

## **Internal Probe: No Fraud at BP Claims Center in AL**

MICHAEL KUNZELMAN, Associated Press

NEW ORLEANS (AP) — The head of security for the administrator of BP's multibillion-dollar settlement with Gulf Coast residents and businesses says an internal probe of alleged misconduct by an employee of a Mobile, Ala., claims center hasn't turned up any evidence of fraud.

BP said it received a tip in July that someone who worked at the Mobile office helped people submit fraudulent claims in exchange for some of the settlement money.

But David Welker, a former FBI supervisor who now works for court-supervised claims administrator Patrick Juneau, said in a letter dated Aug. 22 that his investigation found no evidence of fraud in any of the claims handled by the employee.

BP cited the employee's alleged misconduct in its Aug. 5 request for a federal judge to temporarily suspend all settlement payments. U.S. District Judge Carl Barbier rejected a similar request by BP in July, but he hasn't ruled yet on the company's renewed bid to suspend payments.

In a court filings this week, Juneau and two of the plaintiffs' attorneys who brokered the settlement with BP said the company hasn't presented any evidence that any claim was improperly calculated or paid.

"There is not even an argument, much less an evidentiary showing, to support the injunction of the entire Settlement Program," the lawyers, Stephen Herman and James Roy, wrote Sunday.

In a court filing Monday, Juneau's lawyers said BP's request to suspend settlement payments is based on "speculation and uncorroborated inferences."

The company's "repeated attacks on Mr. Juneau and his office are not only specious but appear to have a purpose of interfering with Mr. Juneau's ability to perform his court-appointed duties," they wrote.

In his letter to a BP official, Welker said the Mobile employee accused of misconduct has helped 124 people. All of those claims were placed on hold.

The employee's mother filed a claim, but she denied any wrongdoing and withdrew it, Welker said.

"We have found no evidence to support the allegation of fraud pertaining to any of these claims," Welker wrote. "In fact, we have learned that (the employee) referred

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32 of these claimants for fraud review by the (settlement program), leading to the detection of a significant multi-claimant scheme."

In July, Juneau suspended the Mobile employee and another accused of accessing claims data for that person. Welker said a subsequent examination of the employees' computers and emails revealed no evidence of fraud.

BP also has said it recently discovered that two lawyers who have served as "appeals panelists" for the settlement program apparently had conflicts of interest. The lawyers, who have ruled on appeals of disputed settlement awards, were partners at law firms that have represented claimants and filed claims of their own to be compensated.

Herman and Roy, the plaintiffs' attorneys, said the appeals panelists are supervised by the court, not Juneau.

"The notion that the Claims Administrator had an obligation or failed to 'police' the Appeals Panelists is absurd," they wrote.

On July 2, Barbier appointed former FBI Director Louis Freeh to conduct an independent investigation of the settlement program, including possible misconduct by a lawyer who worked on Juneau's staff.

Lionel H. Sutton III is accused of receiving a portion of settlement proceeds for claims he referred to a law firm before he went to work for Juneau. Sutton, who resigned from Juneau's staff on June 21, has denied the allegations.

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