UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

Safe Harbor International LLC, Alarm Concepts, Inc., Belpointe Sleepovation Investment, LP, Shelby Lowman and Cedrick Williams v. Booz Allen Hamilton, Inc., et al.

Safe Harbor International LLC v. Booz Allen Hamilton, Inc., Civil Action No. 25-cv-00139-LKG (D. Md. Apr. 1, 2026) · No. 8:25-cv-00139-LKG · Decided April 2, 2026

SUMMARY

The United States District Court for the District of Maryland denied motions to dismiss a putative class action alleging unauthorized inspection and disclosure of taxpayer return information under 26 U.S.C. §§ 6103 and 7431. The court held that the plaintiffs could rely on common-law agency principles and the control test to plausibly allege that Charles Edward Littlejohn was an employee of the United States, and that the complaint plausibly supported a vicarious-liability theory against Booz Allen Hamilton, Inc. The opinion addresses sovereign immunity, the scope of Section 7431, and the sufficiency of the plaintiffs' allegations at the pleading stage.

CASE DETAILS

COURT	United States District Court for the District of Maryland
WRITING FOR THE COURT	Lydia Kay Griggsby
JURISDICTION	United States District Court for the District of Maryland
DECIDED	April 2, 2026
DOCKET	8:25-cv-00139-LKG
DISPOSITION	other
PROCEDURAL POSTURE	Putative class action in which the Government Defendants moved to dismiss for lack of subject-matter jurisdiction under Federal Rule of Civil Procedure 12(b)(1), and Booz Allen moved to dismiss for failure to state a claim under Rule 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepted well-pleaded factual allegations as true and construed them in the light most favorable to plaintiffs, asking whether the complaint plausibly stated a claim for relief. On a Rule 12(b)(1) motion, plaintiffs bore the burden of establishing subject-matter jurisdiction, and the court could consider evidence outside the pleadings without converting the motion into one for summary judgment.

PRECEDENTIAL VALUE	unpublished district court opinion; precedential status unknown
PARTIES	Safe Harbor International LLC, Alarm Concepts, Inc., Belpointe Sleepovation Investment, LP, Shelby Lowman, Cedrick Williams v. Booz Allen Hamilton, Inc., Internal Revenue Service, United States Department of the Treasury

TOPICS

tax · tax court procedure · motions to dismiss · subject matter jurisdiction · statutory interpretation

PRACTICE AREAS

tax · civil procedure · statutory interpretation · federal employment law

QUESTIONS PRESENTED

1. Whether the allegations plausibly showed that Littlejohn was an officer or employee of the United States for purposes of the sovereign-immunity waiver in 26 U.S.C. § 7431(a)(1).
2. Whether common-law agency principles, including the control test, may be used to determine whether a contractor is an employee of the United States under § 7431(a)(1).
3. Whether 26 U.S.C. § 7431(a)(2) permits a wrongful-disclosure claim against an employer under a vicarious-liability theory.
4. Whether the complaint plausibly alleged that Littlejohn was acting within the scope of his employment with Booz Allen when he accessed and disclosed the tax information.

HOLDINGS

1. The complaint plausibly alleged that Littlejohn was an employee of the United States because it alleged that the IRS exercised extensive, detailed, day-to-day control over his work and provided him with IRS equipment, credentials, facilities, and access to taxpayer information.
2. Section 7431 does not preclude application of common-law agency principles, including the control test, to determine whether an individual is an employee of the United States.
3. Section 7431(a)(2) does not preclude a wrongful-disclosure claim against an employer under a vicarious-liability theory.
4. The complaint plausibly alleged that Littlejohn was a Booz Allen employee acting within the scope of his employment when he accessed and disclosed plaintiffs' tax information, and therefore stated a claim against Booz Allen under §§ 6103(a) and 7431(a)(2).

KEY QUOTATIONS

> *"the plain language of Section 7431(a)(1) does not preclude the Plaintiff's from relying on the common law control test to show that Mr. Littlejohn is an employee of the United States."* (Section IV.A)

> *"The Court also does not read Section 7431(a)(2) to preclude the Plaintiffs from pursuing a vicarious liability theory with regard to their wrongful disclosure claim against Booz Allen."* (Section IV.B)

FACTUAL BACKGROUND

Plaintiffs alleged that Charles Edward Littlejohn accessed and disclosed their confidential tax returns and return information while performing information-technology and related services for the IRS through Booz Allen. They alleged that Littlejohn had an IRS laptop, an IRS.gov email address, staff-like access to IRS systems, and access to confidential taxpayer information, while the IRS exercised detailed day-to-day control over his work. Plaintiffs further alleged that Booz Allen failed to maintain adequate safeguards and supervision and that the disclosures occurred within the scope of Littlejohn's employment.

PROCEDURAL HISTORY

Plaintiffs commenced the action on January 14, 2025, and filed a consolidated class action complaint on June 17, 2025, asserting wrongful-disclosure claims under 26 U.S.C. §§ 6103 and 7431. The Government Defendants and Booz Allen separately moved to dismiss. The court denied both motions, allowing the claims to proceed.

DISPOSITION

other

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 556, 570 (2007)
- Nemet Chevrolet, Ltd. v. Consumeraffairs.com, Inc., 591 F.3d 250, 253, 255 (4th Cir. 2009)
- Lambeth v. Board of Commissioners of Davidson County, 407 F.3d 266, 268 (4th Cir. 2005)
- United States v. Dalm, 494 U.S. 596, 608 (1990)
- Lane v. Pena, 518 U.S. 187, 192 (1996)
- Welch v. United States, 409 F.3d 646, 651 (4th Cir. 2005)
- Biden v. IRS, 752 F. Supp. 3d 97, 105, 109 (D.D.C. 2024)
- Committee on Ways & Means, U.S. House of Representatives v. U.S. Department of Treasury, 45 F.4th 324, 328 (D.C. Cir. 2022)
- Teno v. Iwanski, 382 F. Supp. 3d 803, 809 (E.D. Tenn. 2019)
- Staub v. Proctor Hospital, 562 U.S. 411, 417-18 (2011)
- Meyer v. Holley, 537 U.S. 280, 285 (2003)
- Cilecek v. Inova Health System Services, 115 F.3d 256, 259-60 (4th Cir. 1997)
- Nationwide Mutual Insurance Co. v. Darden, 503 U.S. 318, 322-23 (1992)
- U.S. Tobacco Cooperative Inc. v. Big South Wholesale of Virginia, LLC, 899 F.3d 236, 248 (4th Cir. 2018)
- Wood v. Standard Products Co., 671 F.2d 825, 829 (4th Cir. 1982)
- Community for Creative Non-Violence v. Reid, 490 U.S. 730, 751-52 (1989)

- Warren v. Booz Allen Hamilton, Inc., No. 24-01252, 2025 WL 580362, at *6 (D. Md. Feb. 21, 2025)

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