

Department of Justice
U.S. Attorney's Office
District of Columbia

FOR IMMEDIATE RELEASE

April 19, 2018

Lance Armstrong Agrees to Pay \$5 Million to Settle False Claims Allegations Arising from Violation of Anti-Doping Provisions of U.S. Postal Service Sponsorship Agreement

WASHINGTON – Former professional cyclist Lance Armstrong agreed to pay the United States \$5 million to resolve a lawsuit alleging that his admitted use of performance-enhancing drugs and methods (“PEDs”) resulted in the submission of millions of dollars in false claims for sponsorship payments to the U.S. Postal Service (“USPS”), which sponsored Armstrong’s cycling team during six of the seven years Armstrong appeared to have won the Tour de France, the Department of Justice announced today.

“No one is above the law,” said Acting Assistant Attorney General for the Justice Department’s Civil Division Chad A. Readler. “A competitor who intentionally uses illegal PEDs not only deceives fellow competitors and fans, but also sponsors, who help make sporting competitions possible. This settlement demonstrates that those who cheat the government will be held accountable.”

From 1996 through 2004, the USPS sponsored a professional cycling team. The sponsorship agreements required the team to follow the rules of cycling’s governing bodies, including the rules prohibiting the use of certain performance enhancing substances and methods. Between 1999 and 2004, Lance Armstrong was the lead rider on the team, and he appeared to win cycling’s most prestigious event, the Tour de France, six consecutive times.

“This settlement resolves allegations that Lance Armstrong violated the terms of his team’s sponsorship by the U.S. Postal Service,” said U.S. Attorney for the District of Columbia Jessie K. Liu. “We will continue to work with our federal partners to protect taxpayer dollars and to ensure that those who do business with the federal government fulfill their contractual obligations.”

The United States’ lawsuit against Armstrong alleged that Armstrong and his team regularly and systematically employed PEDs, in violation of the USPS sponsorship agreements. The lawsuit

further alleged that Armstrong made numerous false statements, directly and through team managers and spokesmen, to USPS management and to the public denying his PED use to induce the USPS to renew its sponsorship of the team in late 2000, and to increase the sponsorship fees (and, by extension, Armstrong's own salary) in light of Armstrong's apparent Tour de France victories in 1999 and 2000. In addition, the lawsuit alleged that Armstrong took active measures to conceal his PED use during the USPS sponsorship, and even after the sponsorship ended, including lying under oath about his PED use in a 2005 arbitration proceeding involving his entitlement to a bonus for the 2004 Tour de France result; suing the Times of London and one of its sources – a former team masseuse – for libel; and threatening other people with similar lawsuits and other forms of retribution for disclosing their knowledge or suspicions of his doping activities.

“The Postal Service has strongly supported the Department of Justice's intervention and pursuit of this case, as it always has been our position that Lance Armstrong misled the Postal Service,” said Thomas J. Marshall, U.S. Postal Service General Counsel and Executive Vice President. “This matter has now been resolved in a manner that imposes consequences for that wrongful action. With this case, as in all other instances, the Postal Service vigorously defends our brand and our position as a trusted government institution.”

In October 2012, the U.S. Anti-Doping Agency (“USADA”) issued a report and decision finding that Armstrong and his USPS teammates had engaged in a persistent and concerted doping program designed to enable Armstrong to win the Tour de France. In the wake of the USADA report, Armstrong was stripped of all of his competitive cycling results, including the seven Tour de France wins, and was banned from participating in competitive sports. Armstrong admitted to his extensive PED-use in a nationally televised interview with Oprah Winfrey in January 2013.

“The U.S. Postal Service manages approximately 30,000 contract actions and spends more than \$13 billion on contracted supplies and services each fiscal year,” said Scott Pierce, Special Agent in Charge, U.S. Postal Service Office of Inspector General. “The Office of Inspector General supports the Postal Service by aggressively investigating allegations of misconduct within the contracting process. In this instance, we worked hand-in-hand with the Civil Division, the United States Attorney's Office and the U.S. Postal Service Office of the General Counsel. Today's result will have a positive impact on the entire contracting process.”

The allegations against Armstrong were originally brought in a whistleblower complaint filed in June 2010 by Floyd Landis, a former teammate of Armstrong, who admitted that he, too, had participated in PED use as member of the USPS-sponsored team. Landis filed his complaint under the qui tam provisions of the False Claims Act, which allow private parties to bring suit on behalf of the government and to share in any recovery. The Act permits the government to intervene in the

whistleblower suit, as the government did here, in part. Landis will receive \$1,100,000 as his share of the settlement.

The settlement announced today represented a coordinated effort of the Civil Division's Commercial Litigation Branch, the U.S. Attorney's Office for the District of Columbia, and the Offices of Inspector General and the General Counsel for the United States Postal Service, in their investigation and litigation of this matter.

The lawsuit is captioned United States ex rel. Landis v. Tailwind Sports Corporation, et al., No. 10-cv-976 (CRC) (D.D.C.). The claims against Armstrong contained in the complaint are allegations only and do not constitute a determination of liability.

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