
Gray Reed Assists Government in Recovery of \$16.25 Million Related to Bid Rigging at Texas Schools

November 11, 2010

Gray Reed represented whistleblowers David Richardson, David Gills and Barry Clauss in their whistleblower claims related to bid rigging and improper gift giving at Texas' two largest school districts, HISD and DISD related to E-Rate funds. On November 10, 2010, Hewlett Packard settled by agreeing to pay the federal government \$16.25 million for their role in the scheme. Under the False Claims Act, also known as a qui tam suit, Gray Reed clients sued on behalf of the federal government after they discovered problems with the competitive bidding process at the two school districts in 2005. For their role in uncovering the graft and corruption, the clients will receive a portion of the recovery. The Federal Government has intervened in the suit and may continue to pursue claims against other defendants who were part of a consortium that caused the school districts to pay more for technology purchases than they otherwise should have.

The HP settlement is the latest news from the investigation that has been going since at least 2005. Micro Systems Engineering, Inc. owner, Frankie Wong, and 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. With the announcement of the settlement, the seal has been lifted and the suit is a matter of public record. The Government now can pursue remedies against some of the other individuals and companies involved.

The article from the Houston Chronicle is [here](#).
The unsealed Complaint is [here](#).