

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Norfolk Division

UNITED STATES OF AMERICA, ex rel.
SAMUEL L. KINSEY,

Plaintiff,

v.

Civil Action No. 2:97cv662

CRAWFORD & COMPANY,

Defendant.

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (the "Agreement") is made and entered into this 21st day of April, 2000, by and between Defendant, Crawford & Company ("Crawford"), and the Plaintiffs, Samuel L. Kinsey ("Kinsey") and the United States of America (the "United States"), as represented by the United States Attorney, Eastern District of Virginia.

WITNESSETH:

WHEREAS, a Complaint and an Amended Complaint (together hereinafter referred to as the "Complaint") were filed by Kinsey pursuant to the *Qui Tam* provisions of the False Claims Act (31 U.S.C. § 3729 et seq.), against Crawford in the United States District Court for the Eastern District of Virginia, Norfolk Division, Civil No. 2:97cv662; and

WHEREAS, Crawford desires to resolve its potential civil liability arising from the False Claims Act violations alleged in the Complaint, without admitting liability for any such alleged claims; and

WHEREAS, in order for all parties to avoid the needless burden and expense of protracted litigation regarding the claims alleged in the Complaint, and because the United States

believes that it is in the public interest to settle any such disputes with regard to its claims, the Plaintiffs and Crawford have agreed to settle the civil claims described in the Complaint as they relate to Crawford's disability management services office in Norfolk, Virginia, by virtue of this Agreement;

NOW, THEREFORE, for and in consideration of the covenants and promises contained herein, the Defendant and Plaintiffs have agreed as follows:

1. Settlement Amount.

a. Crawford agrees to pay to the United States the sum of Seven Hundred Thousand and No/100 Dollars (\$700,000) ("Settlement Amount") within seven business days of the effective date of this Agreement. Payment shall be made by electronic funds transfer, in accordance with written instructions from the United States Attorney's Office of the Eastern District of Virginia in Norfolk, Virginia. The cost of such electronic funds transfer shall be the responsibility of Crawford.

2. Scope of Settlement and Release.

a. Crawford hereby releases all claims against Plaintiffs, United States and Kinsey, relating to the matters alleged in the Complaint and the Amended Complaint.

b. Crawford hereby releases Kinsey from any and all causes of action, civil or criminal, known or unknown, against Kinsey.

c. Kinsey hereby releases Crawford from the causes of action he may have, civil or criminal, known or unknown, based on conduct at Crawford's disability management services office in Norfolk, Virginia.

d. The Plaintiffs, United States and Kinsey, hereby release all claims against, and promise to refrain from instituting or maintaining any civil or administrative monetary claim

against, Crawford related to Crawford's disability management services office in Norfolk, Virginia, and its present and past employees, including but not limited to Herbert D. Dockery, as of the effective date of this agreement, for the allegations in the Complaint and under the False Claims Act, 31 U.S.C. §§ 3729-3733, the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, or the common law theories of fraud, payment by mistake, unjust enrichment, and breach of contract. Except for the release stated in this paragraph, the United States and Kinsey do not release Crawford from any liability based on conduct relating to any Crawford office other than Crawford's disability management services office located in Norfolk, Virginia.

3. Other Claims. The United States expressly does not release Defendant:
 - a. from any claims arising under Title 26, United States Code (Internal Revenue Code), and related regulations;
 - b. from nonmonetary administrative actions, including suspension or debarment, by any federal agency or make any representations regarding nonmonetary administrative actions, including suspension or debarment;
 - c. from conduct occurring at any Crawford office other than Crawford's disability management services office located in Norfolk, Virginia;
 - d. from conduct occurring at Crawford's disability management services office located in Norfolk, Virginia related to matters other than those disclosed by the government's investigation. The investigation of Crawford's disability management services office located in Norfolk, Virginia disclosed alleged false billings as stated in the indictment for case no. 2:99cr132 and in the Complaint as the Complaint relates to Crawford's disability management services office located in Norfolk, Virginia.

4. Dismissal of Amended Complaint. The United States and Kinsey agree to enter a stipulation of dismissal of the Amended Complaint, without prejudice, under Federal Rule of Civil Procedure 41(a) no later than ten days after actual receipt of payment by the United States.

