

**SAP Public Services, Inc. to Pay \$2.2 Million to Settle False Claims Act Allegations -
GSA Office of Inspector General**

**SAP Public Services, Inc. to Pay \$2.2 Million to Settle
False Claims Act Allegations**

Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

Monday, March 1, 2021

FOR IMMEDIATE RELEASE

**SAP Public Services, Inc. to Pay \$2.2 Million to Settle False
Claims Act Allegations**

PHILADELPHIA – Deputy United States Attorney Louis D. Lappen announced that SAP Public Services, Inc. has agreed to pay the United States more than \$2.2 Million to resolve allegations that it violated the False Claims Act by failing to pay required fees on contracts it signed pursuant to agreements with the United States General Services Administration (GSA).

SAP Public Services is a subsidiary of SAP SE, a multinational software engineering and support company, and its U.S. subsidiary, SAP America, Inc., headquartered in Newtown Square, Pennsylvania.

In 1998 and 2009, GSA awarded SAP Public Services contracts under the Multiple Award Schedule (MAS). The MAS program provides an efficient, streamlined process for federal, state, and local government buyers to purchase goods and services from commercial firms at discounted prices. SAP Public Services sold software engineering and support to government customers under specified conditions. SAP Public Services cancelled these contracts in 2014. Under the terms of their MAS contracts, SAP Public Services was required to pay an Industrial Funding Fee (IFF) to GSA. This fee covers the cost of GSA's administration of its contracting and purchasing programs, which save federal, state, and local government agencies the time and expense of awarding individual procurements and provide volume purchase prices, greater purchasing flexibility, and other benefits to those agencies.

In addition, when staffing these projects, SAP Public Services was required to provide certain discounts and to meet certain educational or experiential qualifications in its staffing assignments. The United States' investigation – conducted in conjunction with a robust internal investigation by SAP Public Services – determined that SAP Public Services failed to account for the IFF it owed on several contracts, and that it did not always provide the appropriate contractual discounts and staffing.

“When a company contracts with the government,” said Deputy U.S. Attorney Lappen, “it must establish and implement systems sufficient to meet its contractual obligations. When a company fails to do that, the taxpayer is left holding the bag. The United States Attorney's Office is committed to recovering these funds.”

GSA Inspector General Carol Ochoa, agreed: “This settlement is due to the persistent and dedicated work of the Office of Inspector General and U.S. Attorney's Office personnel to pursue and recover money owed to the U.S. taxpayer.”

Deputy U.S. Attorney Lappen also praised SAP Public Services' investigation and cooperation: “From the time

SAP Public Services, Inc. to Pay \$2.2 Million to Settle False Claims Act Allegations - GSA Office of Inspector General

that this matter was brought to its attention, SAP has committed itself to setting things right, despite considerable time and expense. We appreciate its cooperative approach and its intensive investigative efforts to get to the bottom of what happened here.”

The settlement was the result of a coordinated effort between the U.S. Attorney’s Office for the Eastern District of Pennsylvania and GSA Office of Inspector General (GSA-OIG). Assistant United States Attorneys Paul W. Kaufman and Mark J. Sherer and U.S. Attorney’s Office auditor Dawn Wiggins handled the investigation and settlement.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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