

NEWS RELEASE – FOR IMMEDIATE RELEASE

June 30, 2015

COTCHETT, PITRE & McCARTHY, LLP
\$75.5 MILLION SETTLEMENT IN WHISTLEBLOWER
LAWSUIT AGAINST VMWARE, INC.

The United States Department of Justice and Cotchett, Pitre & McCarthy, LLP announced today a \$75.5 million settlement of claims against VMware, Inc. and Carahsoft Technology Corporation, in a False Claims Act case prosecuted by Cotchett, Pitre & McCarthy, LLP and the Law Office of Jeffrey F. Ryan on behalf of Relator Dane Smith. VMware is the market leader in “virtualization” technology, and the fifth-largest software company in the world. The action was filed in 2010 by Dane Smith, the former Vice President of Americas Sales for VMware. The settlement represents one of the five largest recoveries against a technology company in the history of the False Claims Act.

The lawsuit alleged that VMware and Carahsoft defrauded the government by furnishing the federal General Services Administration (“GSA”) with inaccurate pricing, inaccurate disclosures, and incomplete information about sales of VMware products to non-governmental customers. In short, the lawsuit alleged the government paid more than private companies for the same services.

Smith’s lead attorney, Niall P. McCarthy of Cotchett, Pitre & McCarthy, LLP stated, “Technology companies overcharging the government has become a growth industry. Whistleblowers like Dane Smith are vital to protecting taxpayers.”

The \$75.5 million settlement was reached after nearly five years of investigation by the Department of Justice, GSA’s Office of Inspector General, and Smith and his attorneys. The settlement was negotiated jointly by attorneys from the United States Department of Justice and Cotchett, Pitre & McCarthy, LLP, while the case remained under seal. The seal was lifted yesterday. The False Claims Act was designed to foster private-public partnerships of this type.

For inquiries please contact: Niall P. McCarthy or Justin T. Berger, Cotchett, Pitre & McCarthy, LLP; (650) 245-8035 (c); (650) 697-6000 (o).