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## Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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### **Houston Independent School District Agrees to Settle False Claims Allegations Involving the E-rate Program**

WASHINGTON – The Houston Independent School District has agreed to relinquish millions of dollars in requests for federal funds and to pay a total of \$850,000 as part of a civil settlement relating to allegations that the school district violated the False Claims Act in connection with the Federal Communications Commission's (FCC) E-Rate program, the Justice Department announced today.

The E-Rate program, which Congress created in the Telecommunications Act of 1996, provides funding for needy schools and libraries to connect to and utilize the Internet. Under the program, which is funded by fees collected from telephone users, schools apply for funds to pay for hardware and monthly connectivity service fees. The FCC oversees the E-Rate program.

The United States contended that the Houston Independent School District provided false information to the E-Rate program and otherwise violated the program's requirements by engaging in non-competitive bidding practices for E-Rate contracts. The United States further alleged that school district officials received gratuities from technology vendors, including trips, meals and loans.

"The E-Rate Program provides critical support for Internet access and wiring to the most under-served schools in the country," said Tony West, Assistant Attorney General for the Civil Division of the Department of Justice. "We are committed to protecting the integrity of this important program that benefits our neediest children."

Assistant Attorney General West noted that the resolution announced today resulted from an ongoing federal investigation of possible fraud and anti-competitive conduct in the E-Rate program in Texas. The investigation is a collaborative effort involving the Justice Department's Civil Division, the U.S. Attorney's Office for the Northern District of Texas, and the FCC Office of the Inspector General.

This settlement with the Houston Independent School District is part of the government's aggressive efforts to combat fraud through the use of powerful enforcement tools such as the False Claims Act. Since January 2009, the Justice Department's total recoveries in False Claims Act cases have topped \$3 billion.

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Civil Division