

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:19-CV-

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	COMPLAINT
)	
DOUGLAS DALE CLINE, CHAD DALE)	
CLINE, and BJ TRUCKING COMPANY,)	DEMAND FOR JURY TRIAL
INC.,)	
)	
Defendants.)	

The United States of America, by and through the United States Attorney for the Eastern District of North Carolina, hereby files this Complaint and states:

INTRODUCTION

1. This is an action brought by the United States of America to recover statutory damages and civil penalties under the False Claims Act (“FCA”), 31 U.S.C. §§ 3729, et seq., and the Federal Debt Collection Procedures Act (“FDCPA”), 28 U.S.C. § 3101, et seq. The Government also brings this action to recover all available damages and other monetary relief under the common law or equitable theories of fraud, unjust enrichment and payment by mistake of fact.

2. These claims arise out of the Defendants’ knowing submission of false or fraudulent claims to obtain Government payments, including a fraudulent scheme to abuse the United States Postal Service’s Voyager card fuel program to obtain

fraudulent fuel payments that violated the contract and program requirements. Defendants submitted these inappropriate claims from 2009 until 2015.

JURISDICTION AND VENUE

3. This action arises under the False Claims Act, 31 U.S.C. §§ 3729-3733, and at common law. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1331.

4. Venue is proper in the Eastern District of North Carolina, pursuant to 28 U.S.C. §§ 1391(b) and 1391(c) and 31 U.S.C. § 3732(a). The defendants transact business within this district, and some of the acts proscribed by the False Claims Act occurred within this district.

PARTIES

5. Plaintiff, United States of America (“United States”), is acting on behalf of the United States Postal Service (“USPS”). USPS is an independent entity and instrumentality of the United States and its activities, operations, and contracts are funded from Postal Service monies, which are considered federal funds.

6. Defendant Douglas Dale Cline (“Doug Cline”) owned and operated BJ Trucking Company, Inc., a trucking company that did business in North Carolina (and specifically in the Eastern District of North Carolina) with the USPS, at all times relevant to this action.

7. Defendant Chad Dale Cline (“Chad Cline”) managed the daily operations of BJ Trucking Company, Inc., for his father Douglas Cline, at all times relevant to this action.

8. Defendant BJ Trucking Company, Inc., is a trucking company that did business in North Carolina (and specifically in the Eastern District of North Carolina) with the USPS, at all times relevant to this action. BJ Trucking ceased its primary operations in Greensboro, North Carolina, in 2015.

9. Defendant Doug Cline resides in Guilford County, North Carolina.

10. Defendant Chad Cline resides in Wake County, North Carolina.

LEGAL BACKGROUND

11. The False Claims Act establishes liability to the United States for an individual who, or entity that, “knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval” (31 U.S.C. § 3729(a)(1)(A)); “knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim” (31 U.S.C. § 3729(a)(1)(B)); “conspires to commit a [FCA] violation” (31 U.S.C. § 3729(a)(1)(C)); or “knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the [Government]” (31 U.S.C. § 3729(a)(1)(G)).

12. “Knowingly” is defined under the FCA to include not just actual knowledge, but also reckless disregard and deliberate ignorance. 31 U.S.C. § 3729(b)(1).

FACTUAL ALLEGATIONS

13. Between at least July 2009 and October 2015, BJ Trucking was a Highway Contract Route supplier that transported mail on behalf of USPS.

14. BJ Trucking and Chad Cline entered a contract with USPS to be part of the Voyager card program to pay for fuel for USPS routes.

15. The Voyager Card contract set out the requirements and conditions for USPS payments and use.

16. BJ Trucking was required to use the funds from the Voyager card program to pay only for the fuel it used on certain USPS routes.

17. The amount of fuel that BJ Trucking was authorized to use on all Voyager routes, collectively, was contractually set by negotiation between the USPS and the contractor. BJ Trucking was not authorized to exceed the maximum allotment.

18. Fuel paid for by Voyager card funds could not be used for commercial (i.e., non-Postal) routes. Fuel obtained by the Voyager card funds could be used only for specified USPS routes.

