

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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#### **CDW-Government to Pay U.S. \$5,663,902 to Resolve False Claims Act Allegations**

CDW-Government LLC (CDW-G) has agreed to pay \$5.66 million to resolve allegations that it submitted false claims in connection with a U.S. General Services Administration (GSA) contract, the Justice Department announced today. CDW-G is a wholly-owned subsidiary of Illinois-based CDW Corporation and a reseller of information technology, equipment, services, office supplies and related products. The settlement resolves allegations that, during the period 1999 to 2011, CDW-G improperly charged government purchasers for shipping, sold products to the United States that were manufactured in China and other countries that are prohibited by the Trade Agreements Act, and underreported sales in order to avoid paying GSA its "Industrial Funding Fee," a fee based on total contract sales that is designed to cover GSA's costs of contract administration.

"Protecting the federal procurement process is a top priority for the Department of Justice," said Stuart F. Delery, Acting Assistant Attorney General for the Department of Justice's Civil Division. "Contractors who abuse that process and undermine American trade interests will be held accountable for their actions."

"My office will not tolerate any abuse of the contracting process with the United States," said Stephen R. Wigginton, U.S. Attorney for the Southern District of Illinois. "My warning is both simple and certain: If you knowingly overcharge the United States, we will pursue all remedies available to us and we will recover the government's losses."

The allegations arose from a lawsuit filed in a federal court in East Saint Louis, Ill., under the *qui tam* or whistleblower provisions of the False Claims Act. Those provisions allow private individuals known as "relators" to sue on behalf of the United States and to share in the proceeds of any settlement or judgment that may result. The relator in this case, former CDW-G sales representative Joe Liotine, will receive \$1,585,892.56 of the total recovery as a statutory award. The relator may also be entitled to receive additional amounts from the defendant for attorneys' fees and costs.

The claims settled by this agreement are allegations only, and there has been no determination of liability. The case is captioned *U.S. ex rel. Joe Liotine, vs. CDW-Government, Inc., 05-cv-33-DRH-DGW*. The settlement was the result of a coordinated effort by the Civil Division of the Department of Justice, the U.S. Attorney's Office for the Southern District of Illinois and the GSA Office of Inspector General.

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Civil Division

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