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PRESS RELEASE

**ORACLE PAYS \$8 MILLION TO SETTLE WHISTLEBLOWER CLAIMS
OF OVERBILLING THE FEDERAL GOVERNMENT
FOR COMPUTER TRAINING**

Boston, MA... United States Attorney Michael J. Sullivan announced that the United States has settled civil claims arising out of a whistleblower suit brought by a former Vice-President of North American Sales for Oracle University, a division of ORACLE CORPORATION. The suit, unsealed late yesterday, alleged that ORACLE had violated the False Claims Act in connection with billing the federal government for software training services. ORACLE, based in Redwood Shores, California, has paid \$8 million to resolve the claims.

Based on the whistleblower suit and its investigation, the United States alleged that from 1997 through 2003, ORACLE, one of the world's largest enterprise software companies, had submitted false claims for payment for computer training to a variety of government agencies arising out of a Master Contract between ORACLE and the General Services Administration ("GSA"), including by: (1) billing to and collecting from the federal government in advance of providing training services; (2) "expiring" (meaning forfeiting to ORACLE) millions of dollars paid in advance by the federal government for training services which were not used within a one year period; and (3) failing to comply with the Federal Travel Regulations in billing the federal government for travel and expenses. After the investigation began, ORACLE stopped its prebilling, expiration and non-compliant travel and expense billing practices and entered into a contract amendment with the GSA which recognizes these continuing obligations.

As a result of the settlement, the whistleblower in the case will receive \$1.58 million of the \$8 million total settlement amount.

This matter was investigated by agents from the General Services Administration's Office of Inspector General, the Federal Bureau of Investigation, the Defense Criminal Investigative Service, the Department of the Air Force's Office of Special Investigations, the Department of the Army's Criminal Investigation Command, the U.S. Department of Agriculture's Office of Inspector General and the U.S. Postal Inspection Service. It is

being handled by Assistant U.S. Attorneys Jeremy Sternberg and Mark Balthazard in Sullivan's office.

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<http://www.usdoj.gov/usao/ma/presspage/May2005/Oracle-CivilSett.htm>