within the scope of such agency  
20 and employment.

#### 21 IV.

#### 22 The False Claims Act

23 10. The FCA provides, in pertinent part, that a person who:  
24 (a)(1)(A) knowingly presents, or causes to be presented, a false or fraudulent claim  
25 for payment or approval;  
26

1 (a)(1)(B) knowingly makes, uses, or causes to be made or used, a false record or  
2 statement material to a false or fraudulent claim;

3 (a)(1)(G) knowingly makes, uses, or causes to be made or used, a false record or  
4 statement material to an obligation to pay or transmit money or property to the  
5 Government, or knowingly conceals or knowingly and improperly avoids or  
6 decreases an obligation to pay or transmit money or property to the Government,

7 is liable to the United States Government for a civil penalty of not less than \$5,000  
8 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation  
9 Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410), plus 3 times  
10 the amount of damages which the Government sustains. . . .

11 31 U.S.C. § 3729 For purposes of the False Claims Act,

12 the term “knowing” and “knowingly” mean that a person, with respect to  
13 information (1) has actual knowledge of the information; (2) acts in deliberate  
14 ignorance of the truth or falsity of the information; or (3) acts in reckless disregard  
15 of the truth or falsity of the information; and require no proof of specific intent to  
16 defraud.

17 31 U.S.C. § 3729(b)(1)(B).

18 11. Federal contractors have a legal duty to familiarize themselves with a  
19 program’s coverage and payment rules. Heckler v. Community Health Services of  
20 Crawford County, Inc., 467 U.S. 51, 64-65 (1984). A contractor’s failure to inform itself  
21 of the legal requirements for participation in the program acts in reckless disregard or  
22 deliberate ignorance of those requirements, either of which is sufficient to charge it with  
23 knowledge of the falsity of the claims or certifications in question, under the False  
24 Claims Act. *United States v. Mackby*, 261 F.3d 821, 828 (9<sup>th</sup> Cir. 2001).

25 V.

26 **INDIRECT COST ILLUSTRATION**

27 12. When charging the United States on a “cost-plus” contract, the contractor  
28 charges both for the contract’s “direct” costs and also the contract’s “indirect” costs. By

1 way of example, a contractor's direct costs are the costs for salaries, goods, materials and  
2 other items of expense that are incurred solely for the benefit of that contract. Indirect  
3 costs are commonly referred to as the contractor's administration costs which are for the  
4 benefit of all of the contracts or projects of the contractor. Examples of "indirect" costs  
5 include corporate General and Administrative expenses and Overhead expenses that  
6 benefit multiple contracts, projects or divisions.

7 13. To come up with an equitable allocation of "indirect" costs allocable to a  
8 specific contract or project, the contractor accumulates all of its "indirect" costs in an  
9 "indirect cost pool." Separately, it collects each contractor's/project's "direct" costs in an  
10 "allocation base." The amount of costs in the indirect cost pool are then allocated to the  
11 company's contracts or projects based on the pro-rata total of each contractor's/project's  
12 direct costs in the allocation base.

13 14. For instance, if the company has \$100 of "indirect" costs in its "indirect cost  
14 pool", and has four contracts which have each incurred \$250 in direct costs, the  
15 contractor would have \$100 in the indirect cost pool and \$1,000 in the allocation base. In  
16 this example, each contractor's direct costs comprise 25% of the allocation base. As a  
17 result, each contract would be allocated a pro-rata 25% of the amounts in the indirect cost  
18 pool. The billing for each contract would then be \$250 of direct costs and \$25 of indirect  
19 costs. In this example, the "indirect cost rate" would be 10% over and above each  
20 contractor's direct costs.

21 15. However the company might wrongfully inflate its indirect costs allocation  
22 to its United States contracts in a number of ways. Two of those ways would be:  
23 a) Wrongfully removing some of the company's commercial contract  
24 direct costs from the allocation base. Whereas, as noted above, each  
25 contract should correctly be only 25% of the allocation base, the removal of  
26 one of the commercial contractor's \$250 direct costs from the base in this

1 example would cause each of the remaining three contracts in the base to  
2 now be 33.3% of the allocation base, and thereby be allocated 33.3% of the  
3 amounts in the indirect cost pool. In this example, the remaining three  
4 contracts in the allocation base would each be allocated \$33.33 in indirect  
5 costs. The billing for each of the three remaining contracts would be now  
6 \$250 of direct costs and \$33.33 of indirect costs. This would result in an  
7 inflated "indirect cost rate" of 13.33% over and above each contract's direct  
8 costs (instead of the correct 10% rate).

