

FOR IMMEDIATE RELEASE

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British Airways and Iberia Airlines Agree to Pay \$5.8 Million to Settle False Claims Act Allegations for Falsely Reporting Delivery Times of U.S. Mail Transported Internationally

The Justice Department announced today that British Airways Plc (BA) and Iberia Airlines (Iberia) have agreed to pay \$5.8 million to resolve their liability under the False Claims Act for falsely reporting the times they transferred possession of United States mail to foreign postal administrations or other intended recipients under contracts with the United States Postal Service (USPS). BA and Iberia are international airlines headquartered in Harmondsworth, United Kingdom, and Madrid, Spain, respectively. BA and Iberia Airlines are both subsidiaries of the International Airlines Group.

“Government contractors, whether foreign or domestic, are required to obey the rules when billing the United States,” said Assistant Attorney General Joseph H. Hunt of the Department of Justice’s Civil Division. “The Department of Justice will ensure that government contractors meet their obligations and charge the government appropriately.”

“The U.S. Postal Service contracts with commercial airlines for the safeguarding and timely delivery of U.S. Mail to foreign posts, including the mail sent to our soldiers deployed to foreign operating bases and other locations,” said Steven Stuller, Acting 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 contract mail delivery process; in this case the falsification of delivery information. We worked hand-in-hand with the Department of Justice’s Civil Division to help ensure a reasonable resolution and to hold those parties accountable for their actions. We applaud the exceptional work by the investigative and legal team and know it will have a positive impact on Postal Service operations.”

USPS contracted with BA and Iberia to take possession of receptacles of United States mail at six locations in the United States or at various Department of Defense and State Department locations

abroad, and then deliver that mail to numerous international and domestic destinations. To obtain payment under the contracts, the airlines were required to submit electronic scans of the mail receptacles to USPS reporting the time the mail was delivered at the specified destinations. Today's settlement resolves allegations that scans submitted by BA and Iberia falsely reported the time the airlines transferred possession of the mail.

This matter was handled by the Civil Division's Commercial Litigation Branch, the USPS Office of the Inspector General, and the USPS Office of General Counsel.

The claims settled by this agreement are allegations only, and there has been no determination of liability.

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