19. Nor, in the case of BJ Trucking, could those Voyager card funds be used for personal vehicles.

20. All USPS contracts held by BJ Trucking required the use of large, diesel-powered, tractor-trailer trucks.

21. From at least July 2012 to July 2015, BJ Trucking obtained additional Index Contracts from USPS.

22. For each route under each Index Contract, BJ Trucking received monthly upfront payments from USPS for a pre-determined fuel amount.

23. BJ Trucking was required by the Index Contract to use the monthly upfront payments to pay for fuel for these index routes, up to the pre-determined allotment.

24. If BJ Trucking exceeded the pre-determined fuel allotment, it was responsible for either requesting a contract modification to account for the additional fuel (which the company never did) or paying for the overage with its own, non-government funds.

25. Each Index Contract expressly prohibited the use of Voyager card funds to pay for any fuel on an index route.

26. Defendants violated the Index Contracts by obtaining the upfront monthly fuel payments while using Voyager card funds to pay for fuel for these Index Contracts.

27. Defendants systematically used, or caused to be used, Voyager card funds for prohibited purposes in violation of BJ Trucking's USPS contracts and requirements during the periods at issue.

28. Between approximately July 2009 and July 2015, BJ Trucking used Voyager card funds to pay for 30 to 40 percent more fuel than the company was

allotted for Voyager routes. The fuel overages increased significantly each year, even though the contractually set fuel allotments decreased.

29. The substantial fuel overages, year after year, establish BJ Trucking's improper use of Voyager card funds, whether for commercial or index routes.

30. Indeed, analysis of the location of BJ Trucking's Voyager card transactions demonstrates many fuel payments outside the optimal trucking routes, including repeated transactions in states in which BJ Trucking had no USPS routes at all.

31. BJ Trucking's Chief Financial Officer admitted that, from at least early 2014 until July 2015, BJ Trucking could pay for fuel (for any route) only with Voyager card funds and that Voyager card funds were used for prohibited purposes.

32. On information and belief, Defendants knew that the Voyager cards were being used to pay for commercial and index routes.

33. From 2012 through 2014, BJ Trucking's Voyager card funds were also used nearly 1,300 times to purchase unleaded fuel under 35 gallons.

34. On information and belief, BJ Trucking did not have trucks that used unleaded fuel. Nor did BJ Trucking's Voyager contracts permit BJ Trucking to use anything other than large, diesel-powered, tractor-trailer trucks. Instead, on information and belief, those unleaded fuel purchases under 35 gallons were for personal vehicles, were fraudulent, and constitute false claims under the False Claims Act.

35. On information and belief, Defendants knew that BJ Trucking's Voyager cards were being used to pay for unleaded fuel for non-USPS purposes.

36. On information and belief, Chad Cline ran the daily operations of BJ Trucking during most of the relevant period, until Doug Cline took over more control.

37. On information and belief, BJ Trucking and Chad Cline were put on notice by Beam Brothers (their prime contractor), at least by 2014, of BJ Trucking's problems using Voyager cards outside of the specified route areas, and that BJ Trucking's use of the Voyager cards issued to Beam Brothers was restricted.

38. On information and belief, Doug Cline was made aware of the financial problems and Voyager card issues in 2014, well before he took back full operational control.

39. Voyager card users are required to return monies when they have reason to believe that the payments received were false, even if they did not believe that the claims were false at the time of their submission. Failure to return the monies is a reverse false claim.

40. On information and belief, Defendants were on actual notice at least by October, 2014, that they were required to repay the Voyager card overpayments.

41. Despite Defendants' actual notice of overpayments, Defendants failed to repay the money, and instead continued these Voyager card violations and made or caused false representations to delay or stop ongoing offsets by USPS.

42. Defendants were required to return all payments they received in violation of the USPS agreements (including Index Contracts) when they had notice that their payments were in violation of those contracts.

43. On information and belief, Defendants had actual knowledge that they had received USPS payments in violation of the USPS contracts.

44. Defendants Doug Cline, Chad Cline, and BJ Trucking made, or caused to be made, false statements to obtain Voyager fuel payments and to obtain Index Contract payments and engaged in a fraudulent scheme to obtain Voyager fuel payments and Index Contracts in violation of the contracts and program requirements.

45. Defendants signed multiple contract documents with USPS, as well as pre-award checklists, cost worksheets, award and modification certifications, fuel certifications and other documents as part of this scheme, or caused these statements to be presented.

