

Company Will Pay Philadelphia \$1.85M For Finagling ‘Women-Owned’ Mandate



(Philadelphia inspector general Amy Kurland, announcing the settlement agreement with Corizon Health Inc. Credit: Mike Dunn)

By Mike Dunn

PHILADELPHIA (CBS) — A company that has provided pharmaceuticals to the Philadelphia prison system will pay the city nearly \$2 million for using a sham subcontractor to satisfy minority participation requirements.

Amy Kurland, Philadelphia’s inspector general, says the company formerly known as Prison Health Services (now called Corizon Health Inc.) had certified to the city that it used a women-owned business as a subcontractor.

But Kurland’s office determined that the subcontractor performed no actual work, and was paid only to meet requirements that PHS use minority-owned subcontractors.

Now, the Nutter administration and PHS have reached a no-fault settlement agreement in which the firm will pay \$1.85 million, and will change its internal policies to prevent future issues.

Deputy mayor Everett Gillison hopes others who bid on city contracts pay heed.

“We want to make sure that we are telling people in a strong way that you will be penalized if you do these things in a fraudulent way,” he said today.

And Kurland said that because the firm fully cooperated with her investigation, they are being allowed to bid on future work with the city.