9 b) This economic damage to the United States could be further increased  
10 if the company then took the \$250 in commercial contract direct costs it had  
11 wrongfully removed from the allocation base, and then exacerbated the  
12 effect by wrongfully putting that \$250 commercial **direct** cost into the  
13 **indirect** cost pool. In this instance, the indirect cost pool would be inflated  
14 to \$350 instead of only \$100. And, the remaining three contracts in the  
15 allocation base would be wrongfully allocated a full 33.3% of the inflated  
16 \$350 indirect cost pool. The billing for each of the three remaining contracts  
17 would now be \$250 of direct costs and \$116.67 of indirect costs. This  
18 would result in an inflated "indirect cost rate" of 46% over and above each  
19 contract's direct costs (instead of the correct 10% rate).

20 16. This is a simplified illustration of what AeroVironment did in its indirect  
21 cost fraud scheme set forth in this qui tam action. When AeroVironment set inflated  
22 indirect cost rates through its cost manipulation set forth below, the inflated indirect rates  
23 were billed on invoices/billings to the United States for AeroVironment's cost-type  
24 contracts. These inflated indirect rates were also misrepresented by AeroVironment as  
25 being allocable to its U.S. Government contracts subject to the Truth in Negotiations Act.

1 These false billings with inflated indirect cost rates were made to the United States from  
2 approximately 2009 through 2014, and continuing.

3 **VI.**

4 **DEFENDANT'S MISCONDUCT**

5 17. Plaintiff incorporates by reference herein the allegations 1-16, inclusive.

6 18. AeroVironment, Inc. is a defense contractor with United States Government  
7 contracts for the development and production of unmanned aircraft systems (öUASö).  
8 AeroVironment's contracts with the United States include, but are not limited to cost-  
9 type contracts for some of its UAS products, and logistics support contracts which are for  
10 Indefinite Delivery Indefinite Quantity. Additionally, AeroVironment has fixed price  
11 production contracts which have the fraudulently inflated indirect cost rates built into  
12 their contract price, and which were subject to the Truth in Negotiations Act.

13 AeroVironment's cost type contracts and fixed price contracts have been affected by the  
14 wrongfully inflated indirect cost rates alleged herein, resulting in in fraudulently inflated  
15 charges to the United States.

16 19. On information and belief, various of AeroVironment's contracts  
17 incorporated by reference cost accounting, reporting and charging requirements from the  
18 Federal Acquisition Regulations (öFARö) as material terms of the contracts. Specifically,  
19 the contracts incorporated FAR clauses 31.201-2, 31.201-3, 31.201-4, 31.205 and 42.704,  
20 and also the Truth In Negotiations Act, 10 U.S.C. 2306 and 41 U.S.C. chapter 35, and  
21 FAR clause 15.46-2.

22 20. On information and belief, the FAR clauses that were incorporated as  
23 material terms of various of AeroVironment's contracts included, in relevant part, the  
24 following:

25 **31.201-2 Allowability:** A cost is allowable only when the cost complies  
26 with all of the following requirements:

27 (1) Reasonableness.

1 (2) Allocability.

2 (3) Standards promulgated by the CAS Board, if applicable, otherwise,  
3 generally accepted accounting principles and practices appropriate to  
4 the circumstances.

5 (4) Terms of the contract.

6 (5) Any limitations set forth in this subpart.

7  
8 **31-201-4 Allocability:** A cost is allocable if it is assignable or chargeable to  
9 one or more cost objectives on the basis of relative benefits received or other  
10 equitable relationship. Subject to the foregoing, a cost is allocable to a  
11 Government contract if it--

12 (a) Is incurred specifically for the contract;

13 (b) Benefits both the contract and other work, and can be distributed  
14 to them in reasonable proportion to the benefits received; or

15 (c) Is necessary to the overall operation of the business, although a  
16 direct relationship to any particular cost objective cannot be shown.

