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Hewlett-Packard Company Agrees to Pay $32.5 Million for Alleged Overbilling of the U.S. Postal Service

The Justice Department announced today that Hewlett-Packard Co. (HP) has agreed to pay $32.5 million to resolve allegations under the False Claims Act that HP overcharged the U.S. Postal Service (USPS) for products between October 2001 and December 2010. HP is a manufacturer and vendor of information technology products and services headquartered in Palo Alto, California.

"Protecting the federal procurement process from false claims is central to the mission of the Department of Justice," said Assistant Attorney General Stuart F. Delery for the Justice Department’s Civil Division. "We will continue to ensure that when the government purchases commercial products, it receives the prices to which it is entitled."

The United States alleged that under a contract between HP and the USPS, HP overcharged USPS by failing to comply with pricing terms of the contract, including a requirement that HP provide prices that were no greater than those offered to HP customers with comparable contracts. The United States also alleged that HP made misrepresentations during the negotiation of the contract regarding its pricing and its plans to ensure it would provide the required most favored customer pricing.

"The Major Fraud Investigations Division (MFID) within the Postal Service Office of Inspector General fully investigates those contractors who wrongly take advantage of the Postal Service," said Thomas Frost, MFID’s Special Agent in Charge. "The Postal Service and the public must have complete confidence in the procurement process and MFID will continue to work diligently to make that happen."

This matter was jointly investigated by the U.S. Postal Service, Office of the Inspector General and the Department of Justice’s Civil Division. The claims resolved by the settlement are allegations only and there has been no determination of liability.

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Civil Division