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**Department of Justice**

U.S. Attorney's Office

Northern District of California

FOR IMMEDIATE RELEASE

Monday, March 3, 2014

**The United States Sues Sprint Communications, Inc. To Recover Overpayments For Wiretap Charges Under False Claims Act**

SAN FRANCISCO – The United States filed a civil complaint against Sprint Communications, Inc., formerly Sprint Nextel Corporation, under the False Claims Act, 31 U.S.C. §§ 3729-3733, announced United States Attorney Melinda Haag and the U.S. Department of Justice Office of Inspector General, Special Agent in Charge M. Elise Chawaga. The complaint seeks treble damages and civil penalties in connection with Sprint's claims for reimbursement of the expenses it incurred in complying with court orders authorizing wiretaps, pen registers, and trap devices.

Like other telecommunications carriers, Sprint is authorized by statute to bill law enforcement agencies for the reasonable expenses it incurs in providing facilities or assistance to accomplish a court-ordered wiretap, pen register, or trap device. In 1994, Congress passed the Communications Assistance in Law Enforcement Act ("CALEA"), which required telecommunications carriers to upgrade their equipment, facilities, or services to ensure they were capable of enabling the government, pursuant to a court order, to intercept and deliver communications and call-identifying information. In 2006, the Federal Communications Commission ruled that carriers were prohibited passing on the costs of its CALEA upgrades to law enforcement agencies in its intercept bills. From 2007 to 2010, in violation of the FCC's ruling, Sprint included in its intercept charges the hidden costs of financing its CALEA upgrades.

The complaint alleges that Sprint unlawfully inflated its charges by approximately 58%, causing federal law enforcement agencies to pay over \$21 million in unallowable costs from January 1, 2007 to July 31, 2010.

"As alleged, Sprint overbilled law enforcement agencies for carrying out court-ordered intercepts, causing a significant loss to the government's limited resources," U.S. Attorney Melinda Haag said. "This office will use all available tools to protect the public fisc, and we will continue to hold those who present false claims to the government accountable."

Steven J. Saltiel is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Legal Assistant Kathy Terry. The prosecution is the result of an investigation by the Department of Justice Office of Inspector General.

The claims asserted against Sprint are allegations only, and there has been no determination of liability.

[\(Sprint complaint\)](#)

**Component(s):**  
[USAO - California, Northern](#)

Updated November 18, 2014