



STATE OF NEW YORK  
OFFICE OF GENERAL SERVICES  
John C. Egan, COMMISSIONER

Heather Groll - Public Affairs Office  
(518) 474-5987  
heather.groll@ogs.state.ny.us  
<http://www.ogs.state.ny.us>

**FOR IMMEDIATE RELEASE:**

October 6, 2010

### **OGS IDENTIFIES NEARLY \$4 MILLION IN OVERCHARGES BY DELL Funds returned to state and local school districts**

New York State Office of General Services' (OGS) Commissioner John Egan today announced that an OGS audit of a state contract with Dell Marketing LLP to sell computer equipment has resulted in the return of \$3.9 million to more than 1,000 state agencies, school districts and municipalities in equipment overcharges.

"OGS auditors regularly scrutinize transactions large and small to ensure that goods and services are being delivered at the bulk prices agreed upon in state contracts. Whether overcharges are unintentional or the result of human error or something that was deliberate, their careful analysis discovers overcharges," Commissioner Egan said. "At a time when the state and localities are actively working to save taxpayer dollars, this \$3.9 million represents a significant return of funds that can be used to meet other obligations."

During the period from February 1, 2006 through May 16, 2007, \$143 million worth of computers and related items, representing approximately 213,000 computer systems, were purchased by state agencies, school districts, municipalities and not-for-profit organizations from a state contract negotiated by OGS. During a routine audit of purchases made from the contract, OGS determined that some computer systems had been sold at higher prices than the contract specified.

Over the last year, OGS and Dell negotiated a settlement that resulted in \$3.9 million being returned either by check or as a credit to those who purchased the overpriced computers. The Metro-North Commuter Railroad received the largest refund of \$132,000. The largest state agency to receive a refund was the New York State Office of Court Administration, which was refunded \$74,000.

OGS provides a broad range of core services that facilitate the operations of state and local governments in areas such as: property management, design and construction, procurement, and essential support services.

###