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For Immediate Release

QUI TAM CASE RESTORED BY U.S. COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Rules the FCA case against ITT should proceed to trial in strongly-issued opinion

Mt. Pleasant, SC – (July 16, 2013) – In a unanimous decision, the Seventh Circuit Court of Appeals reversed the dismissal of a recruiter-fraud lawsuit against ITT Education Services, Inc. last week, decisively overturning the prior Indianapolis District Court opinion on all grounds.

The *qui tam* case, [Debra Leveski v. ITT Educational Services, Inc.](#), brought by whistleblower, Debra Leveski, alleges that ITT unlawfully procured hundreds of millions of dollars in funds paid for by American taxpayers based on a complex recruiter-fraud scheme that ITT set up to disguise its payment of recruiters based solely on the number of students they recruit.

In his 51-page opinion, Judge Daniel T. Siler, who was appointed to the district court by President Ronald Reagan and to the Court of Appeals by President George W. Bush, stated, “Our lengthy discussion of Leveski’s case has shown that Leveski’s case appears to be substantial.”

In addition to ruling for Leveski on all grounds, the Seventh Circuit dismissed a sanction’s order from the district court, and took the step of ordering that the case be re-assigned to a new district court judge. Judge Tanya Walton Pratt had dismissed the case and ordered sanctions against the solo lawyer and his law firm that filed the case along with the two firms currently acting as Leveski’s co-counsel, Motley Rice and [Plews Shadley Racher & Braun LLP](#) (PSRB).

ITT received hundreds of millions of dollars in taxpayer funds during the time period covered by the complaint, and according to Barron’s, has one of the highest student loan default rates. Iowa Senator Tom Harkin’s HELP Committee has [found](#) that the enormous cost to taxpayers of loans to for-profit schools, like ITT, is a huge drain on our national resources and a significant national problem.

“We looked forward to taking this case to trial so that ITT can be held accountable for its conduct,” stated Motley Rice partner [Mark Labaton](#) (CA, DC), who argued the appeal.

“The Seventh Circuit’s unanimous decision recognized this case does have merit and now the real work of finding justice for American taxpayers can continue,” said PSRB Managing Partner John Ketcham (IN, MI).

ITT, headquartered in Carmel, Ind., has 145 campuses in 35 states.

About Motley Rice LLC

Motley Rice is one of the nation’s largest plaintiffs’ litigation firms. With a tradition of representing those whose rights have been violated, Motley Rice attorneys gained recognition for their pioneering asbestos lawsuits, their work with the State Attorneys General in the landmark litigation against Big Tobacco and their representation of 9/11 families in the ongoing lawsuit against terrorist financiers. The firm continues to handle complex litigation in numerous areas, including securities and consumer fraud, [mesothelioma](#), environmental contamination such as the [BP oil spill](#); prescription drugs such as Topamax® and Actos®; medical devices such as [pelvic mesh](#) and Depuy® hip replacements; human rights; aviation disasters; and wrongful

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death. Motley Rice is headquartered in Mt. Pleasant, S.C., and has additional offices in California; Connecticut; Louisiana; Washington, D.C.; New York; Rhode Island and West Virginia. For more information about Motley Rice, contact Joe Rice (DC, SC) at 1.800.768.4026. Connect with us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

About Plews Shadley Racher & Braun LLP

Plews Shadley Racher & Braun LLP (PSRB) has one of the largest environmental law practices in Indiana. The boutique law firm was established in 1988 and focuses on complex, highly-regulated areas of law including environmental law, insurance law, complex litigation, corporate and transactional services, health care and life sciences law, agricultural law and employment law. PSRB is headquartered in Indianapolis and has an office in South Bend. Additional information about Plews Shadley Racher & Braun LLP and the firm's attorneys is available at www.psrb.com.

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