17  
18 **31.202 Direct Costs:** No final cost objective shall have allocated to it as a  
19 direct cost any cost, if other costs incurred for the same purpose in like  
20 circumstances have been included in any indirect cost pool to be allocated to  
21 that or any other final cost objective. Direct costs of the contract shall be  
22 charged directly to the contract. All costs specifically identified with other  
23 final cost objectives of the contractor are direct costs of those cost objectives  
24 and are not to be charged to the contract directly or indirectly.

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**31.203 Indirect Costs:**

(b) After direct costs have been determined and charged directly to the contract or other work, indirect costs are those remaining to be allocated to intermediate or two or more final cost objectives. No final cost objective shall have allocated to it as an indirect cost any cost, if other costs incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective.

(c) The contractor shall accumulate indirect costs by logical cost groupings with due consideration of the reasons for incurring such costs. The contractor shall determine each grouping so as to permit use of an allocation base that is common to all cost objectives to which the grouping is to be allocated. The base selected shall allocate the grouping on the basis of the benefits accruing to intermediate and final cost objectives. When substantially the same results can be achieved through less precise methods, the number and composition of cost groupings should be governed by practical considerations and should not unduly complicate the allocation.

(d) Once an appropriate base for allocating indirect costs has been accepted, the contractor shall not fragment the base by removing individual elements. All items properly includable in an indirect cost base shall bear a pro rata share of indirect costs irrespective of their acceptance as Government contract costs. For example, when a cost input base is used for the allocation of G & A costs, the contractor shall include in the base all items that would properly be part of the cost input base, whether allowable or unallowable, and these items shall bear their pro rata share of G & A costs.

**15.406-2 Certificate of Current Cost or Pricing Data:**

(a) When cost or pricing data are required, the contracting officer must require the contractor to execute a Certificate of Current Cost or Pricing Data, using the format in this paragraph, and must include the executed certificate in the contract file.

Certificate of Current Cost or Pricing Data

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in section 2.101 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.403-4) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer's representative in support of \_\_\_\_\_\* are accurate, complete, and current as of \_\_\_\_\_\*\*. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal.

\* Identify the proposal, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP No.).

\*\* Insert the day, month, and year when price negotiations were concluded and price agreement was reached or, if applicable, an earlier date agreed upon between the parties that is as close as practicable to the date of agreement on price.

1 21. AeroVironment violated the terms of its contracts with the United States by  
2 violating the incorporated provisions of the FAR with respect to the allocation,  
3 accumulation and charging of indirect costs and direct costs, inflating the indirect cost  
4 rates incorporated into its fixed fee contracts, and falsely certifying in its fixed fee  
5 contracts that the indirect cost rates it represented as allocable to its U.S. Government  
6 contracts were accurate and complete. AeroVironment overcharged the United States  
7 millions of dollars as a result of its inflated indirect cost rates.

8 22. AeroVironment's billings that included charges for indirect costs and direct  
9 costs were inflated in at least two ways:

10 A) **Indirect Cost Mischarging**. The indirect cost rates AeroVironment  
11 represented to the United States for its cost type contracts were excessive,  
12 which inflated AeroVironment's indirect cost billings that were submitted to  
13 the United States in 2009 through 2014, and continuing. AeroVironment  
14 overcharged the United States millions of dollars through inflating its indirect  
15 costs charges and rates by improperly removing approximately \$40 million to  
16 \$50 million of commercial direct Research and Development costs from the  
17 allocation base (causing the US Government contracts to be a larger  
18 percentage of the allocation base), and then improperly putting those same  
19 commercial direct Research and Development costs into its indirect cost pool  
20 (resulting in an inflated indirect cost pool), and

21 B) **Direct Cost Mischarging**. AeroVironment also overcharged the United  
22 States at least \$100,000 by directly mischarging assembly costs for at least one  
23 of its commercial products to "Engineering overhead" on U.S. Government  
24 contracts.

25 23. On information and belief, it is alleged AeroVironment's false claims for  
26 payment were submitted to the United States approximately monthly from 2009 through  
27

1 2014, and continuing, on Department of Defense standard billing forms which falsely  
2 certified that the billing vouchers was correct and proper for payment. All of the falsely  
3 certified vouchers were signed by an authorized certifying officer for AeroVironment.  
4 The claims were submitted to, and paid by, the United States, which would not have paid  
5 the claims if it had known of their falsity. These claims for payment caused millions of  
6 dollars of damage to the United States.

