

Oracle fined \$200 million for overcharging US govt

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The department said Oracle had agreed to pay the fine for failing to meet contractual obligations in the sale of [software licenses](#) and technical support to the government's huge General Services Administration under a 1998 contract.

"The (\$199.5 million) settlement resolves allegations that, in [contract negotiations](#) and over the course of the contract's administration, Oracle

knowingly failed to meet its contractual obligations to provide GSA with current, accurate and complete information about its commercial sales practices, including discounts offered to other customers," the Justice Department said in a statement.

It added that Oracle "knowingly made false statements to GSA about its sales practices and discounts."

"Because of these allegedly fraudulent dealings, the United States alleges that it accepted lower discounts and ultimately paid far more than it should have for Oracle products," it said.

GSA inspector general Brian Miller said it was "more important now than ever before to make sure that [taxpayer dollars](#) are not wasted on higher prices."

"We will not let contractors victimize the taxpayers by hiding their best prices."

The settlement comes out of a 2007 lawsuit filed by an Oracle employee, Paul Frascella, that the company was defrauding the government on its contracts.

As an officially recognized whistleblower, Frascella will get \$40 million from the settlement, the [Justice Department](#) said.

Oracle had no immediate comment.

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