



News Release

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Insight Public Sector, Inc. Pays \$1 Million To Settle False Claims Act Allegations Relating To Small Business Misrepresentations

WASHINGTON, D.C. – The U.S. Small Business Administration (SBA) has announced that Insight Public Sector, Inc. (Insight), a company providing technology products and services based in Tempe, Ariz., has agreed to pay \$1 million to settle allegations that a predecessor corporation, Comark Government & Education Services (CGES), falsely certified itself as a “small business” on its application for inclusion on a General Services Administration (GSA) long-term procurement schedule.

Under GSA Schedules (referred to as Multiple Award Schedules (MAS)), GSA establishes long-term governmentwide contracts with commercial firms to provide access to over 10 million commercial supplies and services that federal agencies can order directly from an MAS contractor through an expedited procurement process.

The settlement arises out of a complaint made to the SBA that CGES obtained a preference in regard to the award of certain purchase orders under the MAS by falsely certifying that it was a small business. The SBA Office of Inspector General, in conjunction with the GSA Office of Inspector General and the Department of Justice, conducted a two-year investigation, finding that CGES had misrepresented its size status on its 1996 application for inclusion on the MAS. Insight’s parent corporation acquired CGES in 2002 and withdrew the small business certification under the MAS in 2005.

“Although there has been no admission of liability, we believe this settlement sends a strong message to the contracting community about the need for accuracy in making small business certifications,” said Peter L. McClintock, the Acting Inspector General. “The Office of Inspector General will continue to investigate, and recommend for prosecution, where appropriate, all cases involving misrepresentations about size or eligibility for SBA contracting programs.”

“SBA takes very seriously the issue of false certifications of size status by firms seeking the benefits of government contracting, and fully supports vigorous and effective law enforcement action in such matters,” said SBA Administrator Hector V. Barreto. “This should act as a deterrent to such activity.”

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