



Plastilam, Inc.
GPO OIG Investigation Fact Sheet

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Issue/Event: Civil Settlement Agreement

On June 7, 2010, Plastilam, Inc. (Plastilam), 14 Proctor St., Salem, Massachusetts (MA), entered into a Civil Settlement Agreement with the Department of Justice, on behalf of the U.S. Government Printing Office (GPO), wherein Plastilam agreed to pay to the United States the sum of \$25,000. Full payment of the settlement amount resolves any claims that the United States has or may have against Plastilam, its owners, officers, directors, and affiliates, from any civil or administrative monetary claim under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

Based upon facts developed in the course of investigation by the GPO Office of Inspector General (OIG), the United States contended in this agreement that between August 2007 and August 2008, while working on a GPO contract to produce plastic Medicare beneficiary cards for residents of Puerto Rico, Plastilam failed to take sufficient steps to safeguard confidential data, including the names and Social Security numbers of over one hundred Medicare beneficiaries. The investigation revealed that Plastilam failed to adequately secure electronic beneficiary data, and that a number of misprinted beneficiary cards were discarded, whole, in an unsecured Dumpster; these cards were later scattered around a local park by area children before being recovered by local police.

As part of this investigation, in February 2009, the GPO OIG issued a Management Implication Report (MIR) to the GPO Public Printer and other GPO senior managers. The MIR informed GPO of these investigative findings and communicated serious concerns regarding the integrity and security of PII and GPO contractors. GPO reports significant progress toward implementation of the

nine MIR recommendations relating to improved oversight of GPO contracts involving PII.

GPO suspended Plastilam and its officers from contracting with GPO and the U.S. Government. The GPO Office of General Counsel has recommended their debarment from federal contracting, pending completion of this investigation.

Special Agents of the Social Security Administration and Health and Human Services, Offices of Inspector General, assisted in this investigation.

The civil agreement was negotiated by Department of Justice, Assistant United States Attorney, Zachary A. Cunha, District of Massachusetts, Boston, MA.