46. Defendants Chad Cline and BJ Trucking made, or caused to be made, false statements in support of false claims, including pre-award checklists, cost worksheets, award and modification certifications, fuel certifications for the Index Contracts, and other documents.

47. Defendant Doug Cline caused false statements in support of false claims, including pre-award checklists cost worksheets, award and modification certifications, fuel certifications for the Index Contracts, and other documents.

48. For example, Chad Cline (on behalf of BJ Trucking) signed an Addendum to Transportation Services Contract on August 15, 2013, that agreed that the 2013 Fuel Management Program plan applied.

49. As another example, Chad Cline (on behalf of BJ Trucking) signed an Addendum to Terms and Conditions on September 28, 2015, that agreed that the 2013 Fuel Management Program plan applied

50. The Fuel Management Program plan, agreed by Defendants, expressly limited the use of Voyager cards at paragraph 5.2 as follows:

Authorized use of Fuel Transaction Cards is limited to obtaining quantities of authorized grades of fuel within approved contract allowance limits for use in the performance of Postal Service HCRs, which use the fuel transaction card. Any other use of the Fuel Transaction Card is unauthorized. HCR suppliers are not authorized to use the Fuel Transaction Card to purchase fuel in excess of the Annual Contract Allowance. Examples of unauthorized use include, but are not limited to:

- * using cards to purchase unauthorized grades of fuel
- * using cards to purchase fuel in excess of the ACA
- * using cards to purchase fuel used in the performance of contracts other than the Postal Service HCR contract for which the card was issued
- * using the card to purchase fuel for vehicles other than those used to perform HCR contracts ...
- * using the card to purchase fuel for other Postal contracts not in the fuel transaction card program
- * exceeding pooled contracted annual gallons per section 5.4.1-5.4.6 of this FMP.

Suppliers will be required to certify at contract award and renewal that the fuel used is for USPS business only. Unauthorized use of the Fuel Transaction Card can be a federal crime in violation of Title 18 of the United States Code, Sections 641 and/or 1029, among others. The supplier must promptly report suspected fraudulent or unauthorized use of a Fuel Transaction Card”

51. Defendants had actual knowledge, deliberately ignored, or recklessly disregarded the Voyager fuel card requirements and the fact that they were systematically misusing Voyager cards to pay for fuel that violated program and contract requirements.

52. During at least the time periods referenced above, Defendants had actual knowledge, deliberately ignored, or recklessly disregarded the fact that they were systematically misusing Index Contacts to obtain additional fuel payments while misusing Voyager cards to pay for fuel that violated program and contract requirements.

53. Defendants' statements and violations of the Voyager fuel card requirements were material to the payment for said claims.

54. Defendants are liable under the FCA because Defendants knowingly presented false claims to USPS for payment.

55. Single damages from the amount of Voyager card overages exceed \$2,700,000, including at least \$1,000,000 for Voyager card funds used to purchase fuel on index routes and/or fuel for personal vehicles. The remainder appears to be for Voyager card funds used to purchase fuel on commercial or other non-Postal routes.

56. By reason of the foregoing, the Government suffered actual damages in an amount to be determined at trial.

Defendants Have Dissipated Assets to Avoid Repayment

57. Since 2009, Defendants have been paid millions by USPS for contract services, including millions in Index Contract fuel payments and millions in fuel payments under the Voyager card program with Government funds.

58. The United States issued a series of letters and demands for payment for Voyager card fuel overages during 2014 to 2015. Defendants were aware of their USPS liability by at least October 2014.

59. Defendants were notified by letter on October 28, 2014, of their overpayment liability in the amount of \$1,189,731, in the annual reconciliation for the 2013-2014 Fuel Year.

60. Defendants and USPS negotiated the amount due down to \$969,731, and the USPS initially agreed to a three-month repayment for the 2013-14 Fuel Year overpayments. Defendants thereafter repeatedly claimed hardship and the USPS subsequently agreed to a six-month repayment.

61. On or about April 10, 2015, USPS notified Chad Cline and BJ Trucking that the 2013-14 Fuel Year overpayments would be offset from USPS payments to BJ Trucking for April to June 2015.

62. On information and belief, Doug Cline was aware of these USPS payment offsets and the USPS liability by at least July 2015.

