



# Department of Justice

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## United States Intervenes in Case Against EMC Corporation Alleging False Claims on Sales of Hardware, Software and Technology Services

WASHINGTON -- The United States has intervened and filed a complaint in a *qui tam* suit accusing EMC Corp. of failing to disclose its commercial pricing practices during negotiation of its General Services Administration (GSA) contracts and of providing improper payments and other things of value to Systems Integrators and other Alliance Partners on contracts with government agencies, the Justice Department announced today.

The suit was originally filed in U.S. District Court in Little Rock, Ark., by Norman Rille, and his co-plaintiff, Neal Roberts, under the *qui tam* or whistleblower provisions of the False Claims Act. Under the *qui tam* statute, a private party, known as a "relator," can file an action on behalf of the United States and receive a portion of the recovery. Under the False Claims Act, the United States may recover three times the amount of its losses plus civil penalties.

Mr. Rille and Mr. Roberts alleged that EMC submitted false claims to the United States for information technology (IT) hardware and services on numerous government contracts from the late 1990's to the present. The core of the relators' allegations, in which the United States has joined by filing its own complaint, is that EMC made payments of money and other things of value (alliance benefits) to a number of systems integration consultants and other alliance partners with whom it had alliance relationships. The government's complaint asserts that these alliance relationships and the resulting alliance benefits paid by EMC amount to kickbacks and undisclosed conflict of interest relationships.

The government also alleges that EMC made false statements to GSA about its commercial pricing practices in order to obtain a higher price on its contracts thereby overcharging federal agencies purchasing EMC products and services.

Acting Assistant Attorney General Michael F. Hertz announced the Department's intervention in the suit and stated that the government joined the suit "as a part of the Department of Justice's continuing efforts to ensure the integrity of the procurement process."

The investigation of the allegations in the *qui tam* complaint was conducted by the U.S. Attorney's office in Little Rock, Ark., the Department's Civil Division, the General Services Administration Office of the Inspector General, the Defense Criminal Investigative Service, the Office of Inspector General of the Department of Energy, the Defense Contract Audit Agency and the Postal Service Office of the Inspector General.

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