

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MAINE

[UNDER SEAL],

Plaintiffs,

v.

[UNDER SEAL],

Defendant.

Case No.

COMPLAINT FOR VIOLATION OF THE  
FEDERAL FALSE CLAIMS ACT  
[31 U.S.C. § 3729 *et seq.*]

**FILED IN CAMERA AND UNDER SEAL  
PURSUANT TO 31 U.S.C. § 3730(b)(2)**

**DO NOT ENTER ON PACER  
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**JURY TRIAL DEMANDED**

**DOCUMENT TO BE KEPT UNDER SEAL**

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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MAINE

UNITED STATES OF AMERICA, *ex rel.*  
ANDREW PATRICK,

Plaintiffs,

vs.

PURE COLLECTION LTD.,

Defendant.

Case No.

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FEDERAL FALSE CLAIMS ACT  
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Plaintiff-Relator Andrew Patrick, through his attorneys, on behalf of the United States of America (herein the “Government,” or the “Federal Government”), for his Complaint against Defendant Pure Collection Ltd. (herein “Defendant” or “Pure”), alleges, based upon personal knowledge, relevant documents, and information and belief, as follows:

**I. INTRODUCTION**

1. This is an action to recover damages and civil penalties on behalf of the United States Government arising from Pure’s systematic practice of evading and causing the evasion of import duties by splitting shipments being imported into the United States, and falsifying shipping and payment records. Defendant and/or its agents and employees have violated the False Claims Act, 31 U.S.C. § 3729 *et seq.* (the “FCA” or the “Act”), by knowingly making, using, or causing to be made or used, false records and statements material to obligations to pay

or transmit money or property to the Government, and by knowingly concealing and knowingly and improperly avoiding or decreasing obligations to pay or transmit money or property to the Government.

2. As alleged below, since at least 2010, and likely earlier, and continuing to the current date, Defendant has engaged in a scheme to knowingly avoid import tariffs that, but for its deceptive and fraudulent practices, would be levied on the millions of dollars' worth of goods it ships into the United States every year.

3. Defendant Pure Collection Ltd. is a knitwear retailer specializing in the sale of cashmere. Pure is based in England, but actively and successfully markets its goods to U.S. customers. Approximately one-half of Pure's tens of millions of dollars in annual sales are to U.S.-based customers.

4. As described further below, most imports of goods into the United States from England or other international destinations are subject to tariffs. The precise tariff, a percentage of the value of the goods, depends on the type of product being imported, the location of export, and the country of origin of the goods. The tariff properly applicable to most of Pure's shipments is approximately 20%.

5. The "importer" — the purchaser in this case — is responsible for payment of the tariff at the time of delivery.

6. A de minimus or "administrative" exception exists for shipments valued at or below \$200. 19 C.F.R. § 10.151. But this exception specifically prohibits the "splitting" of a single order into multiple packages in order to take advantage of the exception. *Id.*

7. Pure abuses this exemption in precisely the manner the regulations and agency guidance explicitly forbid: the company systematically splits large orders into multiple packages,

ships them over several days, falsifies bills and invoices to make it appear that the packages were part of separate orders, and fails to prepare and affix required paperwork to its packages. This is done to sneak them in free of duty based on inapplicable exemptions from import tariffs.

8. As an inducement to purchase its goods, Pure promises its U.S. customers that “we do our utmost to prevent customs fees” and guarantees reimbursement of any customs fees that are levied. *See* Pure Collection Ltd., Shipping within the U.S., <https://www.us.purecollection.com/customer/pages/delivery> (last accessed March 29, 2016) (U.S. Website re: shipping policies).

9. As promised, and to avoid having to reimburse customers for properly applicable customs duties, Pure “splits” orders from U.S. customers to hide the true value of the shipment and fraudulently uses certain tariff exceptions properly available only to small shipments.