7 **VII.**

8 **INDIRECT COSTS MISCHARGED BY DEFENDANT**

9 24. Although the business of AeroVironment was almost exclusively the  
10 development and production of unmanned aircraft systems (öUASö), in 2009  
11 AeroVironment Board Chair and Chief Executive Officer Tim Conver decided to get the  
12 company into the commercial market for electric vehicle chargers. AeroVironment saw  
13 the emerging commercial electric vehicle market as a growth opportunity and wanted to  
14 be one of the first to develop and sell electric vehicle chargers to the consumer market.  
15 During the next few years, AeroVironment spent approximately \$40 million to \$50  
16 million for research and development of these commercial charging solutions for the  
17 consumer market.

18 25. AeroVironment targeted as its commercial customers Nissan, Mitsubishi,  
19 Fiat, Kia and Ford, among other consumer electric car manufacturers, and also the  
20 company NRG Energy, Inc., which was vying to establish a niche in the consumer  
21 electric car recharging market. AeroVironment already had a commercial division named  
22 Efficient Energy Systems (öEESö), which focused on small battery management issues  
23 for commercial items such as forklifts and electric carts. When AeroVironment decided  
24 to invest in the consumer electric car recharger market, it established a new business  
25 within the EES division, called EV Solutions, to develop and sell the electric vehicle  
26 chargers to the consumer market. EV Solutions had its own Vice President, General

1 Manager, and engineering, manufacturing and sales and marketing departments.  
2 AeroVironment's intent was to spin off EES, including its EV Solutions consumer  
3 charger business, as a new company after the initial research and development for the  
4 consumer chargers was completed and enough sales had been achieved. AeroVironment  
5 recruited management personnel for EES with a promise that they would be issued stock  
6 in the spin off company, developed financial pro formas for the anticipated commercial  
7 business, and even discussed a proposed stock symbol for the spin-off company:  
8 "EVEV".

9 26. To help fund this new commercial charger business, AeroVironment devised  
10 a scheme to cause the United States to pay for much of the commercial Research and  
11 Development costs by charging these costs to its indirect cost pool, of which more than  
12 90% was allocated to U.S. Government contracts. The bulk of the \$40 million to \$50  
13 million in Research and Development costs for EES were incurred in 2009, 2010 and  
14 2011, but continued into 2012 and beyond, when competition by other companies drove  
15 down the price of consumer car chargers and AeroVironment scaled back its financial  
16 projections for the commercial market. However, AeroVironment's mischarging scheme  
17 for inflated indirect costs continued to inflate its indirect cost rates and charges to its  
18 government contracts in subsequent years.

19 27. By intentionally ensuring that its commercial Research and Development  
20 costs were improperly excluded from its indirect cost allocation base and improperly  
21 included in its indirect cost pool, AeroVironment knowingly submitted false claims to the  
22 United States that included inflated indirect costs and rates and knowingly violated FAR  
23 31.201, 31.202, 31.203 regarding allocability, direct costs and indirect costs, and  
24 knowingly submitted false cost and pricing data on its fixed price contracts subject to the  
25 Truth In Negotiations Act. These false claims caused millions of dollars in damages to  
26 the United States.

1 VIII.

2 **DIRECT COSTS MISCHARGED BY DEFENDANT**

3 28. During a relatively slow period in approximately 2011, AeroVironment  
4 moved some of its assembly work on its EV50 commercial charger product to its U.S.  
5 Government contract manufacturing facility in Simi Valley, California, where its  
6 manufacturing personnel were told to charge their work to "Engineering overhead" for  
7 U.S. Government contracts. Following internal complaints about this mischarging, it is  
8 believed this direct cost cross charging stopped. On information and belief, the direct  
9 cross charging billed to, and paid by, the U.S. Government totaled approximately  
10 \$100,000 before the cross charging stopped.

11 IX.

12 **COUNT ONE**

13 **(For Violation of 31 U.S.C. § 3729 et seq.)**

14 29. *Qui tam* plaintiff hereby realleges and incorporates herein by reference  
15 paragraphs 1 through 28, inclusive, hereinabove, as though fully set forth at length.

