

Sage Consulting Group, Inc. Agrees to Pay \$4.8 Million to Settle Civil False Claims Act and Anti-Kickback Act Allegations - GSA Office of Inspector General

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Department of Justice

U.S. Attorney's Office
Eastern District of Virginia
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FOR IMMEDIATE RELEASE

Sage Consulting Group, Inc. Agrees to Pay \$4.8 Million to Settle Civil False Claims Act and Anti-Kickback Act Allegations

ALEXANDRIA, Va. – A Virginia-based consulting group and its president and majority owner agreed to a \$4.8 million settlement with respect to allegations that they paid kickbacks, announced Acting U.S. Attorney Raj Parekh for the Eastern District of Virginia.

Sage Consulting Group, Inc. (Sage), a federal government contractor located in Vienna, specializes in providing information technology services to the U.S. Department of Defense (DOD). Robert Pleghardt, of Vienna, is the President and 99.5% owner of Sage. Sage and Pleghardt agreed to pay \$4.8 million to settle allegations that they paid kickbacks to companies certified by the Small Business Administration (SBA) as 8(a) small businesses, which are owned and operated by socially and economically disadvantaged citizens, in order to obtain subcontracts on 8(a) set-aside contracts. According to the United States' allegations, Sage and Pleghardt falsely represented to government agencies that the 8(a) certified companies would be performing at least 50% of the work on these contracts when, in fact, Sage performed 100% of the work.

The United States alleged that Wete and Company, Inc. (Wete), formerly an 8(a) certified company, agreed to subcontract work on 8(a) set-aside contracts and task orders for the Department of Defense Education Activity (DODEA) to Sage in exchange for an hourly fee paid by Sage to Wete for every hour of work Wete subcontracted to Sage. The United States also alleged that Pleghardt falsely represented, in a proposal submitted to DODEA, that Wete employees would be working on a task order when he knew that all the work on the task order would, in fact, be performed by Sage employees.

The United States further alleged that Index Systems, Inc. (Index), an 8(a) certified company, agreed to subcontract work on 8(a) set-aside contracts for DODEA and the Defense Human Resources Activity (DHRA) to Sage in exchange for an hourly fee paid by Sage to Index for every hour of work Index subcontracted to Sage. The United States also alleged that Pleghardt falsely represented to DHRA officials that Index employees would be working on a DHRA contract when he knew that all the work on the contract would, in fact, be performed by Sage employees.

The settlement resolves federal civil claims under the False Claims Act and the Anti-Kickback Act. Sage and Pleghardt cooperated with the government's investigation.

The resolutions obtained in this matter were the result of a coordinated effort between the U.S. Attorney's Office for the Eastern District of Virginia, the Defense Criminal Investigative Service, and the General Services

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Administration Office of Inspector General.

This matter was investigated by Assistant U.S. Attorney Krista Anderson.

A copy of this press release is located on the website of the U.S. Attorney's Office for the Eastern District of Virginia.

The civil claims settled by this agreement are allegations only; there has been no determination of civil liability.

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