10. As an employee of Pure, both in the call center taking customer orders and in the packaging department, Relator personally witnessed this fraudulent behavior for years. Moreover, he overheard managers boasting about how much trouble the company would be in if U.S. authorities were to discover their method of customs duty evasion.

11. Through this scheme, Relator estimates that Pure has assisted customers in avoiding, and thus saved itself, millions of dollars. Thus, for at least the last seven years, Defendant has knowingly made, used, or caused to be made or used, false records or statements material to obligations to pay money to the Government, and knowingly concealed and knowingly and improperly avoided and decreased obligations to pay or transmit money or property to the Government.

12. Defendants’ conduct alleged herein violates the federal FCA. The federal FCA was originally enacted during the Civil War. Congress substantially amended the Act in 1986 –

and, again, in 2009 and 2010 – to enhance the ability of the Federal Government to recover losses sustained as a result of fraud against it. The Act was amended after Congress found that fraud in federal programs was pervasive and that the Act, which Congress characterized as the primary tool for combating government fraud, was in need of modernization. Congress intended that the amendments would create incentives for individuals with knowledge of fraud against the Government to disclose the information without fear of reprisals or Government inaction, and to encourage the private bar to commit legal resources to prosecuting fraud on the Government’s behalf.

13. From 1986 until May 20, 2009, the FCA prohibited, *inter alia*, “knowingly mak[ing], us[ing], or caus[ing] to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.” 31 U.S.C. § 3729(a)(7) (1986).

14. Since May 20, 2009, the FCA has prohibited, *inter alia*, “knowingly mak[ing], us[ing], or caus[ing] to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceal[ing] or knowingly and improperly avoid[ing] or decreas[ing] an obligation to pay or transmit money or property to the Government.” 31 U.S.C. § 3729(a)(G) (2009).

15. “Knowingly” means that a person, with respect to information, “(i) has actual knowledge of the information; (ii) acts in deliberate ignorance of the truth or falsity of the information; or (iii) acts in reckless disregard of the truth or falsity of the information.” 31 U.S.C. § 3729(b)(1)(A).

16. An “obligation” is “an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-

based or similar relationship, from statute or regulation, or from the retention of any overpayment.” 31 U.S.C. § 3729(b)(3).

17. A record or statement is “material” if “it ha[s] a natural tendency to influence, or [is] capable of influencing, the payment or receipt of money or property.” 31 U.S.C. § 3729(b)(4).

18. Any person who violates the FCA is liable for a civil penalty of up to \$11,000 for each violation, plus three times the amount of the damages sustained by the United States. 31 U.S.C. § 3729(a)(1).

19. The FCA allows any person having information about an FCA violation to bring an action on behalf of the United States, and to share in any recovery. The FCA requires that the Complaint be filed under seal for a minimum of 60 days (without service on the defendant during that time) to allow the government time to conduct its own investigation and to determine whether to join the suit.

20. Based on the foregoing laws, *qui tam* plaintiff Andrew Patrick seeks, through this action, to recover damages and civil penalties arising from the false records and statements Defendant made and used and caused to be made and used, and its knowing concealment and knowing and improper avoidance, of obligatory import duties fraudulently avoided through Defendant’s practice of “splitting” customer orders and falsifying documentation.

## **II. PARTIES**

21. Plaintiff-Relator Andrew Patrick is a resident of Harrogate, England. He worked for Pure from October 2010 until October 2014, first as a “Customer Service Advisor” (“CSA”)

in Pure's call center and then as a "Warehouse Operative" in Pure's packing and shipping department.

22. As a CSA, Relator frequently worked late shifts in Pure's call center, located in Harrogate, England, and frequently fielded calls from customers calling from the United States with questions or looking to place orders. Pure had only one call center to service all of its customers, including U.S.-based customers. Because of the significant time difference between the United States and England (five to eight hours depending on time zone), and because Pure was eager to expand its customer base in the United States, CSAs like Relator were required to work long shifts, often until as late as 2 am GMT. This ensured customer service was available to U.S. customers until at least 9 pm EST.

