
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington D.C., 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date Of Report (Date Of Earliest Event Reported): 05/11/2006

INFORMATION ANALYSIS INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Commission File Number: 0-22405

VA
(State or Other Jurisdiction Of
Incorporation or Organization)

54-1167364
(I.R.S. Employer
Identification No.)

11240 Waples Mill Rd Ste 201
Fairfax, VA 22030
(Address of Principal Executive Offices, Including Zip Code)

703-383-3000
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act(17CFR240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act(17CFR240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act(17CFR240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On May 11, 2006, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its first quarter. A copy of this press release, captioned "Information Analysis, Inc. Reports First Quarter Profit", is attached as Exhibit 99.1 to this Current Report on Form 8-K. The information in this Current Report on Form 8-K, including the exhibit, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

- 99.1 Press Release dated May 11, 2006, captioned:
"Information Analysis, Inc. Reports First Quarter Profit"

Signature(s)

Pursuant to the Requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the Undersigned hereunto duly authorized.

INFORMATION ANALYSIS INCORPORATED

Date: May 15, 2006.

By: /s/ Matthew T. Sands
Matthew T. Sands
Controller

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	IAI Press Release dated May 11, 2006, captioned: "Information Analysis, Inc. Reports First Quarter Profit"

For additional information contact:
Richard S. DeRose (703) 293-7901
For release:
May 11, 2006 at 9:00 a.m.

Information Analysis, Inc. Reports First Quarter Profit

FAIRFAX, VIRGINIA – Information Analysis, Inc. (IAIC:OTCBB) today reported results for the first fiscal quarter ended March 31, 2006. Revenues were \$2,315,000, up 5.8% from the \$2,187,000 reported in 2005's first quarter. The Company reported a net profit of \$86,000, or \$0.01 per share, compared to a profit of \$72,000, or \$0.01 per share, in the first quarter 2005.

“The Company attributes the improvement in the first quarter in comparison to the first quarter of 2005 to continued sales success and increased margins,” Sandor Rosenberg, Chairman and Chief Executive Officer of IAI said. “First quarter performance is in line with previous year's first quarter results. Some orders that we expected to work on in the first quarter were recently awarded and will be performed during subsequent quarters of this year. We expect our quarterly profitability to improve during the year as a result of this.

“We are actively pursuing the conversion and system modernization business through our business partners and sales prospects. Business opportunities in the area of Adobe and Web applications remain strong. We continue to build our pipeline opportunities which should increase revenue for subsequent quarters and 2007.

“We continue to pursue merger and acquisition opportunities.”

About Information Analysis Incorporated

Information Analysis Incorporated (www.infoa.com), headquartered in Fairfax, Virginia, is an information technology services company. The Company is a web solution provider and software conversion specialist, modernizing legacy systems and extending their reach to the Internet world.

Additional information for investors

This release may contain forward-looking statements regarding the Company's business, customer prospects, or other factors that may affect future earnings or financial results. Such statements involve risks and uncertainties which could cause actual results to vary materially from those expressed in the forward-looking statements. Investors should read and understand the risk factors detailed in the Company's 10-KSB for the fiscal year ended December 31, 2005 and in other filings with the Securities and Exchange Commission.

— more —

Information Analysis, Inc. Reports First Quarter Profit

May 11, 2006

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**Information Analysis Incorporated
Condensed Consolidated Income Statements**

	Three months ended March 31,	
	2006	2005
<i>(in thousands, except per share data; unaudited)</i>		
Net revenue:		
Professional fees	\$ 2,196	\$ 2,115
Software sales	119	72
Total revenue	2,315	2,187
Cost of goods sold and services provided:		
Cost of professional fees	1,751	1,682
Cost of software sales	70	41
Total cost of sales	1,821	1,723
Gross margin	494	464
Operating expenses:		
Sales, general and administrative	409	388
Total operating expenses	409	388
Operating income	85	76
Other income (expense)	1	(4)
Income before income taxes	86	72
Provision for income taxes	—	—
Net income	<u>\$ 86</u>	<u>\$ 72</u>
Earnings per share:		
Basic	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Shares used in calculating earnings per share:		
Basic	10,743,204	10,283,515
Diluted	11,616,698	11,078,563

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Information Analysis, Inc. Reports First Quarter Profit

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**Information Analysis Incorporated and Subsidiaries
Consolidated Balance Sheets**

<i>(in thousands)</i>	As of: <u>March 31, 2006</u> <i>(unaudited)</i>	As of: <u>December 31, 2005</u> <i>(audited)</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 388	\$ 452
Accounts receivable, net	2,167	1,994
Prepaid expenses	185	183
Note receivable	85	85
Other receivables	16	15
Total current assets	<u>2,841</u>	<u>2,729</u>
Fixed assets, net	60	57
Other assets	9	9
Total assets	<u>\$ 2,910</u>	<u>\$ 2,795</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 989	\$ 1,175
Accrued payroll and related payroll items	414	321
Deferred revenue	290	214
Other accrued liabilities	72	125
Income taxes payable	—	4
Total liabilities	<u>1,765</u>	<u>1,839</u>
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,358,626 shares issued, 10,854,015 outstanding at March 31, 2006 and 12,127,626 issued, 10,623,015 outstanding at December 31, 2005	124	121
Additional paid in capital	14,313	14,212
Accumulated deficit	(12,426)	(12,511)
Accumulated other comprehensive loss	(12)	(12)
Less treasury stock; 1,504,611 shares at cost	(854)	(854)
Total stockholders' equity	<u>1,145</u>	<u>956</u>
Total liabilities and stockholders' equity	<u>\$ 2,910</u>	<u>\$ 2,795</u>

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