

# Maritime Law and Whistleblowers

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## Introduction

Maritime law, often referred to as admiralty law, consists of common law developed by courts and statutory law enacted by Congress over the course of centuries. It is a complex and specialized area of legal practice that applies when an incident occurs on navigable waters, has the potential to disrupt maritime commerce, and has a substantial relationship to a traditional maritime activity. It encompasses a wide range of issues, including personal injury and wrongful death, vessel operations, collisions, allisions, cargo transport, and marine insurance.

The maritime industry often intersects with government contracts. Various federal agencies may require maritime services for defense, transportation, or research purposes. This interaction between the government and the maritime sector can create opportunities for fraudulent activities that harm both taxpayers and the integrity of the industry. The False Claims Act – often referred to as the whistleblower law – plays a vital role in promoting transparency and accountability. Its enforcement discourages fraudulent practices, ensuring that government contracts in the maritime sector are awarded based on fair and honest competition.

## The False Claims Act (FCA)

The False Claims Act, also known as the “Lincoln Law” or the whistleblower law, is a federal statute enacted during the American Civil War in 1863. Its primary purpose is to combat fraud against the federal government. Under the FCA, private citizens, or whistleblowers, can file lawsuits on behalf of the government and receive a portion of the recovered funds.

## Examples of Maritime FCA Cases

- **Billing Fraud:** Maritime companies that overcharge the government for services or submit false invoices can be subject to FCA claims. An example is a shipyard that bills the government for knowingly substandard repairs.
- **Environmental Violations:** Companies involved in maritime operations must adhere to strict environmental regulations. Violations of these regulations, such as illegal disposal of hazardous waste, can lead to FCA claims.
- **Cargo Fraud:** Shipping companies that misrepresent the contents or weight of cargo transported for government contracts can be subject to FCA investigations.

## Case Highlights

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- Buquoin Burgess, a former government contracts manager for Navistar, was awarded \$11 million (22% of a \$50 million settlement) for exposing his company's violation of the False Claims Act. Navistar overcharged the U.S. Marine Corps by creating fraudulent sales invoices to inflate the prices of its suspension system for Mine-Resistant Ambush Protected vehicles.
- Shipping company APL Limited settled, for \$9.8 million, allegations that it violated the False Claims Act. The Department of Defense contract mandated Neptune Orient Lines Limited, a subsidiary of APL Limited, to affix a satellite tracking device to every shipping container transported from Karachi, Pakistan to U.S. military bases in Afghanistan. Neptune Orient Lines Limited billed the DOD for satellite tracking devices that (a) entirely or partially failed to transmit data, or (b) were not affixed to shipping containers.
- Noah Rudolph, Andrea Ford and Lawrence Cosgriff, former employees of Inchcape Shipping Services Holdings Limited, were collectively awarded \$4.4 million (22% of a \$20 million settlement) for their lawsuit brought under the qui tam provisions of the False Claims Act. The relators alleged that between 2005 and 2014, Inchcape overbilled the U.S. Navy in contracts for ship husbandry. This involved Inchcape submitting invoices that overstated the quantity of products, charging rates higher than stipulated contract rates, and duplicating charges for certain goods and services.
- False Claims Act and maritime case involving improper billing to the United States for the disposal of materials and debris from Drakes Estero, in Marin County, California, and one diver's exposure to harmful chemicals during the project.<sup>1</sup>

### How Do I Start?

Pollock Cohen is committed to helping whistleblowers secure their False Claims Act rewards. If you are aware of maritime fraud, call us at +1.646.290.7251. Submit an inquiry on our website. Or email us at [confidential@pollockcohen.com](mailto:confidential@pollockcohen.com). We want to hear your story.

BoatLaw, LLP has proudly represented crewmembers and their families for over forty-five years throughout the United States in a variety of personal injury, wrongful death, and many other types of maritime cases. With offices in Seattle and Bellingham, Washington, San Francisco and Los Angeles, California, and Portland, Oregon, the attorneys of BoatLaw, LLP are collectively admitted to practice in Washington, California, Oregon, Alaska, Florida, Arizona, and Washington D.C. Please call us at 1-800-BOATLAW or reach us through [boatlaw.com/contact/](http://boatlaw.com/contact/).

<sup>1</sup>See <https://www.ptreyeslight.com/news/drakes-estero-diver-burned-chemicals-wins-suit-against-park-subcontractor/>