23. Relator's duties included assisting customers with orders from Pure's website or catalogue, fielding questions about pending orders, processing returns, and assisting U.S. customers who sought reimbursement of customs fees they had been charged upon delivery of their orders. As described in detail below, Relator, like all other CSAs, was given explicit direction to manually split all orders for U.S. customers that totaled over \$400 into separate sub-orders of less than \$400 each.

24. Around the fall of 2012, Relator became a Warehouse Operative with Pure. Pure had a single warehouse, also located in Harrogate, England. Here again, Relator was given explicit, written instruction that all orders for U.S. customers with a value in excess of \$400 were to be split into packages of less than \$400 and shipped over the course of several days. Relator was told that this practice was used to avoid customs duties. Relator's employment with Pure ended on October 31, 2014.



25. Defendant Pure Collection, Ltd. (“Pure”) is a private corporation registered in England and headquartered at Mowbray House, Mowbray Square, Harrogate, West Yorkshire, HG1 5AU, England. Pure describes itself as a “sell[er] of premium quality knitwear, (predominantly cashmere) and other woven products” and as a “multi-channel retailer trading in the UK and the US.” Pure’s cashmere garments are sourced and fabricated in Mongolia. Pure’s other products are manufactured in the United Kingdom, Mongolia, Turkey, China, Portugal, Bulgaria, and Romania. Pure had total sales of £33,153,341 in 2014 and £30,759,015 in 2013.

### **III. JURISDICTION AND VENUE**

26. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and 31 U.S.C. § 3732, the latter of which specifically confers jurisdiction on this Court for actions brought pursuant to 31 U.S.C §§ 3729-3730.

27. Under 31 U.S.C. § 3730(e)(4), to the extent there has been a statutorily relevant public disclosure of the “allegations or transactions” in this Complaint, Relator is an original source of the allegations herein because: (1) prior to any statutorily relevant public disclosure, he voluntarily disclosed to the Government the information on which his allegations are based; and (2) he has independent knowledge that materially adds to any statutorily relevant publicly disclosed allegations or transactions and voluntarily disclosed that information to the Government before filing this action.

28. This Court has personal jurisdiction over Defendant pursuant to 31 U.S.C. § 3732(a) because that section authorizes international service of process and because Defendant has minimum contacts with the United States. Moreover, Defendant has transacted business in

the District of Maine, including, *inter alia*, through the shipment of one or more orders to a customer in Maine using the fraudulent scheme to evade duties described herein.

29. Venue is proper in the District of Maine pursuant to 28 U.S.C. § 1391(b) and 28 U.S.C. §1395(a) and 31 U.S.C. § 3732(a) because Defendant can be found in and has transacted business in this district. At all times relevant to this Complaint, Defendant regularly conducted, and continues to conduct, substantial business within this district, including, *inter alia*, through the shipment of one or more orders to a customer in Maine using the fraudulent scheme to evade duties described herein.

#### **IV. LEGAL BACKGROUND**

##### **A. Import Process**

30. Goods moving from any foreign country into the United States are being “imported.” All goods imported into the United States are subject to the custody and control of the U.S. Customs and Border Patrol agency (“CBP” or “Customs”). Highly technical rules and regulations govern the act of importing.

31. First, an “entry” must be made for each importation. Customs “entry” is a formal declaration of specific information about the merchandise entering the country, including a description of the merchandise and its value.

32. Customs generally classifies entry as “section 321,” [19 U.S.C. § 321] “informal,” or “formal.” “Formal” entry is required for goods above \$2,500 in value. 19 C.F.R. § 145.12(a)(2). Such merchandise must be covered by an entry or surety bond.

33. “Informal” entry is generally applicable to goods below \$2,500 in value. No surety bond is required in cases of informal entry. In addition, when goods are cleared though

informal entry, a Customs agent will prepare the entry paperwork, including determining the classification number and duty rate for the merchandise. 19 C.F.R. § 145.12(b).

