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

**FORM 10-QSB**

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2003

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-22405

**INFORMATION ANALYSIS INCORPORATED**

(Exact name of small business issuer as specified in its charter)

Virginia  
(State or other jurisdiction  
of incorporation or organization)

54-1167364  
(IRS Employer  
Identification No.)

11240 Waples Mill Road, Suite 400, Fairfax, VA 22030  
(Address of principal executive offices)

(703) 383-3000  
(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, par value \$0.01, 10,283,515 shares as of August 11, 2003

Transitional Small Business Disclosure Format (Check one): Yes  No

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INFORMATION ANALYSIS INCORPORATED  
FORM 10-QSB

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**INFORMATION ANALYSIS INCORPORATED AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2003</u>	<u>December 31, 2002</u>
	Unaudited	Audited
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 48,590	\$ 80,502
Accounts receivable, net	877,766	824,319
Prepaid expenses	50,334	28,819
Other receivables	18,759	16,700
	<u>995,449</u>	<u>950,340</u>
Total current assets	995,449	950,340
Fixed assets, net	35,304	42,810
Capitalized software, net	104,307	146,031
Notes receivable	85,000	85,000
Investments	6,000	6,000
Other assets	36,916	51,275
	<u>1,262,976</u>	<u>1,281,456</u>
Total assets	\$ 1,262,976	\$ 1,281,456
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Revolving line of credit	\$ 384,000	\$ 403,000
Accounts payable	707,675	474,101
Accrued payroll and related liabilities	261,268	215,572
Other accrued liabilities	170,859	127,794
Deferred revenue	80,608	138,117
	<u>1,604,410</u>	<u>1,358,584</u>
Total current liabilities	1,604,410	1,358,584
Long-term liabilities:		
Notes payable	125,001	125,001
	<u>1,729,411</u>	<u>1,483,585</u>
Total liabilities	1,729,411	1,483,585
Stockholders' equity:		
Common stock, par value \$0.01, 30,000,000 shares authorized; 11,788,126 shares issued, 10,283,515 outstanding at June 30, 2003 and December 31, 2002	117,881	117,881
Additional paid in capital	14,122,019	14,122,019
Accumulated deficit	(13,846,022)	(13,581,716)
Accumulated other comprehensive income	(6,000)	(6,000)
Treasury stock, 1,504,611 shares at cost	(854,313)	(854,313)
	<u>(466,435)</u>	<u>(202,129)</u>
Total stockholders' equity	(466,435)	(202,129)
Total liabilities and stockholders' equity	\$ 1,262,976	\$ 1,281,456

*The accompanying notes are an integral part of the consolidated financial statements*

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**INFORMATION ANALYSIS INCORPORATED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the three months ended June 30,	
	2003	2002
	Unaudited	Unaudited
Sales		
Professional fees	\$ 1,085,833	\$ 1,518,093
Software sales	96,731	134,524
Total sales	1,182,564	1,652,617
Cost of sales		
Cost of professional fees	847,694	1,032,428
Cost of software sales	99,098	96,705
Total cost of sales	946,792	1,129,133
Gross profit	235,772	523,484
Selling, general and administrative expenses	302,138	477,707
(Loss) income from operations	(66,366)	45,777
Other (expenses) income, net	(7,134)	2,100
(Loss) income before provision for income taxes	(73,500)	47,877
Provision for income taxes	—	—
Net (loss) income	\$ (73,500)	\$ 47,877
Earnings per common share:		
Basic:		
Net (loss) income	\$ (0.01)	\$ 0.00
Diluted:		
Net (loss) income	\$ (0.01)	\$ 0.00
Weighted average common shares outstanding:		
Basic	10,283,515	10,283,515
Diluted	10,283,515	10,962,425

*The accompanying notes are an integral part of the consolidated financial statements*

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**INFORMATION ANALYSIS INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the six months ended June 30,	
	2003	2002
	Unaudited	Unaudited
Sales		
Professional fees	\$ 1,912,228	\$ 3,357,474
Software sales	190,221	255,706
Total sales	<u>2,102,449</u>	<u>3,613,180</u>
Cost of sales		
Cost of professional fees	1,469,571	2,273,372
Cost of software sales	183,086	212,313
Total cost of sales	<u>1,652,657</u>	<u>2,485,685</u>
Gross profit	449,792	1,127,495
Selling, general and administrative expenses	702,955	948,890
(Loss) income from operations	(253,163)	178,605
Other expenses, net	(11,143)	(4,763)
(Loss) income before provision for income taxes	(264,306)	173,842
Provision for income taxes	—	—
Net (loss) income	<u>\$ (264,306)</u>	<u>\$ 173,842</u>
Earnings per common share:		
Basic:		
Net (loss) income	<u>\$ (0.03)</u>	<u>\$ 0.02</u>
Diluted:		
Net (loss) income	<u>\$ (0.03)</u>	<u>\$ 0.02</u>
Weighted average common shares outstanding:		
Basic	10,283,515	10,283,515
Diluted	10,283,515	11,078,683

