

JUSTICE NEWS

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TECHNOLOGY INTEGRATION GROUP AGREES TO PAY \$5.9 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

Company Previously Paid \$4.6 Million in Restitution as Part of Non-Prosecution Agreement in Related Criminal Investigation

PC Specialists Inc., doing business as Technology Integration Group (TIG), has agreed to pay the United States \$5.9 million to settle allegations that the company inflated the price of computers sold through another company to the National Nuclear Security Administration (NNSA) for use at Sandia National Laboratories in Albuquerque, New Mexico. TIG, headquartered in San Diego, buys computers and other technology products for resale to other purchasers.

“The resources available to achieve the important goals carried out by our national laboratories are precious and limited,” said Principal Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department’s Civil Division. “Today’s settlement demonstrates that diverting funds from the critical mission of the laboratories by inflating costs and making false claims or causing others to make false claims for government funds will not be tolerated.”

From 2003 to 2013, TIG sold Dell computers to Sandia Corporation for resale to the United States under Sandia’s contract with the NNSA. The NNSA purchased the computers for use at Sandia National Laboratories. The United States alleged that TIG knowingly inflated the amounts it charged Sandia by failing to give credits for rebates and discounts it received from Dell as required by its contract and causing false claims to the government for the inflated prices.

“Fraud involving government contracts will be zealously pursued in New Mexico,” said U.S. Attorney Damon P. Martinez of the District of New Mexico. “The U.S. Attorney’s Office and its law enforcement partners are committed to recovering losses, preventing fraud, holding accountable those who exploit government contracts and ensuring that the taxpayers’ monies are properly spent.”

In a separate but related matter, in April 2015, TIG entered into a non-prosecution agreement with the U.S. Attorney’s Office of the District of New Mexico regarding allegations that three employees in TIG’s Albuquerque branch office engaged in a scheme to defraud the United States by inflating the amounts it charged Sandia for computers. The non-prosecution agreement in that matter required TIG to terminate the employment of the three employees in its Albuquerque branch office – a vice president, a senior account executive and an accounts executive – who participated in and profited from the scheme. The non-prosecution agreement also required TIG to retain and pay for an independent monitor selected by the U.S. Attorney’s Office who is responsible for monitoring TIG’s compliance with the agreement, and TIG policies, procedures and training relating to federal government contracts over the agreement’s three-year term.

The allegations resolved by the civil settlement announced today arose from a lawsuit filed by Maverick Granger, a former TIG executive in Albuquerque, under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government for false claims and share in the recovery. Mr. Granger's share of the settlement has not yet been determined.

These resolutions were the result of a coordinated effort by the Civil Division's Commercial Litigation Branch, the U.S. Attorney's Office of the District of New Mexico and the U.S. Department of Energy's Office of Inspector General (DOE-OIG). The criminal investigation was conducted by DOE-OIG, the FBI's Albuquerque Division and the Albuquerque Office of the Internal Revenue Service-Criminal Investigation.

The False Claims Act lawsuit is captioned *United States ex rel. Granger v. PC Specialists, Inc. d/b/a/ Technology Integration Group*, No. 14-cv-00633 (D.N.M.). The claims resolved by today's civil settlement and the earlier non-prosecution agreement are allegations only; there has been no determination of guilt or liability.

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Civil Division

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