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UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,	)	
	)	Civil No. C-89-1677R
Plaintiff,	)	
	)	Filed: November 16, 1989
v.	)	
	)	COMPLAINT
COACHMAN INNS OF AMERICA, INC. and	)	UNDER FALSE CLAIMS ACT
INNCO GROUP, a partnership d/b/a	)	
BEST WESTERN HARBOR PLAZA,	)	
	)	
Defendants.	)	

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The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, represents as follows:

INTRODUCTION

1. This is an action by plaintiff United States to recover treble damages and civil penalties under the False Claims Act, 31 U.S.C. §§ 3729-3733, as amended. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1345 and 31 U.S.C. §§ 3730, 3732.

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Antitrust Division  
U.S. Dept. of Justice  
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San Francisco, CA. 94102  
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ELIMINATION OF COMPETITION

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2 8. Beginning in or about January of 1986 and continuing  
3 until at least March of 1987, the Naval Supply Center Puget Sound  
4 at Bremerton, Washington (hereinafter referred to as "Naval Supply  
5 Center"), which is part of the United States Navy, procured  
6 various goods and services for the support of the activities of  
7 the United States Navy in the Pacific Northwest. As part of its  
8 procurement, the Naval Supply Center had to obtain motel rooms for  
9 Naval reservists during their weekend training exercises at the  
10 Whidbey Island Naval Air Station. The Naval Air Station needed  
11 motel rooms for these reservists because of insufficient  
12 Navy-owned accommodations on the base.

13 9. In Oak Harbor, Washington, which is adjacent to the  
14 Whidbey Island Naval Air Station, there are two motels that are  
15 significantly larger than any others in the area. These are the  
16 Best Western Harbor Plaza and the Coachman Inn. During the period  
17 covered by this complaint, the capacity of the other smaller  
18 motels in the area was such that all of them together did not have  
19 enough available rooms to accommodate the Naval reservists who  
20 needed motel space. Consequently, the Naval Supply Center had no  
21 reasonable market alternative during the period covered by this  
22 complaint but to contract with either the Best Western Harbor  
23 Plaza or the Coachman Inn for a substantial number of motel rooms.

24 10. During the period covered by this complaint, the Naval  
25 Supply Center advertised for bids for the supply of motel rooms  
26 for six-month periods. Under the formal, competitive procurement

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1 procedures that were used, pursuant to the Federal Acquisition  
2 Regulations, bidders were required to submit Certificates of  
3 Independent Price Determination, certifying that:

4 (1) The prices in this offer have been arrived at  
5 independently, without, for the purpose of restricting  
6 competition, any consultation, communication, or  
7 agreement with any other offeror or competitor relating  
8 to (i) those prices, (ii) the intention to submit an  
9 offer, or (iii) the methods or factors used to calculate  
10 the prices offered;

11 (2) The prices in this offer have not been and will not  
12 be knowingly disclosed by the offeror, directly or  
13 indirectly, to any other offeror or competitor before bid  
14 opening . . . unless otherwise required by law; and

15 (3) No attempt has been made or will be made by the  
16 offeror to induce any other concern to submit or not to  
17 submit an offer for the purpose of restricting  
18 competition.

19 11. Representatives of defendants Coachman and Innco  
20 discussed the proposed motel-room supply contracts between  
21 themselves and agreed upon the prices to be submitted to the Naval  
22 Supply Center for motel rooms.

23 12. Thereafter, Coachman and Innco submitted offers to the  
24 Naval Supply Center to supply motel rooms at the agreed-upon  
25 prices. Each offer was accompanied by an executed Certificate of  
26 Independent Price Determination.

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1 13. The Naval Supply Center subsequently awarded contracts  
2 for the supply of motel rooms to Coachman and Innco on the basis  
3 of their offers.

4 14. The defendants requested payments from the plaintiff on  
5 the basis of the offers that they had submitted and that they had  
6 directly or implicitly represented to the plaintiff to be bona  
7 fide, independent, competitive and not the product of any  
8 collusion or agreement.

9 15. In response to these apparently valid requests, the  
10 United States Treasury reimbursed the defendants for their  
11 services under the contracts that they had been awarded.

12 VIOLATIONS ALLEGED

13 16. For the purpose of obtaining or aiding to obtain the  
14 payment and approval of claims known by them to be false,  
15 defendants Coachman and Innco presented or caused to be presented  
16 numerous claims for payment to the plaintiff in violation of  
17 31 U.S.C. § 3729.

18 17. For the purpose of obtaining or aiding to obtain the  
19 payment and approval of claims known by them to be false,  
20 defendants Coachman and Innco made or used, or caused to be made  
21 or used, false records or statements in violation of 31 U.S.C.  
22 § 3729.

23 18. Plaintiff United States, unaware of the foregoing  
24 circumstances and conduct of the defendants, and in reliance on  
25 the purportedly competitive contract awards and seemingly proper

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1 claims for payment, made payments which resulted in its being  
2 damaged, in an amount which is presently undetermined.

3 PRAYER

4 WHEREFORE, plaintiff the United States of America demands and  
5 prays that judgment be entered in its favor and against defendants  
6 as follows:

7 A. From all of the defendants, jointly and severally, the  
8 amount of treble the United States' actual damages, plus a \$10,000  
9 civil penalty for each act in violation of 31 U.S.C. § 3729,  
10 together with interest and costs;

11 B. Equitable relief through an accounting of the proceeds of  
12 the violation and the enforcement of a constructive trust and/or  
13 equitable lien upon those proceeds, to the extent that the  
14 Government's legal remedy proves inadequate; and

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1 C. All other and further relief as this Court may deem just  
2 and equitable.

3 DATE:

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6 \_\_\_\_\_  
7 JAMES F. RILL  
8 Assistant Attorney General

9 \_\_\_\_\_  
10 MIKE MCKAY  
11 United States Attorney  
12 Western District of Washington

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