



# SIGTARP

Office of the Special Inspector General  
For The Troubled Asset Relief Program

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## **SETTLEMENT WITH MARTIN ENTERPRISES, INC. AND ITS SURETY FOR SUBMITTING FALSE CLAIMS**

Special Inspector General for the Troubled Asset Relief Program Christy Goldsmith Romero and United States Attorney Thomas L. Kirsch II today announced a pre-suit settlement under the False Claims Act for fraudulently submitted claims payable with TARP Blight Elimination Program funds for demolition work not performed properly.

During 2008, the United States Department of the Treasury (Treasury) created the Troubled Asset Relief Program (TARP) to stabilize the economy during the financial crisis. During 2010, Treasury created the Hardest Hit Fund, Blight Elimination Program (BEP), one of several TARP programs, which funded the demolition of abandoned and blighted residential properties in designated cities. The Special Inspector General for TARP (SIGTARP) is responsible for investigating fraud, waste, and abuse in the BEP. The State of Indiana, through the Indiana Housing and Community Development Authority, administered the BEP program in Indiana using federal BEP funds. The City of Fort Wayne, Indiana (Fort Wayne) was a BEP program partner that awarded contracts to Martin Enterprises, Inc. (Martin) to demolish houses on blighted properties using federal BEP funds.

Martin and its surety, Philadelphia Indemnity Insurance Company, have agreed to pay \$61,016 to resolve the United States' claims under the False Claims Act for fraudulently submitting claims for federal BEP funds for demolition and fill work done in Fort Wayne from February-September 2017. Specifically, after demolition, instead of filling the excavation sites with clean fill as required by the contract, Martin filled the excavation sites with construction debris and then falsely billed and received payments from the federal BEP program as if they had used clean fill. Under the settlement, Martin repays the \$30,508 of federal BEP funds that Martin received for the fraudulently billed claims, and also pays a civil penalty of \$30,508.

“Dumping of potentially contaminated building material on blighted properties by the only Hardest Hit Fund-paid demolition contractor in Fort Wayne put residents and communities at risk while fleecing taxpayers,” said Special Inspector General Christy Goldsmith Romero. I thank U.S. Attorney Kirsch and his Office’s Affirmative Civil Enforcement Unit for standing with SIGTARP in the fight against fraud in TARP’s Blight Elimination Program.”

“We will not tolerate dishonest contractors who seek to enrich themselves at the expense of federal taxpayers,” said United States Attorney Thomas L. Kirsch II. “My Office’s Affirmative Civil Enforcement Unit will continue to require contractors who submit fraudulent claims for federal government funds to

reimburse the government for their ill-gotten gains and also pay civil penalties under the False Claims Act.”

This settlement was reached as a result of an investigation by SIGTARP and the United States Attorney’s Office for the Northern District of Indiana. Assistant United States Attorney Wayne T. Ault handled the settlement negotiations.

**About SIGTARP**

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets crime at financial institutions or in TARP housing programs and is an independent watchdog protecting the interests of the America people. SIGTARP investigations have resulted in the recovery of \$10 billion and 262 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP’s Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at [www.SIGTARP.gov](http://www.SIGTARP.gov). Follow SIGTARP on Twitter @SIGTARP.

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