

Mitel, Inc. Agrees to Pay \$1.3 Million for Violating the False Claims Act - GSA Office of Inspector General

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On February 17, 2009, Mitel, Inc. (formerly Inter-Tel, Inc.) signed a civil settlement agreement with the U.S. Department of Justice (DOJ), and agreed to pay \$1.3 million to resolve allegations that the company violated the False Claims Act by selling office products manufactured in non-TAA compliant countries to the Government under GSA contract GS-35F-0318L. This settlement agreement was signed after lengthy negotiations.

BACKGROUND:

On June 16, 2005, a complaint was forwarded from the GSA Office of General Counsel to the OIG Office of Investigations. The complaint alleged Inter-Tel, Inc. (Inter-Tel) sold products from China under their GSA Multiple Award Schedule contract number GS-35F0318L. This constituted a violation of the Trade Agreement Act (TAA). In June 2005, a voluntary disclosure of TAA problems uncovered at Inter-Tel was made to the Counsel to the GSA IG. This disclosure listed products manufactured in China and sold to the Government under Inter-Tel's GSA/MAS contract between the years 2000 to 2005.

This case was prosecuted by DOJ, Civil Division, Commercial Litigation Branch, Washington, DC.