Duck, Duck, Goose

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Donald Woodruff, with the DuckeGroupe, LLC, and doing business as the Haven House for Homeless Veterans, filed a breach of contract lawsuit pro se in the U.S. Court of Federal Claims, alleging that a change in the Department of Veterans Affairs' policy was responsible for a sharp decrease in the number of veterans staying at DuckeGroupe's veterans housing facilities. Because the VA paid DuckeGroupe per veteran, the decline in veterans also meant a decline in DuckeGroup revenue. Woodruff claimed that the Government owed him roughly \$50,000 in contract breach damages. The Government moved to dismiss for lack of jurisdiction and for failure to state a legally cognizable claim for relief.

The Government argued that Woodruff had already brought his claim to the Civilian Board of Contract Appeals (foreclosing a claim in the CFC) and that Woodruff had filed the case after the 12-month statute of limitations had run. The Government also noted that Woodruff could not sue for breach of the contract because the contract was between the VA and DuckeGroupe—Woodruff was not a party to the agreement.

The Court agreed, noting that "[i]n order to sue the United States for breach of contract in this court, a corporate officer or shareholder must show that the government breached a duty owed directly and personally to that person independent of those benefits conferred on the corporation with which the officer or shareholder is affiliated." But "[n]owhere in the contact is Mr. Woodruff's name listed other than in his capacity as a DuckeGroupe member or director, nor does VA express in the contract or imply an intent to confer any sort of benefit on Donald A Woodruff as an individual" In short, "Woodruff lacks standing as either a person in privity with the government or a third-party beneficiary of the contract. As such he may not bring a breach of contract claim against the United States through the VA in this court." The Court therefore granted the Government's motion to dismiss.

Read the full decision of J. Horn here.