

NEWS RELEASES**State Of Indiana Awarded \$128 Million In IBM Case**August 7, 2017 | [Indianapolis](#)

INDIANAPOLIS (Aug. 7, 2017) – In a ruling issued today, Marion Superior Court Judge Heather Welch awarded the State of Indiana \$128,000,000 in damages in its lawsuit against IBM for breaching its contract to modernize delivery of welfare services by the Family and Social Services Administration.

The suit began after the State terminated the contract in 2009 because of IBM's poor performance. In 2016, the Indiana Supreme Court ruled that IBM was owed around \$50 million for certain unpaid fees and equipment charges, but rejected over \$53 million of IBM's other claims, and held that IBM had breached its contract with the State as a matter of law. The net result of today's ruling by Judge Welch, which came after the Supreme Court remanded the case to determine the amount of the State's damages, is that IBM now owes the State over \$78 million, plus interest at 8% from the date of the judgment.

John Maley and Peter Rusthoven of Barnes & Thornburg, who represent the State in the lawsuit, were gratified by the decision. "We are very pleased the court awarded \$128 million in damages for IBM's failure to keep the important promises it made to the State of Indiana," said Rusthoven. "This has been a long, tough battle with a big corporation that refused all along to take responsibility for its poor performance. This hurt Hoosier families most in need, who depend upon the help of the Family and Social Services Administration. Today's ruling is another victory for those families, for our State, and for all our citizens and taxpayers. It also vindicates the consistent determination of former Governors Mitch Daniels and Mike Pence and now Governor Eric Holcomb that IBM must be held responsible for not doing what it promised."

Barnes & Thornburg partners Curt Greene and Meredith White also played major roles in representing the State in the case.

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