



THE UNITED STATES
DEPARTMENT of JUSTICE

United States Attorney's Office
Eastern District of Tennessee

FOR IMMEDIATE RELEASE
June 13, 2025
EDTN.gov | [@USAO_EDTN](https://twitter.com/USAO_EDTN)

CONTACT: Rachelle Barnes
Public Affairs Officer
Rachelle.Barnes@usdoj.gov

**OTIS ELEVATOR COMPANY AGREES TO PAY MORE THAN \$600,000
TO SETTLE FALSE CLAIMS ACT ALLEGATION RELATED TO
INVOICES FOR ELEVATOR MAINTENANCE**

Otis Worldwide Corporation, an international elevator services firm headquartered in Farmington, Connecticut, which is branded and doing business as Otis Elevator Company (Otis), has agreed to settle allegations under the False Claims Act (FCA) related to invoices for preventive maintenance services submitted to the Tennessee Valley Authority (TVA) that were not rendered pursuant to the terms of a Contract. Under the settlement, Otis will pay the United States \$616,987.02.

“A contractor, like Otis, has an obligation to submit invoices and seek reimbursement solely for work and services that have been performed as claimed,” said U.S. Attorney Francis M. Hamilton III for the Eastern District of Tennessee. “This settlement with Otis demonstrates that the United States Attorney’s Office and federal partners like TVA’s Office of the Inspector General are using all tools available to address fraud, waste, and abuse and protect public funds.”

“The TVA Office of the Inspector General is committed to identifying and investigating instances where vendors fail to fulfill contractual obligations as well as false claims and overpayments that negatively impact ratepayers throughout the Tennessee Valley. We would like to thank the United States Attorney’s Office for their dedicated support of such efforts,” said Assistant Inspector General, Investigations D. Eric Beals of the Tennessee Valley Authority Office of Inspector General.

The United States’ investigation focused on an August 2017 Contract between Otis and TVA. The United States contended that the Contract required Otis to provide turnkey modernization and specified monthly preventative maintenance services related to certain elevators in the TVA Knoxville Office Complex. The United States maintained that it has certain civil claims against Otis arising from its performance of the Contract. Specifically, the United States contended that Otis submitted false claims for payment to TVA for preventive maintenance services that were not rendered.

The resolution obtained in this matter was the result of a coordinated effort between the United States Attorney’s Office for the Eastern District of Tennessee and the TVA Office of the Inspector General – Office of Investigations (TVA-OIG).

The investigation and resolution of this matter illustrates the government's emphasis on combating waste, fraud, and abuse impacting federal agencies. One of the most powerful tools in this effort is the False Claims Act. Tips and complaints from all sources about potential fraud, waste, and mismanagement of TVA resources can be reported to TVA-OIG at 1-855-882-8585 or www.oigempowerline.com

The matter was handled by Assistant U.S. Attorneys Alan G. McGonigal and Alexa Ortiz Hadley for the Eastern District of Tennessee.

The claims resolved by the settlement are allegations only and there has been no determination of liability.

###