



*United States Attorney  
Southern District of New York*

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**RAISED FLOOR INSTALLATION, INC. AND ITS PRESIDENT AGREE  
TO SETTLE CIVIL CHARGES THAT THEY DEFRAUDED  
THE GENERAL SERVICES ADMINISTRATION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that RAISED FLOOR INSTALLATION, INCORPORATED ("RFI") and ERIC LAGERSTROM, President of RFI, have agreed to pay \$106,000 to settle civil fraud charges filed by the United States in connection with a contract entered into by RFI and the General Services Administration ("GSA").

The Government's Complaint, which is brought under the False Claims Act and the common law, alleges that RFI made false claims for payment when it submitted three invoices to GSA. On August 25, 2000, RFI and GSA entered into a contract under which RFI agreed to install a raised floor using Tate Concore 2500 tile on the 15<sup>th</sup> floor of the Federal Office Building located at 290 Broadway, New York, New York, 10007. In a portion of the area, however, RFI installed a floor that did not use Tate Concore 2500 tile. Specifically, in a portion of the area, RFI installed a lower-grade tile that could not sustain the weight of items transported through and stored on the 15<sup>th</sup> Floor of the Federal Office Building. The lower-grade tile cost less to RFI than the Tate Concore 2500 required under the contract. As a result, the 15<sup>th</sup> floor failed shortly after RFI completed installation.

Before the floor failed, the Government alleges that RFI submitted three invoices to GSA for payment under the contract. The Complaint also alleges that RFI knowingly presented these invoices for payment to GSA when it knew that it had neither installed Tate Concore 2500 tiles in the entire area as required, nor used supporting hardware manufactured by Tate Concore in another area of the 15<sup>th</sup> floor of the Federal Office Building. RFI did not disclose to GSA its use of the lower-grade, cheaper tile. GSA paid the invoices in full.

RFI and LAGERSTROM agreed to pay the Government \$106,000 to settle the charges detailed in the Government's Complaint. In agreeing to the settlement, RFI and LAGERSTROM did not admit any wrongdoing or liability. United States District Judge BARBARA S. JONES signed the settlement today in Manhattan federal court.

Mr. GARCIA thanked GSA for its assistance in the investigation.

Assistant United States Attorney HEATHER K. McSHAIN is in charge of the case.

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