63. The USPS began making offsets or deductions to the monthly amounts paid to BJ Trucking, in order to recover the 2013-14 Fuel Year overpayments.

64. After Defendants and USPS negotiated the overpayment amount for the 2013-14 Fuel Year, after Defendants knew that USPS would make offsets to recover the overpayments, and after USPS began making the offsets, Defendants fraudulently transferred BJ Trucking assets.

65. BJ Trucking funds were used to pay for two Sea Doos for Doug Cline in June 2015, in the amount of approximately \$40,000.

66. BJ Trucking transferred \$86,667 to Chad Cline in 10 payments, most in the amount of \$8,000, between July 7, 2015, to July 24, 2015.

67. BJ Trucking transferred \$75,000 to Glenda Cline (Doug Cline's wife) on July 16, 2015. On information and belief, Glenda Cline was an officer of DDC Properties, which leased property to BJ Trucking, and had other involvement in BJ Trucking.

68. BJ Trucking transferred \$27,094.16 to Doug Cline on August 4, 2015,

69. BJ Trucking transferred \$75,000 to DDC Properties (Doug Cline's real estate company) on August 4, 2015, in addition to the typical \$18,000 monthly payment to DDC Properties. On information and belief, DDC Properties was owned by Doug and Glenda Cline, and leased property to BJ Trucking.

70. Defendants were notified by letter on August 31, 2015, of their additional liability in the amount of \$1,948,078, in the annual reconciliation for the 2014-2015 Fuel Year.

71. BJ Trucking transferred \$30,016.72 to Doug Cline on September 3, 2015.

72. BJ Trucking transferred another \$200,015 to DDC Properties (Doug Cline's real estate company) on September 3, 2015.

73. USPS again notified BJ Trucking of fuel deductions on or about September 30, 2015.

74. On information and belief, Doug Cline completely took over the operations of BJ Trucking during or before September 2015.

75. On information and belief, Doug Cline began liquidating BJ Trucking assets in and before October, 2015.

76. Doug Cline hired attorneys for BJ Trucking to enable liquidation and to respond to USPS OIG subpoenas on or before October, 2015.

77. BJ Trucking transferred \$25,000 to law firm Carruthers and Roth on or about October 5, 2015, and \$25,000 to law firm Brooks Pierce on or about October 9, 2015.

78. BJ Trucking transferred \$75,000 to Sharon Cline (Doug Cline's sister) on October 5, 2015. On information and belief, Sharon Cline is an officer of BJ Trucking.

79. In September and October 2015, Chad Cline negotiated with USPS for USPS to release a portion of the funds subject to offset for fuel overage repayments (temporarily suspending offsets for the 2013-14 Fuel Year overpayments), essentially

representing that these funds would be used to cover payroll and operational costs necessary to continue operations and avoid defaulting on USPS contracts.

80. On information and belief, Defendant Doug Cline was aware of the request for the USPS payment, sought the release of USPS funds, and caused misrepresentations to be made to obtain the release of these USPS funds.

81. Based upon Chad Cline's representations on behalf of BJ Trucking, BJ Trucking obtained payments of \$23,273.34 and \$686,081.47 from USPS, which funds had been subject to offset, on or about October 8 and 9, 2015.

82. BJ Trucking defaulted on their USPS contracts on or about October 16, 2015, seven days after obtaining over \$700,000 in USPS funds.

83. BJ Trucking ceased operations and continued liquidation after receiving these additional USPS funds on October 8 and 9, 2015.

84. On information and belief, Defendant Doug Cline had knowledge of representations made to obtain USPS payments at least by October 9, 2015, and did not repay the improperly obtained funds, but instead continued to cause the transfer of these and other funds to himself, family members, and related entities.

85. For example, BJ Trucking transferred \$11,500 to DDC Properties (Doug Cline's real estate company) on or about October 9, 2015. Another \$11,500 was wired from BJ Trucking to Mail Transport, another Doug Cline business, which then transferred these funds to DDC properties on November 24, 2015.

86. BJ Trucking transferred another \$10,662.25 to Chad Cline on November 9, 2015,

87. On information and belief, Doug Cline and Chad Cline transferred other BJ Trucking funds to themselves, their family members, and related entities in anticipation of liquidation in 2015.

