

November 14, 2006

GTSI Corp.
Attn: General Counsel's Office
3901 Stonecroft Boulevard
Chantilly, VA 20151-1010

Dear General Counsel of GTSI Corp.:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database (www.pogo.org/db/index.cfm), a compilation of information from public resources regarding government contractors, including GTSI. On October 18, 2005 and December 2, 2005, we sent you information regarding findings relevant to GTSI, which we have enclosed for your reference. As of today, we have not received a response from your office.

A written response is certainly in the best interest of everyone involved. It is the best way for your company to go on record regarding this process and the instances identified; your letter will be posted in its entirety on the database. Several companies have already responded and have expressed appreciation for the opportunity to express their views. POGO would prefer to receive a response by November 30, 2006 to ensure it is included with the launch of our new database.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Scott Amey
General Counsel

Enclosure

Instances of Misconduct

Case Name: N/A

Date: 10/10/1997, date of settlement

Misconduct Type: Government Contract Fraud

Contracting Party: Government Civilian

Court Type: Civil

Amount: \$400,000

Disposition: Settlement

Synopsis:

GTSI paid "United States \$400,000 to settle allegations it overcharged the agencies because it didn't pass on to the government rebates it received from manufacturers of... equipment.

"The complaint alleged that GTSI failed to inform government negotiators fully that GTSI received rebates from the manufacturers of products offered by GTSI for sale to the government. GTSI was required by the contract solicitations and federal law to provide accurate information to GSA contract negotiators.

"The Department said that between 1988 and 1995, GTSI won several one-year contracts with the General Services Administration for automated data processing equipment and software. The contracts set the prices, terms and conditions under which federal agencies could purchase products from GTSI.

"As a dealer, GTSI sold products manufactured by a number of well-known computer and software manufacturers. The prices paid to GTSI by agencies were based on GTSI's cost from the manufacturers, plus a negotiated markup. GTSI failed to inform GSA that some manufacturers provided GTSI with rebates on the purchase price and GTSI did not reduce the GSA price to reflect GTSI's lower cost as a result of the rebates."

Document:

<http://www.usdoj.gov/opa/pr/1997/October97/424civ.html>

Pending

1.

"In November 2003, GTSI Corp... was served with a \$25 million lawsuit, with treble damages, related to an alleged breach of contract due to the termination of Ichiban, Inc., a former subcontractor. This suit was filed in Virginia Circuit Court in Fairfax County, Virginia and follows the Company's earlier lawsuit against the former subcontractor. In November 2004, plaintiff modified the claim eliminating treble damages."

Document:

SEC 10-K

http://www.sec.gov/Archives/edgar/data/850483/000110465905011379/a05-2962_110k.htm#Item3_LegalProceedings_114348