

## No Honor Among Thieves

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From 1995 to 1997, Jose Mendez worked in Peru managing a casino. After a falling out with the casino owners, Mendez brought sued in Florida Circuit Court for nonpayment of back wages and commissions. While preparing this litigation, a representative from the federal government contact Mendez's attorney about a racketeering and money laundering operation, which they believed Mendez's casino employers were engaged in. For nine years, Mendez cooperated with the federal government, providing the government prosecutors with banking records and financial documents, and information about individuals involved in the alleged illegal activities.

According to Mendez, based on his information the federal government was able to identify and tally an estimated \$1.57 billion in assets held by his former employer, which were later subject to criminal forfeiture. He also testified before a grand jury to support the government's claims.

After nine years of working as a confidential informant for the government, Mendez claims that the government reneged on its promises to pay Mendez for his services as an informant. After numerous efforts to obtain payment, Mendez sued for breach of contract in the U.S. Court of Federal Claims seeking \$791,712 in payment for services performed plus interest, attorneys' fees and costs, on a variety of grounds. The Government moved the dismiss the lawsuit. Ultimately the case was narrowed down to three issues: Was there a payment for services contract, did the agents who dealt with Mendez have authority to bind the United States to this contract, and did Mendez timely file his claims in the CFC?

The court first held that Mendez had pleaded non-frivolous allegations of a contract that underlies his breach claims. The court concluded that the allegations conferred jurisdiction and therefore rejected the Government's motion to dismiss under Rule 12(b)(1). The court further concluded that Mendez's claims were not time barred because the breach of contract and good faith and fair dealings claims accrued, if at all, no earlier than June 10, 2008. Finally, the court converted the Government's motion to dismiss under Rule 12(b)(6), failure to state a legally cognizable claim, into a motion for partial summary judgment. Therefore, Mendez's allegations that the agents to contract with Mendez for his services will be decided in the context of the merits phase of the case.

Read full decision [here](#).