

## **LADWP DISMISSED FROM LAWSUIT AGAINST JM EAGLE**

### ***NATION'S LARGEST PUBLIC UTILITY DROPS OUT OF 'WHISTLEBLOWER' COMPLAINT; JOINS A DOZEN GOVERNMENT ENTITIES IN DECLINING FURTHER ACTION***

**December 2011** — The Los Angeles Department of Water and Power filed paperwork last month requesting to be dismissed from a qui tam lawsuit against JM Eagle, the world's largest manufacturer of plastic pipe. Earlier this week, a federal court judge granted the request and officially removed the nation's largest public utility from the ever-shrinking list of interveners in the qui tam action.

The lawsuit, which has already been shown to have significant weaknesses, falsely accuses JM Eagle of knowingly selling sub-standard plastic pipe to its government customers.

The original complaint, filed in 2006 by the law firm Phillips & Cohen LLP, listed a number of government entities as "real parties in interest," regardless of the fact that many had never purchased products from the manufacturer.

"LADWP does not have any of the JM Eagle pipes at issue in its water system," reads the utility's Motion to Dismiss. "Thus it is in the best interest of the City to dismiss the claims brought on its behalf."

"It appears that Phillips & Cohen simply slapped names onto this lawsuit, whether they bought pipe or not, in an attempt to bolster its credibility," said Vice President of JM Eagle Neal Gordon. "LADWP has done the right thing by removing itself from this contingency-fee firm's baseless action against an American manufacturing company."

LADWP joins many other entities including the states of California, Florida, Tennessee, Delaware, Illinois, Indiana and New York – as well as the federal government, Washington, D.C., and a number of California cities – in declining further participation in the case. The federal government was the first to decline to intervene in 2010 following a 3 1/2-year Department of Justice investigation into the allegations.

The investigation came after allegations were made by a former JM Eagle employee who had been terminated due to his initiation of a kickback scheme to defraud the company. This was confirmed by sworn testimony provided by a customer who "blew the whistle" and reported an illegal offer that involved a large sum of money to be mailed to the ex-employee's home.

JM Eagle stands 100 percent behind the quality and strength of the pipe it manufactures and offers a 50-year warranty on its products used in potable water transmission and distribution lines.

#### **About JM Eagle**

With 22 manufacturing plants throughout North America, JM Eagle manufactures the widest array of high-grade, high-performance polyvinyl chloride and high-density polyethylene pipe across a variety of industries and applications including utility, solvent weld, electrical conduit, natural gas, irrigation and water/sewage. More information can be found at [www.jmeagle.com](http://www.jmeagle.com).