16 30. Defendant AeroVironment knowingly caused to be submitted false claims  
17 for payment as set forth above, in violation of 31 U.S.C. § 3729(a)(1)(A). Additionally,  
18 AeroVironment knowingly caused to be used false records or statements to get false or  
19 fraudulent claims paid by the United States, in violation of 31 U.S.C. § 3729(a)(1)(B).  
20 Further, AeroVironment knowingly avoided the obligation to repay these sums to the  
21 United States, in violation of 31 U.S.C. § 3729(a)(1)(G).

22 31. As a result of such violations of the False Claims Act, Defendant  
23 AeroVironment caused wrongful payments to be made from the United States Treasury.  
24 All of this has resulted in damage to the United States.



**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

<b>I. (a) PLAINTIFFS</b> ( Check <input checked="" type="checkbox"/> bo <input type="checkbox"/> if you are representing yourself <input type="checkbox"/> )  United States and Joel Hirsch	<b>DEFENDANTS</b> ( Check <input checked="" type="checkbox"/> bo <input type="checkbox"/> if you are representing yourself <input type="checkbox"/> )  Aerovironment, Inc.
<b>(b) County of Residence of First Listed Plaintiff</b> (EXCEPT IN U.S. PLAINTIFF CASES)	<b>County of Residence of First Listed Defendant</b> <u>Los Angeles County</u> (IN U.S. PLAINTIFF CASES ONLY)
<b>(c) Attorneys (Firm Name, Address and Telephone Number) if you are representing yourself, provide the same information.</b>  Warren - Benson Law Group, 7822 Fay Ave., Ste. 200, La Jolla, CA 92037. Phone: 619.444.2877	<b>Attorneys (Firm Name, Address and Telephone Number) if you are representing yourself, provide the same information.</b>

<b>II. BASIS OF JURISDICTION</b> (Place an X in one bo only.)  <input checked="" type="checkbox"/> 1. U.S. Government Plaintiff <input type="checkbox"/> 2. U.S. Government Defendant <input type="checkbox"/> 3. Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 4. Diversity (Indicate Citizenship of Parties in Item III)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only</b> (Place an X in one bo for plaintiff and one for defendant)  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td align="center"><input type="checkbox"/> 1</td> <td align="center"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td align="center"><input type="checkbox"/> 4</td> <td align="center"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td align="center"><input type="checkbox"/> 2</td> <td align="center"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td align="center"><input type="checkbox"/> X</td> <td align="center"><input type="checkbox"/> X</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td align="center"><input type="checkbox"/> 3</td> <td align="center"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td align="center"><input type="checkbox"/> X</td> <td align="center"><input type="checkbox"/> X</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> X	<input type="checkbox"/> X	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> X	<input type="checkbox"/> X
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**IV. ORIGIN** (Place an X in one bo only.)

1. Original Proceeding  
  2. Removed from State Court  
  3. Remanded from Appellate Court  
  4. Reinstated or Reopened  
  5. Transferred from Another District (Specify)  
  Multi-District Litigation

**V. REQUESTED IN COMPLAINT: JURY DEMAND:**  Yes  No (Check Yes only if demanded in complaint.)

**CLASS ACTION under F.R.Cv.P. 23:**  Yes  No      **MONEY DEMANDED IN COMPLAINT:**

**VI. CAUSE OF ACTION** (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

Violations of the False Claims Act. 31 U.S.C. 3128, et seq.