34. “Section 321” entry is reserved for goods below \$200 in value. Packages whose declared value is under \$200 will generally be cleared through Customs without any additional paperwork prepared by CBP.

35. Articles may be imported via freight, courier service, or international postal service.

36. Merchandise shipped through the international postal service is forwarded upon its arrival in the United States to one of the CBP mail branches for clearance. If the item is less than \$2,500 in value and is not otherwise restricted, a CBP official will usually prepare the paperwork for importing it, assess the proper duty, and release it for delivery. If any duty is owed, CBP will charge a processing fee for clearing the package and the duty and processing fee will normally be paid at the local post office where the package is forwarded.

37. Goods shipped by courier, express, or other commercial service are expedited through CBP by a customs broker hired by the commercial service and delivered directly to an importer’s door. Any duties that may be owed will be paid by the courier and collected separately from the importer.

38. All goods imported into the United States, regardless of value or method of shipment, must be accompanied by a Customs declaration and an invoice or statement of commercial value. 19 C.F.R. § 145.11. CBP provides declaration forms to assist those sending goods internationally. For instance, Customs forms CN 22 and CN 23 may be used to speed entry of goods shipped through the mail. Form CN 22 may be used for First-Class International

mail pieces that contain goods of \$400 or less. Form CN 23 may be used for mail pieces containing goods over \$400.

39. The declaration form must give “a full and accurate description of the contents and value of the merchandise.” The invoice must give “an accurate description and the purchase price of the merchandise.” 19 C.F.R. § 145.11.

40. Falsification of Customs documents is prohibited. Pursuant to section 1592(a) of title 19 of the U.S. Code:

Without regard to whether the United States is or may be deprived of all or a portion of any lawful duty, tax, or fee thereby, no person, by fraud, gross negligence, or negligence-

(A) may enter, introduce, or attempt to enter or introduce any merchandise into the commerce of the United States by means of

(i) any document or electronically transmitted data or information, written or oral statement, or act which is material and false, or

(ii) any omission which is material, or

(B) may aid or abet any other person to violate subparagraph (A).

41. A fraudulent violation of 19 U.S.C. § 1592(a) is punishable by a civil penalty in an amount not to exceed the domestic value of the merchandise.

## **B. Import Duties**

42. Almost all goods imported into the United States are subject to duties. The precise amount depends on an analysis of the type of merchandise being imported, its value, and its country of origin (if the merchandise is imported for commercial use). A minor exception, intended to balance the revenue obtained through tariffs with the cost of applying them, exempts from duty “packages containing merchandise having an aggregate fair retail value in the country

of shipment of not over \$200, subject to the requirements set forth in [19 C.F.R.] §§ 10.151 and 10.153.” 19 C.F.R. § 145.31.

43. Because of the risk of abuse of this exemption, CBP has made abundantly clear that merchandise may not be “split” into multiple packages to avoid the imposition of duties. Specifically, the exception does not apply if the package is one of several covered by a single order which was sent separately to secure free entry. *See* 19.C.F.R. § 10.151 (“[T]he port director shall pass free of duty and tax any shipment of merchandise . . . imported by one person on one day having a fair retail value, as evidenced by an oral declaration or the bill of lading (or other document filed as the entry) or manifest listing each bill of lading, in the country of shipment not exceeding \$200, *unless he has reason to believe that the shipment is one of several lots covered by a single order or contract and that it was sent separately for the express purpose of securing free entry therefor* or of avoiding compliance with any pertinent law or regulation.”) (emphasis added); *see also* CROSS Ruling 114453 (Oct. 21, 1998) (explaining that the \$200 exception in Section 10.151 is available only if “*the shipment is not one of several increments of a single order sent separately to avoid payment of duty.*”) (emphasis added) 1998 U.S. Custom HQ LEXIS 728, at \*4.

## V. ALLEGATIONS

### A. Pure Directs the Systematic Splitting of Large U.S. Orders

44. Since at least 2010 and likely earlier, Defendant Pure Collection has been systematically splitting large orders from U.S. customers into multiple packages to avoid import duties.

