

\$75.5 Million Settlement In CPM Client's Whistleblower Lawsuit Against VMware, Inc.

06.30.2015

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. As a result, the lawsuit alleged that the government paid higher prices on VMware products and services than comparable private customers.

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 False Claims Act was designed to foster private-public partnerships of this type.

The case was handled at CPM by attorneys Niall P. McCarthy, Justin T. Berger, and Eric J. Buescher.

Attorneys

Niall P. McCarthy

Justin T. Berger

Practice Areas

False Claims / Whistleblower Law

False Claims Act

\$75.5 MILLION SETTLEMENT IN CPM CLIENT'S WHISTLEBLOWER LAWSUIT AGAINST VMWARE, INC.

The Third Amended Complaint in the case can be found [here](#).

The settlement agreement can be found [here](#).

A press release regarding the case can be found [here](#).