*The accompanying notes are an integral part of the consolidated financial statements*

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**INFORMATION ANALYSIS INCORPORATED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the six months ended June 30,	
	2003	2002
	Unaudited	Unaudited
Cash flows from operating activities:		
Net (loss) income	\$ (264,306)	\$ 173,842
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:		
Depreciation and amortization	9,578	21,457
Amortization of capitalized software	41,724	83,448
Gain on sale of fixed assets	—	(3,710)
Changes in operating assets and liabilities		
Accounts receivable	(53,447)	153,437
Other receivables and prepaid expenses	(9,215)	(53,759)
Accounts payable and accrued expenses	322,335	(285,216)
Deferred revenue	(57,509)	(83,919)
Net cash (used) provided by operating activities	<u>(10,840)</u>	<u>5,580</u>
Cash flows from investing activities:		
Purchases of fixed assets	(2,072)	(23,881)
Proceeds from sale of fixed assets	—	3,710
Net cash used by investing activities	<u>(2,072)</u>	<u>(20,171)</u>
Cash flows from financing activities:		
Net payments under revolving line of credit	(19,000)	(53,000)
Net cash used by financing activities	<u>(19,000)</u>	<u>(53,000)</u>
Net decrease in cash and cash equivalents	(31,912)	(67,591)
Cash and cash equivalents at beginning of the period	80,502	102,640
Cash and cash equivalents at end of the period	<u>\$ 48,590</u>	<u>\$ 35,049</u>
Supplemental cash flow information		
Interest paid	<u>\$ 20,370</u>	<u>\$ 26,256</u>

*The accompanying notes are an integral part of the consolidated financial statements*

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**PART I**

**Item 1. Financial Statements.**

**INFORMATION ANALYSIS, INCORPORATED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Basis of Presentation**

The accompanying consolidated financial statements have been prepared by Information Analysis Incorporated (“IAI” or the “Company”) pursuant to the rules and regulations of the Securities and Exchange Commission. Financial information included herein is unaudited; however, in the opinion of management, all adjustments (which include normal recurring adjustments) considered necessary for a fair presentation have been made. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been omitted pursuant to such rules and regulations, but the Company believes that the disclosures made are adequate to make the information presented not misleading. For more complete financial information, these financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2002 included in the Company’s annual report on Form 10-KSB. Results for interim periods are not necessarily indicative of the results for any other interim period or for the full fiscal year.

**Item 2. Management’s Discussion and Analysis of Financial Condition or Plan of Operation**

**Cautionary Statement Regarding Forward-Looking Statements**

This Form 10-QSB contains forward-looking statements regarding the Company’s business, customer prospects, or other factors that may affect future earnings or financial results that are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. 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, 2002 and in other filings with the Securities and Exchange Commission.

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### Net Income (Loss) Per Share

Earnings per share are presented in accordance with SFAS No. 128, "Earnings Per Share." This statement requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted-average number of shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, except for periods when the Company reports a net loss because the inclusion of such items would be antidilutive.

The following is a reconciliation of the amounts used in calculating basic and diluted net income per common share.

	<u>Net Income</u>	<u>Shares</u>	<u>Per Share Amount</u>
Basic net loss per common share for the three months ended June 30, 2003:			
Income available to common stockholders	\$ (73,500)	10,283,515	\$ (0.01)
Effect of dilutive stock options, warrants, and convertible notes	—	—	—
Diluted net loss per common share for the three months ended June 30, 2003:	\$ (73,500)	10,283,515	\$ (0.01)
Basic net income per common share for the three months ended June 30, 2002:			
Income available to common stockholders	\$ 47,877	10,283,515	\$ 0.00
Effect of dilutive stock options	—	70,219	—
Effect of dilutive warrants	—	108,691	—
Effect of dilutive convertible notes	3,750	500,000	—
Diluted net income per common share for the three months ended June 30, 2002:	\$ 51,627	10,962,425	\$ 0.00
Basic net loss per common share for the six months ended June 30, 2003:			
Income available to common stockholders	\$ (264,306)	10,283,515	\$ (0.03)
Effect of dilutive stock options, warrants, and convertible notes	—	—	—
Diluted net loss per common share for the six months ended June 30, 2003:	\$ (264,306)	10,283,515	\$ (0.03)
Basic net income per common share for the six months ended June 30, 2002:			
Income available to common stockholders	\$ 173,842	10,283,515	\$ 0.02
Effect of dilutive stock options	—	174,235	—
Effect of dilutive warrants	—	120,933	—
Effect of dilutive convertible notes	7,500	500,000	—
Diluted net income per common share for the six months ended June 30, 2002:	\$ 181,342	11,078,683	\$ 0.02