5. Allowability of Costs. Defendant agrees that all costs as defined in the Federal Acquisition Regulations (FAR 31.205-47) incurred by or on behalf of the Defendant or by or on behalf of the Defendant's officers, directors, agents, and employees for: (a) the matters covered by this Agreement; (b) the government's audit and investigation of the matters covered by this Agreement, including, but not limited to, Defendant's response to subpoenas; (c) the Defendant's investigation and defense of the matters covered by this Agreement; (d) corrective actions made in connection with the matters covered by this Agreement; (e) the negotiation of this Agreement; and (f) the payments made to the Plaintiffs pursuant to this Agreement, shall be unallowable costs for government contract accounting purposes and will be separately accounted for by the Defendant.

6. Venue for Enforcement, Interpretation, or Dispute Resolution. Should any action to enforce or interpret this Agreement, or to resolve any dispute hereunder be required, the parties acknowledge the jurisdiction of the federal courts and agree that venue for any such action shall be in the United States District Court for the Eastern District of Virginia.

7. Modifications. This Settlement Agreement and Release may be modified only by written instrument signed by all parties hereto.

8. Effective Date. The effective date of this Agreement shall be the date set forth in the first unnumbered paragraph hereof.

9. Representations and Release by Relator. Pursuant to 31 U.S.C. § 3730(c)(2)(B), the Relator asserts that this Agreement is a fair, adequate, and reasonable settlement of the

allegations in the Complaint under all the circumstances. Kinsey hereby releases and forever discharges the United States from all claims related in any manner to the Complaint, disclosure to the government, or pursuant to 31 U.S.C. § 3730(d)(1), for any additional share of any recoveries relating to or arising out of such claims as they relate to Crawford's disability management services office in Norfolk, Virginia.

10. Costs of the Parties. Except as otherwise provided in this Agreement, each party to this Agreement shall bear its own costs, expenses, and attorneys' fees in this action.


11. Authority of Signatories. The undersigned warrant that they have full authority to bind their respective parties hereto.

WITNESS the following signatures and seals:

UNITED STATES OF AMERICA

Helen F. Fahey
United States Attorney

By:



Craig P. Wittman
Assistant United States Attorney
8000 World Trade Center
101 W. Main Street
Norfolk, VA 23510
(757)441-6331

Date:

4/26/00

UNITED STATES OF AMERICA

Helen F. Fahey
United States Attorney

By: _____

Craig P. Wittman
Assistant United States Attorney
8000 World Trade Center
101 W. Main Street
Norfolk, VA 23510
(757) 441-6331

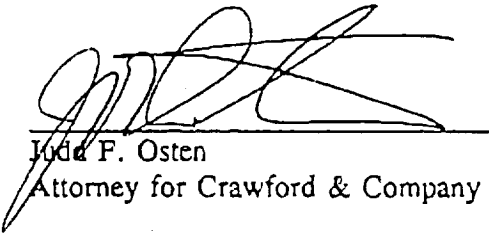
Date: _____

CRAWFORD & COMPANY

By: 

Archie Meyers, Jr.
Chairman and Chief Executive Officer

Date: 4-26-00


Todd P. Osten
Attorney for Crawford & Company

Date: 4/26/00

RELATOR

Samuel L. Kinsey

Realtor

Date: _____

John W. Drescher, Esq.
Breit Drescher & Breit
1000 Dominion Tower
999 Waterside Drive
Norfolk, VA 23510
Attorney for Realtor

Date: _____

CRAWFORD & COMPANY

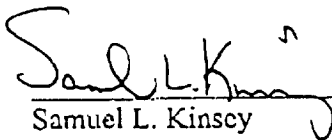
By: _____

Date: _____

Attorney for Crawford & Company

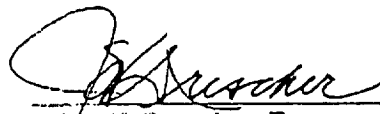
Date: _____

RELATOR



Samuel L. Kinsey
Relator

Date: 04/26/00



John W. Drescher, Esq.
Breit Drescher & Breit
1000 Dominion Tower
999 Waterside Drive
Norfolk, VA 23510
Attorney for Relator

Date: 4/26/00