

Federal Contractor Agrees to Pay \$18.98 Million for Alleged False Claims Act Caused by Overcharges and Unqualified Labor - GSA Office of Inspector General

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FOR IMMEDIATE RELEASE

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Cognosante LLC has agreed to pay the United States \$18,987,789 to resolve allegations that it violated the False Claims Act by using unqualified labor and overcharging the United States for services provided to government agencies under two General Services Administration (GSA) contracts, the Justice Department announced today. Cognosante, which is headquartered in Falls Church, Virginia, provides health care and IT services and solutions to federal agencies.

GSA's Multiple Award Schedule (MAS) contracts allow the federal government to leverage its buying power to achieve favorable pricing. Under MAS contracts, contractors negotiate with GSA to set maximum prices for goods and services subsequently ordered by agencies across the federal government. These contracts provide streamlined access to the federal marketplace.

The settlement resolves allegations that Cognosante overcharged the United States for services performed under two GSA MAS contracts, including by providing false information concerning Cognosante's commercial discounting practices during contract negotiations. It also resolves allegations that Cognosante charged the United States for labor that failed to meet the qualifications in one of the contracts.

"MAS contract holders must deal forthrightly with federal agencies during negotiations and throughout the life of their contracts," said Acting Attorney General Jeffrey Bossert Clark of the Justice Department's Civil Division. "We will hold accountable contractors who cause the government to pay more than it should for goods and services."

"This settlement exhibits our dedication to recover overcharges paid by the government," said Acting U.S. Attorney for the District of Columbia Michael R. Sherwin. "We expect our contracting partners to be fully candid with the government, and we will pursue those that fail to fulfill that expectation."

"Today's settlement is a result of the successful partnership of the Office of Inspector General and the Department of Justice to protect and maintain the integrity of GSA's Multiple Award Schedule program," said Carol F. Ochoa, Inspector General of GSA.

Cognosante investigated and disclosed to the United States the contractual violations resolved in the settlement. It received credit for its disclosure and cooperation.

The settlement was the result of a joint investigation by the GSA OIG, the U.S. Attorney's Office for the District of Columbia, and the Civil Division's Commercial Litigation Branch. The claims resolved by the settlement
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agreement are allegations only and there has been no determination of liability.

Source: U.S. Department of Justice [press release](#).