

# **Dell and Iron Bow Agree to Pay \$4.3M to Resolve False Claims Act Allegations Relating to Submitting Non-Competitive Bids to the Army**

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## **For Immediate Release**

Office of Public Affairs

Dell Technologies Inc. and Dell Federal Systems L.P. (collectively Dell), located in Austin, Texas, have agreed to pay \$2,300,000 to resolve allegations that they violated the False Claims Act by submitting and causing the submission of non-competitive bids to the Army and thereby overcharging the Army under the Army Desktop and Mobile Computing 3 (ADMC-3) contract. Iron Bow Technologies LLC (Iron Bow), located in Herndon, Virginia, also agreed to pay \$2,051,000 for its role in the scheme.

The settlements resolve allegations that from May 2020 to April 2024, Dell operated a deal registration program, whereby it gave advantageous pricing to Iron Bow to sell certain Dell computer hardware products to the Army in response to solicitations under the ADMC-3 contract. The United States alleged that Dell also submitted its own direct bids to the Army on the same solicitations, knowing that its prices would be higher than Iron Bow's, thereby creating a false appearance of competition. The United States further alleged that Dell's practice of providing higher direct bids influenced the Army's source selection process and enabled Iron Bow to overcharge the Army for certain Dell products.

"The United States relies on competition to get the best value and price for the American taxpayers," said Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Justice Department's Civil Division. "This settlement demonstrates the department's commitment to hold accountable those who overcharge the government through collusion or other unlawful conduct."

"Fraud in the government contracting process costs taxpayers untold dollars each year," said U.S. Attorney Prim F. Escalona for the Northern District of Alabama. "We will continue to work with our federal law enforcement partners to investigate and pursue those who commit government contracting fraud."

The Dell settlement also resolves a lawsuit filed against Dell under the whistleblower provisions of the False Claims Act, which permit private parties to sue on behalf of the government when they believe that a defendant has submitted false claims for government funds and receive a share of any recovery. The settlement in this case provides for the whistleblower, Brent Lillard, an executive of another IT reseller, to receive a \$345,000 share of the recovery from Dell. The *qui tam* case is captioned *United States ex rel. Lillard v. Dell Technologies Inc.*, No. 5:20-CV-1613-HNJ (NDAL).

The resolution obtained in this matter was the result of a coordinated effort between the Civil Division's Commercial Litigation Branch, Fraud Section, and the U.S. Attorney's Office for the Northern District of Alabama, with assistance from the Justice Department's Office of Inspector General, Army Criminal Investigation Division, National Aeronautics and Space Administration Office of Inspector General and General Services Administration Office of Inspector General.

Trial Attorney Samson Asiyambi of the Justice Department's Civil Division and Assistant U.S. Attorney Sarah Blutter for the Northern District of Alabama handled the matter.

*The claims resolved by the settlement are allegations only. There has been no determination of liability.*