

Government Intervenes in School District Fraud Case Spearheaded by Gray Reed

December 30, 2010

The Federal Government intervened in a False Claims Act, or *qui tam*, lawsuit filed by Gray Reed & McGraw attorneys [James L. Reed](#) and [Travis Crabtree](#) on behalf of David Richardson, David Gills and Barry Clauss. Gray Reed represents the whistleblowers in their efforts to assist the federal government in recovering hundreds of millions of dollars related to E-Rate technology purchases at Houston Independent School District and Dallas Independent School District. The suit alleges several vendors conspired together to rig the competitive bidding process through unlawful graft and corruption. The Government's intervention means the Attorney General's office will take over the civil case against Larry Lehmann and his business Analytical Computer Services.

The intervention is the latest twist in the five-year investigation started by the filing of the False Claims Act suit. On November 10, 2010, Hewlett Packard settled by agreeing to pay the federal government \$16.25 million for their role in the scheme. Micro Systems Engineering, Inc. owner, Frankie Wong, and the former DISD Chief Technology Officer have already been convicted for their role in the artifice. HISD had to pay \$850,000 for their role and lost out on more than \$100 million in technology funds while the investigation continued. The lawsuit brought by Mr. Richardson and others has been under seal for more than five years while the Department of Justice has investigated. For their role in uncovering the graft and corruption, the clients will receive a portion of the recovery.

The article from the the *Houston Chronicle* is on the Government's Intervention is [here](#).