

Wisconsin-Based Nonprofit To Pay \$1.9 Million To Settle Allegations Of False Claims And Kickbacks On Federal Contracts For Blind Workers - GSA Office of Inspector General

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Industries for the Blind and Visually Impaired Inc. (IBI) has agreed to pay the United States \$1,938,684.09 to resolve allegations that IBI violated the False Claims Act and the Anti-Kickback Act in connection with certain federal contracts set aside to employ blind workers, the Justice Department announced today.

IBI is a nonprofit corporation headquartered in West Allis, Wisconsin that receives set-aside contracts from federal agencies under the federal government's AbilityOne Program. In exchange, IBI agrees to give jobs to workers who are blind or visually-impaired and comply with other contractual requirements.

The settlement resolves allegations that, between 2009 and 2018, IBI misrepresented to the U.S. AbilityOne Commission when requesting set-aside contracts for furniture design and installation services that it would maintain a 3:1 blind-to-sighted ratio of employees, and that furniture designers and sales representatives working for IBI took impermissible payments and gifts from manufacturers on certain contracts. It also resolves claims that IBI improperly subcontracted a set-aside contract for screen-printed clothing to an entity that did not generally use blind labor.

"AbilityOne contractors have a duty to follow the law and meet their important commitments to employ workers who are blind or severely disabled," said Acting Assistant Attorney General Jeffrey Bossert Clark for the Department of Justice's Civil Division. "This settlement demonstrates our continuing vigilance to ensure that those receiving set-aside contracts under the AbilityOne Program comply with the conditions of their awards."

The AbilityOne Commission operates under the authority of the Javits-Wagner-O'Day Act (JWOD ACT), which was passed in 1971 to increase employment and training opportunities for persons who are blind or visually impaired, or who have disabilities so severe that they are otherwise unable to work at competitive employment. More than 400 companies participate in the AbilityOne Program and receive set-aside federal contracts in exchange for employing approximately 45,000 people who are blind or have severe disabilities.

"By its conduct, IBI thwarted the AbilityOne Program's goal of increasing employment and training opportunities for persons who are blind or visually-impaired," said U.S. Attorney Matthew D. Krueger for the Eastern District of Wisconsin. "This settlement reflects our office's continuing efforts to combat violations of the False Claims Act and protect federal programs."

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"We are committed to preserving the integrity of the AbilityOne program. False claims on the program exclude blind and significantly disabled workers from opportunities and hinders law-abiding AbilityOne contractors," said Thomas K. Lehigh, Inspector General of the U.S. AbilityOne Commission. "Working with DOJ and our partners, the Office of Inspector General protects the confidence and public trust in the largest employment program in the nation of blind and significantly disabled workers."

"The conduct at issue in this case undermined the core purpose of the AbilityOne program - to provide jobs for the blind and disabled," said Carol F. Ochoa, Inspector General for the General Services Administration (GSA). "This settlement reflects our commitment to protect the integrity of the program and hold companies accountable for attempts to subvert it."

Among the allegations resolved by the settlement are claims asserted in a lawsuit filed under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and share in a portion of the government's recovery. The lawsuit was filed by Paul Inzeo, formerly a marketing manager at IBI, whose share has not yet been decided.

The settlement also resolves conduct that IBI investigated and disclosed to the United States concerning the receipt of gifts and money by its furniture designers and sales representatives that was not alleged in the whistleblower complaint. It received credit in the settlement for its disclosure, cooperation, and remediation efforts in connection with this conduct.

The settlement was the result of a coordinated effort among the U.S. Attorney's Office for the Eastern District of Wisconsin and the Commercial Litigation Branch of the Justice Department's Civil Division, with assistance from GSA's Office of Inspector General, the U.S. Army Criminal Investigative Command, the Air Force Office of Special Investigations, the Defense Contract Audit Agency, the AbilityOne Office of the Inspector General, and the U.S. Department of the Interior Office of Inspector General.

The claims resolved by the settlement are allegations only, and there has been no determination of liability. The lawsuit resolved by the settlement is captioned United States ex rel. Inzeo v. Industries for the Blind, Inc., et al., No. 15-cv-996 (E.D. Wisc.).

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