45. Relator began working for Pure's call center in Harrogate, England around October 15, 2010 as a CSA. He, like all other CSAs, was explicitly directed to split orders: (1) being sent into the United States; and (2) totaling over \$400, into separate sub-orders so that when they were processed by the packing department they would be placed in separate packages containing goods with no more than \$400 inside.

46. Pure provided written instructions to its CSAs that all large U.S. orders were to be split. For example, one set of instructions provided to Relator stated: "US orders should be split into \$400 parcels using the schedule shipment function. Splitting is the responsibility of all CSAs. US Orders should be approved whilst the customer is on the phone so splitting should be done immediately before authorisation."

47. While Relator was a CSA, Pure used an internal software application to process customer orders. To split large U.S. orders, CSAs would enter the order into the internal processing system, roughly calculate how many pieces in the order could be packaged together and still come to less than \$400, and identify each sub-order as "a," "b," "c," etc. These suborders were identified in Pure's electronic tracking system with the order number and the sub-order alpha-numeric code. For example, an order for \$1,000 and assigned order number 123456 would become, in Pure's internal system, three invoices of about \$350, \$350, and \$300 with invoice numbers 123456a, 123456b, and 123456c.

48. Relator was told that prior to his employment with Pure, the order splitting was performed by "trusted" call center managers or "Team Managers," such as Karen Peach. By the time Relator was hired by Pure, the work of splitting orders had been delegated to the CSAs.

49. Relator was also told that prior to his employment with Pure, orders had been split into packages of no more than \$200. However, the company found that so long as packages

were valued at less than \$400, they were regularly processed by U.S. Customs without the imposition of duties. Relator suspects this is because packages of \$400 or less may be processed with form CN 22 and packages with these forms are typically passed through Customs without the imposition of duties. Because of this, the company began directing that all orders over \$400 be split.

50. Around 2012, Relator moved from Pure's call center into the warehouse where he worked on processing and packaging orders.

51. Again, warehouse operators were explicitly directed to split orders being shipped to the U.S. into packages of no more than \$400 in value.

52. For example, Step 2 of the packaging directions provided to Relator, titled "Order Packaging – The Pure Way" directs the warehouse employees to review the order invoice to "[c]heck the value of your order" and then directs: "USA orders with a value over \$400 need to be split."

53. Warehouse operatives were directed to place the invoice for the sub-order (identified according to the order number and the alpha-numeric code for the sub-order, such as #123456a) in a plastic pouch on the outside of the package. This made it appear that the package made up the entire order and was valued at \$400 or less.

54. At some point after Relator stopped working for Pure, he was told that Pure automated the warehouse splitting process so that warehouse operatives were no longer responsible for manually splitting large orders. This was done through implementation of an automated computer system called "WMS" ("Warehouse Management System").

**B. Pure's Splitting Activity is Intended to Avoid Customs Duties**

55. Pure is explicit about the intent of its scheme to split orders: the avoidance of import duties. For example, in an instruction manual provided to Relator, Pure management stated: "US customs charges duties for parcels with a value of over \$200. We therefore need to split the orders."

56. Pure is eager to sell in the U.S. market. In order to be competitive with domestic producers, Pure openly advertises its avoidance of U.S. import duties and its commitment to ensuring that U.S. customers are not responsible for paying any duties that are assessed. Pure markets to U.S. customers that "we do our utmost to prevent customs fees." In addition, Pure promises to reimburse customers in the event they are required to pay import duties.

57. On occasion, Customs does assess duties on improperly split imported packages and U.S. customers are required to pay them in order to receive their orders. Relator, while working in Pure's call center, occasionally received calls from such customers seeking reimbursement. In Relator's experience, these requests for reimbursement were rare but were always processed by Pure without issue. In these cases, CSAs were instructed to "apologise to the customer and explain that we do all we can to avoid customs charges however occasionally, charges are applied" and to "ask the customer to tell you how much the charge is and tell her we will immediately refund her card."

