



**U.S. DEPARTMENT OF JUSTICE**

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## **NEWS RELEASE**

*FOR IMMEDIATE RELEASE*  
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### **UNITED STATES ATTORNEY'S OFFICE RECOVERS \$2.7 MILLION RESOLVING ALLEGATIONS THAT GARY-WILLIAMS ENERGY COMPANY VIOLATED THE FALSE CLAIMS ACT**

DENVER – The United States Attorney for the District of Colorado, John F. Walsh, today announces the recovery of more than \$2,764,748.76 as part of a settlement of allegations that the Gary-Williams Energy Company violated the Federal False Claims Act by failing to pay money owed on oil acquired from the Department of the Interior.

According to the Settlement, the United States contends that the Gary-Williams Energy Company failed to pay all the money owed to the Department of the Interior for oil obtained from the Gulf of Mexico from October 2008 to September 2009. During that time, Gary-Williams inappropriately discounted the payments that it made to the Department of the Interior for oil acquired under an agreement with the Department. Specifically, Gary-Williams claimed that it was entitled to certain price reductions and credits based on the costs of shipping oil that it acquired to various market centers. These reductions and credits were related to the quality of the oil, theoretical losses of oil in transportation, and hurricane surcharges. However, instead of actually transporting the oil it acquired, as it claimed, Gary-Williams transferred title to the oil at the wellhead to a third party and was therefore not entitled to the price reductions and credits that it sought from the Department.

“When oil and gas companies report to the federal government what they owe for the oil and other natural resources they take from public lands, they need to understand that ‘close enough’ is not

‘good enough’ for the United States,” explained United States Attorney, John F. Walsh. “We and our law enforcement partners stand ready to hold these companies accountable to taxpayers when they don’t tell the whole truth about what they need to pay.”

“This settlement with Gary-Williams Energy Company is a message to industry and the public that federal government agencies, working together, are focused on the promise that the American taxpayers will get their fair share of all monies owed from public resources,” said Mary L. Kendall, Acting Inspector General of the Department of the Interior.

“This settlement demonstrates that we will be diligent in collecting every dollar due to taxpayers from energy companies doing business with the United States Government,” said Greg Gould, Director of the Office of Natural Resources Revenue. “It also reinforces the importance of companies providing accurate information to the Office of Natural Resources Revenue, which is charged with protecting taxpayer assets.”

The United States Attorney’s Office acknowledges the cooperation and teamwork demonstrated by governmental entities involved in today’s recovery. Special thanks are extended to both Office of Natural Resources Revenue and the Energy Investigations Unit of the Department of the Interior’s Office of Inspector General. The United States Attorney’s Office in Denver, Colorado works closely with both of these offices in the pursuit of unpaid or underpaid oil and natural gas revenue, claims for which are processed at the Office of Natural Resources Revenue at the Federal Center in Lakewood.

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