

3M stops N95 scheme in Indiana, resolving fraud lawsuit

The resolution of this suit permanently stops a fraudulent N95 scheme and requires cooperation from Defendants with law enforcement.

ST. PAUL, Minn.--(BUSINESS WIRE)-- 3M has resolved a case in federal court in Indiana against ZeroAqua, halting a fraudulent N95 scheme involving the promise of billions of nonexistent N95 respirators.

The claims against Defendants have been resolved through the entry of a consent judgment, a court-entered permanent injunction, and a payment to 3M for donation to a COVID-19 related charity.

“The resolution of this case has permanently stopped a scam that used 3M’s name and the promise of nonexistent N95 respirators to target emergency officials and profiteer during the pandemic,” said William Childs, 3M Senior Counsel. “We will continue our global fight against fraud and work with law enforcement to help punish bad actors.”

As part of the settlement Defendant Zachary Puznak issued this apology:

“I would like to apologize to the State of Indiana, Luke Bosso, and the people of 3M. If I understood then what I understand now, I never would have gotten involved in this scheme. I have testified under oath that the people who contacted me were attempting to take advantage of my best intentions and use me as a vehicle for their attempt to commit fraud on the State of Indiana. Public officials and healthcare workers are heroes in this important fight. I have done and am going to do what is necessary to make this right. I am cooperating and have turned over all my communications with the architects of this scheme to 3M, who will share them with law enforcement. I have also sat for a deposition to tell my story on the record to help educate the public officials, health care administrators, and the general public to ensure they do not fall victim to a similar scheme in the future. I am committed to assisting 3M and law enforcement to see justice served.”

As part of the lawsuit, Puznak testified under oath -- and produced documents consistent with his testimony -- that he was himself deceived by those he called the “architects” of the scheme to defraud Indiana officials. Puznak testified that he was a mere conduit through which the “architects” tried to defraud Indiana officials out of \$14.25 billion for non-existent N95 respirators. 3M intends to pursue additional court action against the additional bad actors identified in its investigation of the matter and in Puznak’s testimony. 3M appreciates Defendants’ cooperation and assistance, including sitting for a deposition, with 3M’s and law enforcement’s efforts to reduce fraud and price gouging.

3M has not, and will not, increase the prices of its respirators as a result of the pandemic. 3M has filed 17 lawsuits in the U.S. and Canada to combat fraud. The damages 3M seeks in these enforcement efforts are for the harm these bad actors cause and to punish wrongdoers, and any damages recovered are donated to COVID-19 relief efforts at nonprofit organizations, including Direct Relief.

3M is represented by law firm Faegre Drinker Biddle & Reath in this matter.

Resources to fight fraud

3M has launched a [website](#) that provides more information on these and other 3M efforts to fight respirator fraud, counterfeiting, and price gouging. This [website](#) includes details of 3M’s enforcement activities, tips on how to spot fraudulent product offers, counterfeits, and price gouging, expectations of 3M’s authorized

distributors, and information on different types of 3M respiratory products. It also contains 3M's hotline phone numbers around the world and a place to report suspected fraud to 3M.

About 3M

At 3M, we apply science in collaborative ways to improve lives daily. With \$32 billion in sales, our 96,000 employees connect with customers all around the world. Learn more about 3M's creative solutions to the world's problems at www.3M.com or on Twitter @3M or @3MNews.

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