

Hewlett Packard Agrees To Pay \$16.25 Million to Settle Federal Investigation into Illegal Bid-Rigging Involving the Federal E-Rate Program

Kenney & McCafferty Law Firm Represent First-To-Report Dallas, Texas Whistleblowers

PHILADELPHIA- Hewlett-Packard Corporation announced today that it has agreed to pay \$16.25 million to settle allegations made in multiple whistleblower lawsuits that the technology giant defrauded the Schools and Libraries Program of the Universal Service, also known as the "E-Rate Program." The case which was filed as a qui tam action in 2005 by the Kenney & McCafferty law firm, resolves allegations that during the 2002-2005 time period Hewlett-Packard was involved in: (1) conspiring to rig the competitive bidding of E-Rate contracts; and (2) subverting the competitive bidding processes for E-Rate contracts by illegally providing gratuities, including meals, trips, and event tickets to school district representatives in Dallas and Houston, Texas in order to improperly influence the bidding process.

Brian Kenney and Brian McCafferty of Kenney & McCafferty represented the Dallas, Texas whistleblowers. The Hewlett-Packard settlement is the latest in a series of events resulting from the bid-rigging allegations made by the Dallas-area whistleblowers. The allegations of fraud made by the Dallas Whistleblowers also led to the 2008 criminal convictions of Ruben Bohuchot, the former Dallas Independent School District's Chief Technology Officer, and Frankie Wong, a prominent Houston businessman whose company, Micro Systems Engineering, Inc., won two contracts to supply computers and other technology services to the Dallas school district for millions of dollars, in part, by making what federal investigators calculated as almost \$1 million in illegal gifts to Bohuchot.

In November, 2008, Bohuchot was sentenced to 11 years in federal prison and Wong was sentenced to 10 years in federal prison for their roles in the bid-rigging conspiracy. The criminal convictions also resulted in Bohuchot and Wong forfeiting \$1,192,263.90, according to the federal government's 2008 press release regarding the criminal convictions.

According to Kenney, "our clients initially reported this fraud directly to the FBI without filing a qui tam action but were unable to spur the government to investigate. Our client's persistence in pursuing this matter through the qui tam provisions of the False Claims Act ultimately led to the government investigation and indictments and ended the ongoing bid-rigging conspiracy that would have continued undetected for years, costing tens of millions in additional losses to the Dallas and Houston public school districts.

According to McCafferty, "the government did a great job investigating the fraud. The case is a testament to the powerful public interest served when there is a true collaborative effort between government enforcement agencies and dedicated private citizens. The False Claims Act worked as it was designed to both return much needed taxpayer dollars to the US Treasury and preserve the integrity of federal programs that involve competitive bidding."

The federal civil investigation which led to the Hewlett-Packard settlement was conducted by the U.S. Attorney's Office for the Northern District of Texas under the direction of current U.S. Attorney James T.

Jacks, Assistant U.S. Attorney Jill Venezia and Assistant U.S. Attorney Scott Hogan, as well as the Washington, D.C. Department of Justice attorneys on the case, Jennifer Chorpene and Charles Schmitz.

The 2008 federal criminal prosecution against Bohuchot and Wong was conducted by the U.S. Attorney's Office for the Northern District of Texas under the direction of former U.S. Attorney Richard B. Roper, Assistant U.S. Attorney Dayle Elieson, Assistant U.S. Attorney Linda Groves, and Special Assistant U.S. Attorney Jennifer Bray.

About Kenney & McCafferty, PC (www.quitam-lawyer.com)

A nationally known law firm, Kenney & McCafferty zealously advocates in the public interest for whistleblowers. The firm specializes in qui tam and tax whistleblower litigation and has represented whistleblowers in False Claims Act and tax whistleblower matters that have recovered more than \$4 billion for the government. The firm has represented whistleblowers in the two largest recoveries by the government in qui tam matters to date, the 2009 \$1.4 billion settlement with Lilly and the \$2.3 billion settlement with Pfizer.

Brian P. Kenney, Esq.

Brian P. McCafferty, Esq.

Kenney & McCafferty, P.C.

3031C Walton Road, Suite 202

Plymouth Meeting, PA 19462

610-940-0327

www.quitam-lawyer.com

SOURCE: Kenney & McCafferty, P.C.