

Red Ventures, LLC And MYMOVE, LLC Agree To Pay \$2.75 Million To Resolve False Claims Act Allegations

NEW YORK and CHARLOTTE, May 31, 2023 – Red Ventures, LLC and MYMOVE, LLC (together, “MYMOVE”) have agreed to pay the United States \$2.75 million to resolve a whistleblower’s allegations that they violated the False Claims Act. Acting on the whistleblower’s complaint, the U.S. Attorney’s Office for Western District of North Carolina alleged that MYMOVE defrauded the U.S. Postal Service (“USPS”) by underpaying on contracts connected to the USPS change-of-address process.

Well-known retailers paid MYMOVE to be included in advertisements and promotional mailers targeting people who were moving and who had notified the USPS of their pending move. In turn, MYMOVE was supposed to pay the USPS a portion of the advertising fees paid by the retailers.

The False Claims Act rewards whistleblowers for alerting the government to fraud being perpetrated against the United States. The claims here were brought to the government’s attention under the *qui tam* provisions of the False Claims Act by a former MYMOVE employee. Pollock Cohen LLP served as lead counsel for the whistleblower with Poyner Spruill LLP serving as local counsel.

The U.S. Department of Justice also partially intervened in the matter—a step that only occurs in about 1 in 5 *qui tam* cases.

As noted in the May 30, 2023 [press release](#) issued by the U.S. Attorney’s Office, the United States alleged that MYMOVE had an obligation to share monthly gross revenue. Instead, MYMOVE improperly and secretly deducted some of its own costs before sharing revenue with USPS – essentially changing the contractual revenue share provision at issue from one of gross revenue to one of net revenue. This increased MYMOVE’s profits at taxpayer expense.

The settlement also resolves allegations that MYMOVE further inflated its profits by knowingly misallocating its labor costs to USPS.

“This settlement makes clear that the government will not tolerate cheating, irrespective of the amount involved,” said Adam Pollock, a founding partner at Pollock Cohen LLP, who represented the whistleblower. “We are gratified that the government chose to resolve this matter by investigating and holding responsible those who seek to defraud federal agencies.”

About Pollock Cohen LLP

Pollock Cohen LLP is an impact-driven litigation firm that delivers unusually effective plaintiff-side legal representation. We are known for our ability to solve client problems—with strategy, creativity, and thought—both inside the courtroom and outside the four corners of a legalistic approach. We thrive on representing plaintiffs in cases that are impactful and meaningful, and where we can make a difference. For more information, visit www.pollockcohen.com

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Poyner Spruill LLP is a full-service law firm that provides comprehensive business counsel and litigation services to clients ranging from small family-owned companies to publicly traded corporations. Partners J.M. Durnovich and Drew Erteschik, who served as local counsel on the matter, handle a wide range of government-related litigation, including both prosecuting and defending whistleblower actions. For more information, visit www.poynerspruill.com.