58. Pure management has been explicit that the splitting behavior is intended to avoid customs charges. In a "USA Frequently Asked Questions" handout provided to Relator when he was a CSA, in response to a question about customs charges, the handout read:



US customs state any parcel over the value of \$200 dollars, may be subject to customs charges (which is generally 20% of the parcel value).

All standard delivery US orders . . . of \$400 therefore will need to be split if the value is higher, not every parcel will be subject to inspection, however as this is out of our control sometimes a customs charge will be applied (emphasis added).

If this happens, please refund the customer immediately and ask them to send the customs receipt to Suzi, either via post, fax or scan and email to suzi.stow@purecollection.com.

59. Similarly, in a handout providing instructions to CSAs, a section on “Splitting Parcels (USPS Standard Shipping)” provides: “US customs charges duties for parcels with a value of over \$200. We therefore need to split the orders. Because we ship through USPS for standard parcels, we will split to \$400.”

60. Pure’s management is also aware that this behavior is illegal. Around 2010, Relator heard two call center managers, Suzi Stow and Monica Slater (Customer Services Team Managers) boasting about how much trouble Pure would be in if U.S. authorities were to find out about their method of evading customs duties.

61. Pure further obfuscates its splitting activity by shipping packages on separate days. In the CSA instructions referenced above, the section on “Splitting Parcels” also directs CSAs to “Select an item and choose a separate shipping date for this item. Ensure shipping dates are 2 days apart.”

62. Occasionally customers would call after they had received their packages and would inquire about why their packages were split into multiple packages or why they were

received on different days. CSAs were directed to explain that the parcels came from different warehouses. In fact, Pure has, and has only ever had, a single warehouse.

63. That the splitting is not done for legitimate operational purposes is demonstrated by Pure's treatment of "expedited" orders.

64. Pure orders being shipped via standard delivery to the United States are shipped via Royal Mail to the airport, flown to the United States, and then shipped to the customer via the U.S. Postal Service. Pure orders shipped on an expedited basis to the United States are delivered through a private carrier, normally DHL. Expedited shipments are indicated in Pure's processing system as "US9" shipments.

65. U.S. orders shipped on an expedited basis are not split. As to "High Value Orders," CSAs are instructed: "Any order of \$1500 or over will be sent via DHL. Please do not split the order unless over 10 items on the order. If that is the case call a [Team Manager] and we will decide [whether to] split the order."

66. Because express orders are generally not split (unless they are so large that multiple packages are physically warranted), duties were assessed in the ordinary course (so long as the orders were above \$200). Knowing this, Pure pre-emptively paid these customs duties so that the courier could deliver the packages directly to the customer.

67. In a report on U.S. Marketing Activity from the Autumn/Winter of 2011, Pure explained to its CSAs that it would be offering this express shipping service to customers. In exchange for a shipping surcharge of \$15, customers could have their orders delivered in 2-3 days. Pure disclosed to its CSAs that "[w]e will also be paying any duty charges up front, so this will not impact the customer." Pure calculated that "[w]e will make a loss on the express service" but that it would be paid for "by the income we make on standard shipping and returns"

and that it was a service that the company needed to provide “in order to compete in the market place.”

68. Because Pure paid the customs charges on express packages, Pure was careful to utilize express shipping only in very limited circumstances. Relator was chastised on at least one occasion by Suzi Stowe for expediting a shipment. She told him that express shipping was to be avoided because Pure would have to pay for the import duties on the packages.

69. Through Pure’s “splitting” activity and its falsification of documents, it has knowingly made, used, or caused to be made or used, false records and statements material to obligations to pay or transmit money or property to the Government, and knowingly concealed and knowingly and improperly avoided or decreased obligations to pay or transmit money or property to the Government, in violation of the FCA.

