

Adobe Inc. Agrees to Pay \$3 Million to Settle Kickback Allegations Involving Federal Software Sales - GSA Office of Inspector General

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Adobe Inc. has agreed to pay \$3 million to resolve False Claims Act allegations that it made payments in violation of the Anti-Kickback Act in return for influence over the sale of Adobe software to the federal government.

“Those who do business with the government are prohibited from paying kickbacks, which can result in unnecessary purchases and increase costs to taxpayers,” said Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Justice Department’s Civil Division. “We will continue to use all appropriate tools to safeguard the integrity of the federal procurement process.”

The settlement announced today resolves allegations that Adobe made improper payments under its Solution Partner program to companies that had a contractual or other relationship with the government that allowed them to influence federal purchases of Adobe software. Between January 2011 and December 2020, Adobe allegedly paid the companies a percentage of the purchase price of the software. The United States contends that these payments constituted prohibited kickbacks that resulted in Adobe causing false claims for payment to be submitted to federal agencies.

“A fair market relies heavily on an even playing field,” said U.S. Attorney Matthew M. Graves for the District of Columbia. “When a company, vendor, or business owner tips the scales to their advantage, it undermines the system. When government dollars are involved, it means taxpayers ultimately bear the burden. Whistleblowers – like those in this case – are to be commended for trying to return the playing field to level.”

“The General Service Administration Office of the Inspector General (GSA-OIG) will continue working to protect taxpayer dollars and the integrity of federal contracting,” said Inspector General Carol F. Ochoa of the GSA. “I appreciate the hard work of the special agents, auditors, and attorneys on this case.”

The civil settlement includes the resolution of claims brought under the qui tam or whistleblower provisions of the False Claims Act by Alan Dowless, Barbara Evans, and Carrie Whalen, who are all former Adobe managers. Under those provisions, a private party can file an action on behalf of the United States and receive a portion of any recovery. As part of this resolution, Dowless, Evans, and Whalen will receive \$555,000. The qui tam case is captioned *United States ex rel. Dowless v. Adobe, Inc.*, Civil Action Number 17-cv-02039 (D.D.C.).

The resolution obtained in this matter was the result of a coordinated effort between the Justice Department’s Civil Division, Commercial Litigation Branch, Fraud Section, and the U.S. Attorney’s Office for the District of Columbia, with assistance from the GSA-OIG and the Defense Criminal Investigative Service.

Senior Trial Attorney Greg Pearson of the Civil Division and Assistant U.S. Attorney Benton Peterson for the District of Columbia handled the matter.

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

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Attachment:

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