**VII. NATURE OF SUIT** (Place an X in one bo only.)

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input checked="" type="checkbox"/> 378 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 480 Commerce/ICC Rates/Etc. <input type="checkbox"/> 480 Deportation <input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org. <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 480 Cable/Sat TV <input type="checkbox"/> 880 Securities/Commodities/Exchange <input type="checkbox"/> 880 Other Statutory Actions <input type="checkbox"/> 881 Agricultural Acts <input type="checkbox"/> 883 Environmental Matters <input type="checkbox"/> 888 Freedom of Info. Act <input type="checkbox"/> 888 Arbitration <input type="checkbox"/> 888 Admin. Procedures Act/Review of Appeal of Agency Decision <input type="checkbox"/> 880 Constitutionality of State Statutes	<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 180 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 181 Medicare Act <input type="checkbox"/> 182 Recovery of Defaulted Student Loan (Excl. Vet.) <input type="checkbox"/> 183 Recovery of Overpayment of Vet. Benefits <input type="checkbox"/> 180 Stockholders Suits <input type="checkbox"/> 180 Other Contract <input type="checkbox"/> 188 Contract Product Liability <input type="checkbox"/> 188 Franchise <hr/> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 248 Tort Product Liability <input type="checkbox"/> 280 All Other Real Property <hr/> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 318 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 348 Marine Product Liability <input type="checkbox"/> 380 Motor Vehicle <input type="checkbox"/> 388 Motor Vehicle Product Liability <input type="checkbox"/> 380 Other Personal Injury <input type="checkbox"/> 382 Personal Injury-Med Malpractice <input type="checkbox"/> 388 Personal Injury-Product Liability <input type="checkbox"/> 387 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 388 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 482 Naturalization Application <input type="checkbox"/> 488 Other Immigration Actions <hr/> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 388 Property Damage Product Liability <hr/> <input type="checkbox"/> 422 Appeal 28 USC 188 <input type="checkbox"/> 423 Withdrawal 28 USC 187 <hr/> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 448 American with Disabilities-Employment <input type="checkbox"/> 448 American with Disabilities-Other <input type="checkbox"/> 448 Education	Habeas Corpus: <input type="checkbox"/> 483 Alien Detainee <input type="checkbox"/> 810 Motions to Vacate Sentence <input type="checkbox"/> 830 General <input type="checkbox"/> 838 Death Penalty Other: <input type="checkbox"/> 840 Mandamus/Other <input type="checkbox"/> 880 Civil Rights <input type="checkbox"/> 888 Prison Condition <input type="checkbox"/> 880 Civil Detainee Conditions of Confinement <hr/> <input type="checkbox"/> 828 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 880 Other <hr/> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 781 Family and Medical Leave Act <input type="checkbox"/> 780 Other Labor Litigation <input type="checkbox"/> 781 Employee Ret. Inc. Security Act	<input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <hr/> <input type="checkbox"/> 881 HIA (1388ff) <input type="checkbox"/> 882 Black Lung (823) <input type="checkbox"/> 883 DIWC/DIWW (408 (g)) <input type="checkbox"/> 884 SSID Title XVI <input type="checkbox"/> 888 RSI (408 (g)) <hr/> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 28 USC 7808

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**VIII. VENUE:** Your answers to the questions below will determine the division of the Court to which this case will be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

<b>QUESTION A: Was this case removed from state court?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If <input type="checkbox"/> no, skip to Question B. If <input checked="" type="checkbox"/> yes, check the box to the right that applies, enter the corresponding division in response to Question E, below, and continue from there.	<b>STATE CASE WAS PENDING IN THE COUNTY OF:</b>		<b>INITIAL DIVISION IN CACD IS:</b>
	<input type="checkbox"/> Los Angeles, Ventura, Santa Barbara, or San Luis Obispo		Western
	<input type="checkbox"/> Orange		Southern
	<input type="checkbox"/> Riverside or San Bernardino		Eastern

<b>QUESTION B: Is the United States, or one of its agencies or employees, a PLAINTIFF in this action?</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If <input type="checkbox"/> no, skip to Question C. If <input checked="" type="checkbox"/> yes, answer Question B.1, at right.	<b>B.1. Do <input checked="" type="checkbox"/> or more of the defendants who reside in the district reside in Orange Co.?</b>  checked one of the boxes to the right →	YES. Your case will initially be assigned to the Southern Division. <input type="checkbox"/> Enter <input checked="" type="checkbox"/> Southern in response to Question E, below, and continue from there.  <input checked="" type="checkbox"/> NO. Continue to Question B.2.
	<b>B.2. Do <input type="checkbox"/> or more of the defendants who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.)</b>  checked one of the boxes to the right →	YES. Your case will initially be assigned to the Eastern Division. <input type="checkbox"/> Enter <input checked="" type="checkbox"/> Eastern in response to Question E, below, and continue from there.  NO. Your case will initially be assigned to the Western Division. <input checked="" type="checkbox"/> Enter <input checked="" type="checkbox"/> Western in response to Question E, below, and continue from there.