**C. Example of Pure’s Illegal Splitting Activity to Avoid Customs Duties**

70. Around January 21, 2016, an order was placed through Pure’s website for \$937 in cashmere goods. The order consisted of three cashmere v-neck sweaters (size 8/10, \$149/each), two cashmere crew neck sweaters (size 8/10, on sale for \$96/each), and 2 cashmere crew neck cardigans (size 8/10, \$149 each). All items were listed as “In Stock, Dispatch: 24 hours.” A flat \$10 shipping charge was applied to bring the order total to \$947.

71. The cashmere goods were shipped to Scarborough, Maine. The seven items arrived in three packages over the course of three days. On January 28, 2016, two packages arrived. The third arrived on January 30, 2016.

72. Each package arrived via Royal Mail “airmail” with an invoice affixed to the front of the package as well as a CN 22 declaration. All three declarations were dated January 22, 2016.

73. The invoices on each package list the goods included in the package as “shipped” and all other items in the order as “pending.”

74. One package contained two v-neck sweaters (\$149/each) and one crew neck sweater (\$96). The invoice on this package included the \$10 shipping charge. The invoice total was listed as \$404 and the CN 22 declaration listed the package’s value as \$394.

75. Another package contained one v-neck sweater (\$149), 1 crew neck sweater (\$96), and 1 crew neck cardigan (\$149). The invoice total and CN 22 declaration value were listed as \$394.

76. The last package contained one crew neck cardigan (\$149). The invoice total and CN 22 declaration value were listed as \$149.

77. All three packages were delivered without the assessment or collection of import duties. Given the size of the order, pursuant to federal regulations, duties should have been assessed. Relator alleges that had Pure not improperly split the order and obscured its value, duties would have been assessed.

78. Accordingly, through its fraudulent conduct, Pure knowingly made, used, and caused to be made or used, false records and statements material to an obligation to pay or transmit money or property to the Government, and knowingly concealed and knowingly and improperly avoided or decreased an obligation to pay or transmit money or property to the Government, in violation of the False Claims Act.

**COUNT I**  
**FALSE CLAIMS ACT**  
**31 U.S.C. § 3729(a)(1)(G)**

79. Relator realleges and incorporates by reference the allegations contained in all paragraphs of the Complaint as if fully set forth herein.

80. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*, as amended.

81. By virtue of the acts described above, Defendant made, used, or caused to be made or used, false records and statements material to obligations to pay or transmit money or property to the Government, and knowingly concealed and knowingly and improperly avoided or decreased obligations to pay or transmit money or property to the United States.

82. By reason of Defendant's acts, the Government has been damaged, and continues to be damaged, in a substantial amount to be determined at trial.

Additionally, the Government is entitled to the maximum penalty of up to \$11,000 for each and every violation alleged herein.

**PRAYER**

WHEREFORE, Mr. Patrick prays for judgment against the Defendant as follows:

1. That Defendant ceases and desists from violating 31 U.S.C. § 3729 *et seq.*;
2. That this Court enter judgment against Defendant in an amount equal to three times the amount of damages the Government has sustained because of Defendant's actions, plus a civil penalty of not less than \$5,500 and not more than \$11,000 for each violation of 31 U.S.C. § 3729;
3. That Plaintiff-Relator Mr. Patrick be awarded the maximum amount allowed pursuant to §3730(d) of the False Claims Act;

4. That Plaintiff-Relator Mr. Patrick be awarded all costs of this action, including attorneys' fees and expenses; and

5. That Plaintiff-Relator Mr. Patrick recover such other relief as the Court deems just and proper.

Dated: May 3, 2016

Respectfully submitted,

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**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff-Relator Andrew Patrick hereby demands a trial by jury on all claims so triable.

Dated: May 3, 2016

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that counsel for Plaintiff/Relator shall cause the foregoing documents to be served upon the Office of the United States Attorney for the District of Maine and the Attorney General for the United States of America in accordance with the Federal Rules of Civil Procedure.

/s/ Daniel J. Murphy  
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