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United States District Court
Southern District of New York

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United States of America ex rel.)	
GNGH2 Inc.,)	
)	
Plaintiff-Relator,)	
)	
- against -)	Index No.:
)	
WAGSTAFF WORLDWIDE PUBLIC,)	<u>Complaint</u>
RELATIONS, INC.)	
)	
Defendants.)	
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Plaintiff-Relator, complaining of the Defendants by its attorney, David Abrams, Attorney at Law, respectfully sets forth and alleges as follows:

I. Nature of the Case

1. This is a false claims act claim. The Qui Tam Plaintiff and Relator, GNGH2 Inc. ("Relator"), alleges that the Defendant fraudulently obtained CARES Act disaster relief by means of fraudulent certifications of eligibility. As set forth in more detail below, second-round PPP funding is barred to persons who are required to register under the Foreign Agent Registration Act, 22 U.S.C. 611 et seq.

II. Parties

2. Defendants WAGSTAFF WORLDWIDE PUBLIC RELATIONS INC. ("Defendant") is a Delaware corporation duly authorized to conduct business in the State of New York. Defendant maintains an office at 130 w 29th street, 11th Fl., New York, NY 10001.

3. The Relator, GNGH2 Inc. ("Relator" or "Plaintiff") is a New Jersey corporation with a principal office in the State of New Jersey, County of Bergen.

III Compliance With Requirements of Suit

4. This matter will be filed under seal pursuant to 31 U.S.C. Section 3730(b) and at or about the same time, a copy of the Complaint, Sealing Order, and Relator's disclosure of evidence will be served on the Department of Justice and the United States Attorney for the Southern District of New York.

5. Relator will not serve the Complaint or any other papers in this matter until and unless it becomes unsealed. Thus, if the Complaint is served on the Defendant, it means that the matter has been duly unsealed.

IV. Jurisdiction and Venue

6. This Court has jurisdiction pursuant to 31 U.S.C. Section 3732(a) which provides that this type of action may be brought in any district where any Defendant resides or transacts business. In this case, the Defendant maintains an office in Manhattan.

V. Background

7. Throughout most of 2020 and continuing into 2021, the United States was faced with a large scale outbreak of the virus commonly known as "Coronavirus" and "COVID-19." (the "Coronavirus Epidemic").

8. In addition to the Coronavirus Epidemic itself, the United States was faced with large scale outbreaks of panic and hysteria as a result of the Coronavirus Epidemic.

9. All of the above has resulted in major economic disruption and as a result Congress enacted the Coronavirus Aid, Relief, and Economic Security Act, commonly known as the "CARES Act."

10. The CARES Act contains a provision which permitted qualifying business which were affected by the foregoing disruption to obtain forgivable disaster loans.

11. The CARES Act was subsequently amended to provide for a second round of disaster funding. Significantly, an applicant is ineligible for such funding if it is required to register under the Foreign Agent Registration Act ("FARA").

12. The Defendant in this matter is a Public Relations firm. It received first and second round disaster relief as follows:

Date	Loan Number	Amount
4/8/2020	8150877010	\$1,488,104
2/5/2021	4044068400	\$1,488,102

13. Thus, on or about February 5, 2021, Defendant completed Form 2483-SD which required it to certify that "[t]he Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612)"

14. This certification was false when made as set forth below.

15. On or about January 14, 2021, Defendant became the official AOR (agency of record) for Agenzia Nazionale Turismo, the Italian National Tourist Board.

16. Further, at all times relevant to this matter, the Defendant served as AOR for the South Australian Tourism Commission.

17. Further, at all times relevant to this matter, the Defendant has represented the Royal Commission for Alula.

18. The Italian National Tourist Board; the South Australian Tourism Commission; and the Royal Commission for Alula are all "foreign principals" within the meaning of 22 U.S.C. Section 611(b)(1) and 611(e) in that they are all agencies of foreign governments.

19. Further, Defendant is an "agent of a foreign principal" within the meaning of 22 U.S.C. Section 611 in that it acts in the United States as a publicity agent for the above-referenced foreign principals.

20. Accordingly, Defendant is an entity which is required to submit a registration statement under 22 U.S.C. Section 612.

21. Thus, Defendant made a fraudulent representation when it completed form 2483-SD.

22. As a result of these statements, the Defendants received substantial funds to which it would not otherwise have been entitled.

VI. (Count I) Violation of the False Claims Act

23. The False Claims Act imposes liability on a person or entity who " knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim" 31 U.S.C. Section 3729(a)(1)(B)

24. The Courts have held that this can include false statements regarding eligibility to participate in a program. See *United States ex rel. Kirk v. Schindler Elevator Corp.*, 601 F.3d 94, 116 (2d Cir. 2010), rev'd on other grounds, 131 S.Ct. 1885 (2011) ("[C]laims may be false even though the services are provided as claimed if, for example, the claimant is ineligible to participate in the program.")

25. Thus, the Defendant's certifications of eligibility violated the False Claims Act because they were false and required for eligibility for disaster relief.

VII. Relief Sought

26. On behalf of the government, Relator is seeking judgment for the triple damages and civil penalties set forth in 31 U.S.C. Section 3729.

27. The Defendant received \$1,488,102 in disaster relief as a result of the certifications set forth above.

28. Accordingly, Relator seeks judgment in the amount of \$4,464,306 against the Defendant and in favor of the United States, together with costs, interest, civil penalties, an appropriate qui tam award, and such other and further relief as the Court deems just.

Respectfully submitted,



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