
**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): 08/13/2007

INFORMATION ANALYSIS INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

VA
(State or Other Jurisdiction Of
Incorporation or Organization)

0-22405
(Commission
File Number)

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 (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02. Results of Operations and Financial Condition

On August 13, 2007, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its second quarter. A copy of this press release, captioned “Information Analysis Inc. Reports Second Quarter Results”, 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

(d) Exhibits

99.1 Press Release dated August 13, 2007, captioned: “Information Analysis Inc. Reports Second Quarter Results”

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: August 14, 2007

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

Exhibit Index

Exhibit No.	Description
EX-99.1	IAI Press Release dated August 13, 2007, captioned: "Information Analysis Inc. Reports Second Quarter Results"

For additional information contact:
Richard S. DeRose (703) 293-7901
For release: August 13, 2007 at 9:00 a.m.

Information Analysis Inc. Reports Second Quarter Results

FAIRFAX, VIRGINIA – Information Analysis Inc. (OTCBB: IAIC) reported results for the second quarter ended June 30, 2007. Revenues were \$2,557,000 compared to \$2,569,000 reported in 2006's second quarter. The Company reported net income of \$17,000, or \$0.00 per share, compared to net income of \$154,000, or \$0.01 per share in 2006's second quarter. IAI reported revenue of \$5,162,000 for six months ending June 30, 2007, compared to \$4,883,000 reported for the same period in 2006. Net income for the first six months of 2007 was \$112,000, or \$0.01 per share, versus net income of \$239,000, or \$0.02 per share, in the comparable 2006 period.

"Although revenues have increased year-to-date, profitability this quarter was lower than expected," said Sandor Rosenberg, Chairman and Chief Executive Officer of IAI. "The Company experienced lower profitability than last year because of an increase of operating expenses, some of which were additional infrastructure support to meet public reporting requirements, increased recruiting costs for cleared people, and additional stock incentives for key employees. However, I don't believe that second quarter profitability is indicative of the rest of the year. Based on business already signed, there should be significant improvement in third and fourth quarters. The Company is continuing the active pursuit of the conversion and system modernization business in addition to developing business opportunities in the area of Web applications. We now are working on a number of bid opportunities for new business and additional add-on business to existing contracts, which are expected to be awarded and started during the later part of the year.

"We continue to pursue merger and acquisition opportunities to expand our business base."

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. These include the failure to obtain sufficient contracts, and to profitably complete those contracts. Investors should read and understand the risk factors detailed in the Company's 10-KSB for the fiscal year ended December 31, 2006 and in other filings with the Securities and Exchange Commission.

— more —

Information Analysis Reports Second Quarter Results

August 13, 2007

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**Information Analysis Incorporated
Condensed Income Statements**

	Three months ended June 30,	
	2007	2006
<i>(in thousands, except per share data; unaudited)</i>		
Sales:		
Professional fees	\$ 1,777	\$ 2,299
Software sales	780	270
Total sales	2,557	2,569
Cost of goods sold and services provided:		
Cost of professional fees	1,363	1,703
Cost of software sales	641	225
Total cost of sales	2,004	1,928
Gross margin	553	641
Operating expenses:		
Selling, general and administrative	542	489
Operating income	11	152
Other income	6	2
Income before income taxes	17	154
Provision for income taxes	—	—
Net income	\$ 17	\$ 154
Comprehensive Income	\$ 17	\$ 154
Net income per share:		
Basic and diluted	\$ 0.00	\$ 0.01
Shares used in calculating earnings per share:		
Basic	11,196,760	11,035,507
Diluted	11,398,487	11,504,714

— more —

Information Analysis Reports Second Quarter Results

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**Information Analysis Incorporated
Condensed Income Statements**

	Six months ended June 30,	
	2007	2006
<i>(in thousands, except per share data; unaudited)</i>		
Sales:		
Professional fees	\$ 3,677	\$ 4,495
Software sales	1,485	388
Total sales	5,162	4,883
Cost of goods sold and services provided:		
Cost of professional fees	2,821	3,454
Cost of software sales	1,182	295
Total cost of sales	4,003	3,749
Gross margin	1,159	1,134
Operating expenses:		
Selling, general and administrative	1,059	898
Operating income	100	236
Other income	12	3
Income before income taxes	112	239
Provision for income taxes	—	—
Net income	\$ 112	\$ 239
Comprehensive Income	\$ 112	\$ 239
Net income per share:		
Basic and diluted	\$ 0.01	\$ 0.02
Shares used in calculating earnings per share:		
Basic	11,196,760	10,890,164
Diluted	11,401,905	11,399,119

— more —

Information Analysis Reports Second Quarter Results

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**Information Analysis Incorporated
Condensed Balance Sheets**

	As of June 30, 2007 <i>(unaudited)</i>	As of December 31, 2006 <i>(audited)</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 921	\$ 808
Accounts receivable, net	1,843	1,758
Prepaid expenses	319	382
Note receivable	116	116
Other assets	4	4
Other receivables	4	6
Total current assets	3,207	3,074
Fixed assets, net	69	67
Other assets	9	9
Total assets	<u>\$ 3,285</u>	<u>\$ 3,150</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 668	\$ 644
Deferred revenues	356	513
Accrued payroll and related liabilities	293	265
Other accrued liabilities	151	53
Total liabilities	1,468	1,475
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,839,376 shares issued, 11,196,760 outstanding at June 30, 2007, and at December 31, 2006		
	128	128
Additional paid in capital	14,516	14,486
Accumulated deficit	(11,897)	(12,009)
Less treasury stock; 1,642,616 shares at cost at June 30, 2007, and at December 31, 2006	(930)	(930)
Total stockholders' equity	1,817	1,675
Total liabilities and stockholders' equity	<u>\$ 3,285</u>	<u>\$ 3,150</u>