<b>QUESTION C: Is the United States, or one of its agencies or employees, a DEFENDANT in this action?</b>  <input type="checkbox"/> Yes <input type="checkbox"/> No  If <input type="checkbox"/> no, skip to Question D. If <input checked="" type="checkbox"/> yes, answer Question C.1, at right.	<b>C.1. Do <input checked="" type="checkbox"/> or more of the plaintiffs who reside in the district reside in Orange Co.?</b>  checked one of the boxes to the right →	YES. Your case will initially be assigned to the Southern Division. <input type="checkbox"/> Enter <input checked="" type="checkbox"/> Southern in response to Question E, below, and continue from there.  <input type="checkbox"/> NO. Continue to Question C.2.
	<b>C.2. Do <input type="checkbox"/> or more of the plaintiffs who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.)</b>  checked one of the boxes to the right →	YES. Your case will initially be assigned to the Eastern Division. <input type="checkbox"/> Enter <input checked="" type="checkbox"/> Eastern in response to Question E, below, and continue from there.  NO. Your case will initially be assigned to the Western Division. <input type="checkbox"/> Enter <input checked="" type="checkbox"/> Western in response to Question E, below, and continue from there.

<b>QUESTION D: Location of plaintiffs and defendants?</b>  Indicate the location(s) in which <input checked="" type="checkbox"/> or more of plaintiffs who reside in this district reside. (Check up to two boxes, or leave blank if none of these choices apply.)  Indicate the location(s) in which <input type="checkbox"/> or more of defendants who reside in this district reside. (Check up to two boxes, or leave blank if none of these choices apply.)	<b>A. Orange County</b>	<b>B. Riverside or San Bernardino County</b>	<b>C. Los Angeles, Ventura, Santa Barbara, or San Luis Obispo County</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>D.1. Is there at least one answer in Column A?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  If <input checked="" type="checkbox"/> yes, your case will initially be assigned to the <b>SOUTHERN DIVISION.</b> Enter <input checked="" type="checkbox"/> Southern in response to Question E, below, and continue from there.  If <input type="checkbox"/> no, go to Question D.2 to the right. →	<b>D.2. Is there at least one answer in Column B?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  If <input checked="" type="checkbox"/> yes, your case will initially be assigned to the <b>EASTERN DIVISION.</b> Enter <input checked="" type="checkbox"/> Eastern in response to Question E, below.  If <input type="checkbox"/> no, your case will be assigned to the <b>WESTERN DIVISION.</b> Enter <input checked="" type="checkbox"/> Western in response to Question E, below. ↓
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<b>QUESTION E: Initial Division?</b>  Enter the initial division determined by Question A, B, C, or D above: →	<b>INITIAL DIVISION IN CACD</b>  WESTERN
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<b>QUESTION F: Northern Counties?</b>  Do <input checked="" type="checkbox"/> or more of plaintiffs or defendants in this district reside in Ventura, Santa Barbara, or San Luis Obispo counties? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
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**IX(a). IDENTICAL CASES:** Has this action been previously filed in this court?  NO  YES

If yes, list case number(s): \_\_\_\_\_

**IX(b). RELATED CASES:** Is this case related (as defined below) to any civil or criminal case(s) previously filed in this court?  NO  YES

If yes, list case number(s): \_\_\_\_\_

Civil cases are related when they (check all that apply):

- A. Arise from the same or a closely related transaction, happening, or event
- B. Call for determination of the same or substantially related or similar questions of law and fact
- C. For other reasons would entail substantial duplication of labor if heard by different judges.

Note: That cases may involve the same patent, trademark, or copyright is not, in itself, sufficient to deem cases related.

A civil forfeiture case and a criminal case are related when they (check all that apply):

- A. Arise from the same or a closely related transaction, happening, or event
- B. Call for determination of the same or substantially related or similar questions of law and fact
- C. Involve one or more defendants from the criminal case in common and would entail substantial duplication of labor if heard by different judges.

**X. SIGNATURE OF ATTORNEY (OR SELF-REPRESENTED LITIGANT):** Donald R. Warren **DATE:** December 1, 2014

Notice to Counsel/Parties: The submission of this Civil Cover Sheet is required by Local Rule 3-1. This Form CV-71 and the information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. For more detailed instructions, see separate instruction sheet (CV-071A).

**Key to Statistical codes relating to Social Security Cases:**

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
001	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1395ff(b))
002	BL	All claims for Black Lung benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1952. (30 U.S.C. 23)
003	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended plus all claims filed for child insurance benefits based on disability. (42 U.S.C. 406(g))
003	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 406(g))
004	SSID	All claims for supplemental security income payments based upon disability filed under Title 18 of the Social Security Act, as amended.
004	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 406(g))