88. These transfers were made without receiving reasonably equivalent value in exchange for the transfers.

89. These transfers were not for an antecedent debt.

90. In the alternative, if any of the transfers were for an antecedent debt, the transfers for any antecedent debt were to an insider who had reason to believe that BJ Trucking was insolvent.

91. BJ Trucking was insolvent throughout 2015, in that its liabilities to USPS and other creditors exceeded the fair market value of its assets.

92. Doug Cline and Chad Cline were aware that BJ Trucking was insolvent throughout 2015.

93. Doug Cline and Chad Cline transferred substantial funds from BJ Trucking during 2015 to themselves, family members, and related entities in anticipation of and during liquidation.

94. Doug Cline was an insider of BJ Trucking at all relevant times.

95. Chad Cline was an insider of BJ Trucking at all relevant times.

96. Glenda Cline was an insider of BJ Trucking at all relevant times.
97. Sharon Cline was an insider of BJ Trucking at all relevant times.
98. DDC Properties was an insider of BJ Trucking at all relevant times.
99. On information and belief, Defendants transferred assets out of BJ Trucking to dissipate assets that could have been used to repay the USPS debt.
100. On information and belief, Defendants transferred assets to hinder, delay, or defraud the USPS in its efforts to recover the USPS debt.
101. Doug Cline and Chad Cline knew of BJ Trucking's outstanding debt to the United States at the time that they transferred funds to themselves, their family members, and related entities without reasonably equivalent value for the property, and at the time of the transfers, BJ Trucking was insolvent or was rendered insolvent as a result of the transfers.

FIRST CAUSE OF ACTION

False Claims Acts: Submission of False Claims

102. Plaintiff Government re-alleges and incorporates by reference the paragraphs above as if set forth fully herein.
103. By virtue of the acts described above, Defendants knowingly presented or caused to be presented to the United States false or fraudulent claims for payment in violation of the False Claims Act, as amended, 31 U.S.C. § 3729(a)(1)(A), in that they fraudulently obtained Voyager card payments for unauthorized fuel.

104. On information and belief, the actions and omissions alleged in this complaint constitute a fraudulent course of conduct.

105. Each claim that Defendants knowingly (including reckless disregard and deliberate ignorance) presented or caused to be presented to USPS was a materially false or fraudulent claim, in violation of the False Claims Act.

106. Alternatively, each claim that Defendants knowingly (including reckless disregard and deliberate ignorance) presented or caused to be presented in violation of USPS requirements and contracts constituted an implied false certification in violation of the False Claims Act.

107. By reason of the foregoing, Plaintiff suffered actual damages in an amount to be determined at trial.

SECOND CAUSE OF ACTION

False Claims Acts: False Statements to Get a Claim Paid

108. Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

109. By virtue of the acts described above, Defendants knowingly made or used, or caused to be made or used, a false record or statements material to a false or fraudulent claim in violation of the False Claims Act, as amended, 31 U.S.C. § 3729(a)(1)(B), in that they made or used, or caused to be made or used, false records and statements to obtain Voyager card payments for unauthorized fuel.

110. On information and belief, the actions and omissions alleged in this complaint constitute a fraudulent course of conduct.

111. By reason of the foregoing, Plaintiff suffered actual damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION

False Claims Acts: Reverse False Claims

112. Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

113. By virtue of the acts described above, Defendants knowingly concealed an obligation to repay the USPS for monies Defendants billed to, and were paid by, the USPS in excess of the amounts authorized, which was in violation of the False Claims Acts, 31 U.S.C. § 3729(a)(1)(G), in that Defendants had actual knowledge by at least October 2014, that they had improperly obtained more than authorized for fuel.

114. By reason of the foregoing, Plaintiff suffered actual damages in an amount to be determined at trial.

FOURTH CAUSE OF ACTION

False Claims Acts: Conspiracy to Get a False Claim Paid

115. The Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

116. By virtue of the acts described above, Defendants knowingly conspired to present a false claim or make or use, or cause to be made or used, a false record or statement material to payment of a false or fraudulent claim in violation of the False Claims Act, as amended, 31 U.S.C. § 3729(a)(1)(C)), in that Defendants conspired to use the Voyager card to obtain unauthorized fuel and conspired to conceal their obligation to repay the Voyager card liabilities.

