



Menz Bonner Komar & Koenigsberg Secures \$330 Million Whistleblower Settlement in Sprint Tax Fraud Case

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NEW YORK--(BUSINESS WIRE)--Menz Bonner Komar & Koenigsberg LLP has secured a settlement in a first-of-its-kind tax fraud whistleblower case against Sprint Communications, Inc. New York Attorney General Barbara Underwood announced the \$330 million settlement today. The \$330 million recovery is not only the largest by the Attorney General resulting from an action filed under the New York False Claims Act, but it is the largest recovery ever by a single state in an action brought under a state false claims act. Menz Bonner Komar & Koenigsberg's client, Empire State Ventures, LLC, will receive a \$62.7 million relator share from the settlement.

The firm represents the whistleblower who brought forward the allegations against Sprint in 2011. The Attorney General's office joined the case in 2012 when it filed a superseding complaint alleging Sprint deliberately under-collected and under-paid millions of dollars in New York state and local sales taxes on flat-rate wireless calling plans starting in 2005. The Attorney General's lawsuit was the Office's first ever tax enforcement action filed under the New York False Claims Act, which was amended to cover tax claims in 2010.

David Koenigsberg, who leads the False Claims Act practice at Menz Bonner Komar & Koenigsberg, said, "This case is a powerful illustration of how the False Claims Act enables individuals to step forward and expose significant fraud and how whistleblower law is particularly effective in helping the state catch tax offenders. We thank the New York Attorney General's Office for doing an exceptional job working with us and our client to bring this case to a successful conclusion."

With this settlement, David Koenigsberg has now used Federal and State False Claims Acts to recover more than \$1 billion for federal, state and local governments in cases involving taxes, Medicare, Medicaid, defense contracts, government funded research, banking, education programs, and government contracting. Prior to entering private practice, Koenigsberg was the Chief of the Affirmative Civil Enforcement Unit of the United States Attorney's Office for the Southern District of New York, where he represented the United States in False Claims Act cases.

The Attorney General's complaint had alleged that Sprint was trying "to obtain an advantage over its competitor wireless customers, not by cutting its prices or offering better service, but by failing to collect and pay sales taxes, thereby reducing the cost of its products to its customers." Sprint defended against the state's action through a series of appeals up to the U.S. Supreme Court. But in 2016, the Supreme Court declined to hear the case. Today's press release from the New York Attorney General is [here](#).

[Menz Bonner Komar & Koenigsberg LLP](#) provides high-quality litigation services in New York and New Jersey. Its lawyers have decades of experience counseling clients and litigating disputes in a wide variety of business sectors and practice areas, including whistleblower cases, employment, insurance coverage, personal injury, product

liability, contract, mass tort, and other business-related litigation.

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