



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MAY 19, 2005
WWW.USDOJ.GOV

CIV
(202) 514-2007
TDD (202) 514-1888

OFFICEMAX TO PAY UNITED STATES \$9.8 MILLION
TO RESOLVE FALSE CLAIMS ACT ALLEGATIONS

WASHINGTON, D.C. – OfficeMax, Inc. will pay the United States \$9.8 million to settle allegations that it submitted false claims when it sold office supply products manufactured in countries not permitted by the Trade Agreements Act to United States government agencies, the Justice Department announced today. The settlement resolves allegations that the Itasca, Illinois-based company sold products from countries that do not have reciprocal trade agreements with the U.S., such as China. OfficeMax was required by its contract with the General Services Administration (GSA) to prevent such items from being offered for sale to U.S. government agencies.

"Federal contractors will be held accountable for their billing practices," said Peter D. Keisler, Assistant Attorney General of the Justice Department's Civil Division. "This settlement is an example of the Department's determination to ensure that federal funds are protected from fraud and abuse."

"We remain vigilant in our efforts to ensure that federal contractors abide by the terms of their contracts and not violate U.S. trade regulations," agreed U.S. Attorney Kenneth L. Wainstein. He also commended OfficeMax, Inc. for its cooperation during the investigation.

This case was filed under the qui tam or whistleblower provisions of the False Claims Act by Safina Office Products and two of its executives, Edward Wilder and Robert Hsi Chou Lee in U.S. District Court for the District of Columbia in January 2003. Safina, Wilder and Roberts will collectively receive \$1.47 million of the total recovery as their statutory award. Under the whistleblower provisions of the False Claims Act, private parties can file an action on behalf of the United States and receive a portion of the proceeds of a settlement or judgment awarded against a defendant.

The settlement resulted from an investigation by the Civil Division of the Justice Department, the United States Attorney's Office for the District of Columbia, and the GSA's Office of the Inspector General.

###

05-278