117. By reason of the foregoing, the Plaintiff suffered actual damages in an amount to be determined at trial.

FIFTH CAUSE OF ACTION

Common Law Fraud

118. The Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

119. The above described false claims and false statements which Defendants knowingly presented or caused to be presented to the USPS, or knowingly made or caused to be made or used in support of claims to the USPS, which are (1) false representations or concealments of material facts, (2) reasonably calculated to deceive the USPS, (3) made with intent to deceive the USPS, (4) which did in fact deceive the USPS, and (5) resulted in damage to the USPS. As a result of the false claims, the USPS paid Defendants for unauthorized fuel in violation of the Voyager contract, which the USPS would not have paid had Defendants not acted fraudulently.

120. Plaintiff, acting on the accuracy and truthfulness of the information contained in the claims submitted, paid Defendants certain sums of money to which they were not entitled, and Defendants are thus liable to account for and repay such amounts, which are to be determined at trial, to the United States.

SIXTH CAUSE OF ACTION

Unjust Enrichment

121. The Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

122. By virtue of the acts described above and by submitting claims for payment for fuel reimbursement that violated the applicable requirements, Defendants received certain Government funds to which they were not entitled.

123. As a result of the acts set forth in this count, the Defendants were unjustly enriched at the expense of the Plaintiff Government, under circumstances dictating that, in equity and good conscience, the money should be returned to the Plaintiff.

124. By reason of the foregoing, the Government suffered actual damages in an amount to be determined at trial.

SEVENTH CAUSE OF ACTION

Payment By Mistake

125. The Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

126. By virtue of the acts described above and by submitting claims for payment for fuel that violated the applicable requirements, Defendants caused the Plaintiff to pay the Defendants certain Government funds to which they were not entitled.

127. At the time the Plaintiff made such payments, the Government was unaware of the Defendants' conduct described herein. The Government's erroneous belief was material to making the payments at issue. Had the Government known of the conduct at issue, it would not have made the payments that it did.

128. As a result of the acts set forth in this count, the Plaintiff Government has been damaged and is entitled to recover these monies which were paid to the Defendants by mistake.

129. By reason of the foregoing, the Government suffered actual damages in an amount to be determined at trial.

EIGHTH CAUSE OF ACTION

Federal Debt Collection Procedures Act Remedies

130. The Plaintiff Government realleges and incorporates by reference the paragraphs above as if set forth fully herein.

131. Defendants Doug Cline, Chad Cline and BJ Trucking were on notice of debts to the United States, including more than two million in single damages for the scheme to abuse the Voyager card program.

132. These transfers to Doug Cline, Chad Cline, other family members, and related entities were made after the debt to the United States arose.

133. Defendants Doug Cline, Chad Cline, and BJ Trucking caused funds, more than \$600,000 in 2015, to be taken from BJ Trucking and transferred to Doug Cline, Chad Cline, other family members, and related entities without receiving reasonably equivalent value in exchange for the transfer or obligation.

134. In addition, these transfers were not for an antecedent debt, or in the alternative, if any of the transfers were for an antecedent debt, the transfers for any antecedent debt were to an insider who had reason to believe that BJ Trucking was insolvent.

135. Alternatively, additional debts arose after the transfers at issue.

136. Defendants Doug Cline, Chad Cline, and BJ Trucking caused the transfer of funds with actual intent to hinder, delay, or defraud the United States as creditor.

137. Further, Defendants Doug Cline, Chad Cline, and BJ Trucking caused the transfer of funds without receiving reasonably equivalent value in exchange for the transfer when they reasonably should have believed that the debts of BJ Trucking were beyond their ability to pay debts as they became due.

138. Based on the foregoing factual allegations, the Government has established that Doug Cline and Chad Cline knew of BJ Trucking's outstanding debt to the United States at the time that they transferred funds to themselves, their

family members, and related entities without reasonably equivalent value for the property, and at the time of the transfers, BJ Trucking was insolvent or was rendered insolvent, in violation of 28 U.S.C. § 3304.

