

CA Technologies Settles for \$11 Million in Qui Tam Whistleblower Lawsuit for Billing Fraud

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CA Technologies, formerly known as Computer Associates and CA Inc., has agreed to pay \$11 million to settle allegations that the company violated the federal and state [False Claims Acts](#) through fraudulent billing practices. According to the lawsuit, CA Technologies falsely billed hundreds of public agencies, both state and federal, on software maintenance renewal contracts between 2001 and 2009. The federal entities that were allegedly defrauded include the State Department, the Department of Justice, the Department of Defense, and the National Gallery of Art. The [qui tam whistleblower](#) who brought the allegations is former CA Technologies employee Ann Marie Shaw, who worked for the software giant from 2003-2006 as a technical sales specialist to the federal government.

According to Shaw, the Fortune 500 Company defrauded its customers in two ways. First, government customers who purchased software maintenance renewal plans were entitled to free upgrades and technical support for terms of up to three years. Prior to a customer's plan expiration date, the company would alert the customer to renew their plan and avoid any lapses in the free services. According to the lawsuit, however, when a customer did renew, instead of starting their renewal date at the end of their current plan, the renewal date was instead set to begin on the day that CA Technologies processed the order. In essence, Shaw alleges that customers paid twice for their maintenance services, in the time between buying a renewal plan, and the end of the current plan for which they already had paid.

The second fraudulent practice covered in the lawsuit involved a contract that CA Technologies had with the Department of Defense for prepaid software under what is known as a blanket purchase agreement. This type of agreement allows for repetitive purchases between the government and a supplier during a specified period of time. According to Shaw, instead of honoring this agreement, CA Technologies steered the Department of Defense away from ordering the software the department already had paid for, and convinced them to unwittingly spend more money to buy the same products through third-party vendors.

Of the total \$11 million settlement, the [federal government](#) will receive \$8 million and the rest will be divided among the District of Columbia and the eight states who participated in the suit (California, Florida, Hawaii, Illinois, Massachusetts, New York, Nevada and Virginia), as well as the qui tam whistleblower, Ms. Shaw. In accordance with the qui tam reward provisions of the [False Claims Act](#),

Shaw will receive approximately \$2 million for [her part](#) in the case.

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National Law Review, Volume III, Number 320

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