

US suing Oracle alleging software contracts fraud

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(AP) -- The U.S. Justice Department said Thursday it is joining a fraud lawsuit against Oracle Corp. related to software contracts worth hundreds of millions of dollars.

The agency said Oracle failed to offer government customers the same discounts on its software that it offered commercial customers, as it was required to do. As a result, the lawsuit alleges, Oracle overcharged the government on a contract that ran from 1998 to 2006.

Paul Frascella, Oracle's senior director of contract services, filed the original lawsuit in May 2007 under the False Claims Act, which allows whistleblowers to sue on the government's behalf and share in any damages recovered.

Oracle did not immediately return messages for comment.

"We take seriously allegations that a government contractor has dealt dishonestly with the United States," Assistant Attorney General Tony West said in a statement. "When contractors misrepresent their business practices to the government, taxpayers suffer."

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