139. BJ Trucking was insolvent at the time of the transfers or was made insolvent as a result of the transfers.

140. Accordingly, pursuant to the FDCPA, 28 U.S.C. § 3304(a) and (b), et seq., the Government seeks avoidance of the transfers and is entitled to recover the fraudulent transfers of Defendants as set forth above, including all transfers in 2015 in anticipation of and during the liquidation of BJ Trucking in violation of the FDCPA.

141. Due to the above-described acts of Defendants, the United States has been injured in an amount to be established at trial and is entitled to recover the amount of the fraudulent transfers.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that the Court enter judgment in favor of the United States and against Defendants Doug Cline, Chad Cline, and BJ Trucking as follows:

1. For the First, Second, Third and Fourth Causes of Action, treble damages, plus the costs of investigation and prosecution, and civil penalties for each false claim as allowed by law;

2. For the Fifth, Sixth and Seventh Causes of Action, for the amount Plaintiff paid Defendants as a result of Defendants' fraudulent schemes, the amount Defendants were unjustly enriched, or mistakenly paid;

3. For the Eighth Causes of Action, for the amounts Defendants fraudulently transferred;

4. For the costs of this action, plus interest, and investigative costs as provided by law;

5. That a trial by jury be held on all issues so triable; and

6. Any other relief deemed just by the Court;

This 11th day of March, 2019.

ROBERT J. HIGDON, JR.,
United States Attorney

BY: /s/NEAL I. FOWLER

NEAL I. FOWLER
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Assistant United States Attorney
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Facsimile: (919) 856-4821
NC Bar #27371

UNITED STATES DISTRICT COURT

for the

Western District of North Carolina

UNITED STATES OF AMERICA

Plaintiff(s)

v.

DOUGLAS DALE CLINE, CHAD DALE CLINE, and
BJ TRUCKING COMPANY, INC.

Defendant(s)

Civil Action No. 5:19-CV-

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)* Chad Dale Cline

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Neal Fowler, Assistant U.S. Attorney
United States Attorney's Office - EDNC
310 New Bern Avenue
Raleigh, NC 27601

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

Civil Action No. 5:19-CV-

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

☐ I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

☐ I returned the summons unexecuted because _____; or

☐ Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

UNITED STATES DISTRICT COURT

for the

Western District of North Carolina

UNITED STATES OF AMERICA

Plaintiff(s)

v.

DOUGLAS DALE CLINE, CHAD DALE CLINE, and
BJ TRUCKING COMPANY, INC.

Defendant(s)

Civil Action No. 5:19-CV-

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)* DOUGLAS DALE CLINE

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Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Neal Fowler, Assistant U.S. Attorney
United States Attorney's Office - EDNC
310 New Bern Avenue
Raleigh, NC 27601

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

Civil Action No. 5:19-CV-

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

☐ I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

☐ I returned the summons unexecuted because _____; or

☐ Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

UNITED STATES DISTRICT COURT

for the

Western District of North Carolina

UNITED STATES OF AMERICA

Plaintiff(s)

v.

DOUGLAS DALE CLINE, CHAD DALE CLINE, and
BJ TRUCKING COMPANY, INC.

Defendant(s)

Civil Action No. 5:19-CV-

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)* BJ Trucking Company, Inc.

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Neal Fowler, Assistant U.S. Attorney
United States Attorney's Office - EDNC
310 New Bern Avenue
Raleigh, NC 27601

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

Civil Action No. 5:19-CV-

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

☐ I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

☐ I returned the summons unexecuted because _____; or

☐ Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ 0.00.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

United States of America

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Neal Fowler, Assistant U.S. Attorney,
U.S. Attorney's Office - EDNC,
310 New Bern Avenue, Raleigh, NC 27601 (919-856-4530)

DEFENDANTS

Douglas Dale Cline, Chad Dale Cline, and BJ Trucking Company, Inc.

County of Residence of First Listed Defendant Wake
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

D.J. O'Brien, III and Kearns Davis for Chad Dale Cline;
and Kenneth R. Keller and J. Patrick Haywood for Douglas Dale Cline
and BJ Trucking Company, Inc.

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input checked="" type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from Another District (specify)
☐ 6 Multidistrict Litigation - Transfer
☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

31 U.S.C. § 3729, et seq., and 28 U.S.C. § 3101, et seq.

Brief description of cause:

Submission of false or fraudulent claims to obtain Government payments.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

\$9,000,000 +

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE
03/11/2019

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE