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Department of Justice

U.S. Attorney's Office

District of Maine

FOR IMMEDIATE RELEASE

Monday, May 13, 2019

## **British Womenswear Retailer Agrees to Pay \$610,000 to Settle False Claims Act Allegations Concerning Improper Avoidance of Customs Duties**

**Portland, Maine:** United States Attorney Halsey B. Frank announced today that Selective Marketplace Ltd. ("Selective"), of Loughborough, England, has entered into a civil settlement agreement with the U.S. under which it will pay a total of \$610,000 to resolve allegations that it violated the False Claims Act ("FCA"). The FCA is the government's primary civil remedy to redress false claims involving government funds.

The settlement resolves allegations that Selective improperly avoided U.S. customs duties owed on merchandise under its two brand names, Wrap London and Poetry, shipped from the United Kingdom to U.S. customers, including those in Maine. *See United States ex rel. Vale v. Selective Marketplace Ltd. et al.*, Civil No. 2:17-cv-380-LEW (D. Me.). Generally, U.S. customers owed no customs duties on single shipments of merchandise into the U.S. worth less than \$200. The complaint alleged that Selective improperly evaded customs duties that would have been paid by U.S. customers by breaking up single shipments worth more than those amounts into multiple shipments of lesser value in order to avoid the applicable duties.

The FCA action was originally filed by Kristin and Stephen Vale under the FCA's whistleblower, or *qui tam*, provisions that allow private individuals who have knowledge of fraud committed against the government to file lawsuits on the government's behalf. The FCA permits the government to recover up to three times the amount of damages incurred by the U.S., in addition to civil penalties for each violation. The government may also intervene and file its own lawsuit for damages and penalties, as it did in this case. If the government prevails in the action, the whistleblower, also known as the relator, may receive a share of the recovery. Here, the government will pay the relators, Kristin and Stephen Vale, a share of the settlement proceeds.

The government was represented by the U.S. Attorney's Office for the District of Maine and U.S. Customs and Border Protection. Selective cooperated throughout the investigation.

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**Topic(s):**

False Claims Act

**Component(s):**

USAO - Maine

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