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### **Three Months Ended June 30, 2003 Versus Three Months Ended June 30, 2002**

#### *Revenue*

IAI's revenues in the second quarter of fiscal 2003 were \$1,182,564, compared to \$1,652,617 in the second quarter of fiscal 2002, a decrease of 28.4%. Professional services revenue was \$1,085,833 versus \$1,518,093, a decrease of 28.5%, and product revenue was \$96,731 versus \$134,524, a decrease of 28.1%. In the third and fourth quarters of fiscal year 2002 and the first quarter of fiscal year 2003, several of the Company's contracts expired. The Company believes the United States federal government's delays in passing a fiscal 2003 budget, and in appropriating that budget, the decreasing tax revenues in all levels of government, and concerns over Department of Homeland Security and Department of Defense matters relating to the war in Iraq caused decisions regarding numerous new and follow-on federal government contracts to be delayed. After the cessation of major military operations in the Iraq war, the Company quickly won two multi-year, multi-million dollar contracts, as well as some additional work. Work under all of these new contracts began in the middle of the second quarter, so some of the effects of the expired contracts that the Company felt in the first quarter continued to permeate into the second quarter. Revenues in the second quarter of fiscal 2003 increased 28.6% over the first quarter of fiscal 2003. The Company continues to have a strong pipeline of bidding opportunities for new and follow-on business. Revenue is expected to continue to increase in the remainder of its fiscal year 2003.

#### *Gross Margins*

Gross margin was \$235,772, or 19.9% of sales, in the second quarter of fiscal 2003 versus \$523,484, or 31.7% of sales, in the second quarter of fiscal 2002. Of the \$235,772 in 2003, \$238,139 was attributable to services and (\$2,367) was attributable to software sales. Gross margin, as a percentage of sales, was 21.9% for professional services and (2.4)% for software sales for second quarter 2003. In the second quarter of 2002, the Company reported gross margins of 32.0% for professional services and 28.1% for software sales. The decrease in professional services gross margin is attributed to the expiration of higher margin contracts that were included in the second quarter of fiscal 2002. The decrease in software sales gross margin is attributed to a decrease in contracts under which the Company collects licensing fees for its ICONS suite of conversion software.

#### *Selling, General and Administrative*

Selling, general and administrative expenses (SG&A) were \$302,138, or 25.5% of revenues, in the second quarter of 2003 versus \$477,707, or 28.9% of revenues, in the second quarter of 2002, a decrease in expenses of 36.8%. The Company continues to control expenses and reduce them wherever practical, and believes that only marginal increases in SG&A will result from even significant increases in the number of contracts under which it operates.

#### *Profits*

The Company generated an operating loss before other expenses of \$66,366 in the second quarter of 2003 compared to operating income before other expenses of \$45,777 in the second quarter of 2002. There was a net loss of \$73,500 for the second quarter of 2003 versus a net income of \$47,877 for the same period in 2002. The change in profitability is directly related to the overall decrease in contract revenues related to expired contracts as explained in the Revenue section above. The Company believes that the addition of new contracts during the second quarter of 2003, in addition to its strong pipeline of new opportunities, will contribute significantly to its return to profitability in the remainder of its fiscal year 2003.

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### **Six Months Ended June 30, 2003 Versus Six Months Ended June 30, 2002**

#### *Revenue*

IAI's revenues in the first six months of fiscal 2003 were \$2,102,449, compared to \$3,613,180 in the first six months of fiscal 2002, a decrease of 41.8%. Professional services revenue was \$1,912,228 versus \$3,357,474, a decrease of 43.0%, and product revenue was \$190,221 versus \$255,706, a decrease of 25.6%. In the third and fourth quarters of fiscal year 2002 and the first quarter of fiscal year 2003, several of the Company's contracts expired. The Company believes the United States federal government's delays in passing a fiscal 2003 budget, and in appropriating that budget, the decreasing tax revenues in all levels of government, and concerns over Department of Homeland Security and Department of Defense matters relating to the war in Iraq caused decisions regarding numerous new and follow-on federal government contracts to be delayed. After the cessation of major military operations in the Iraq war, the Company quickly won two multi-year, multi-million dollar contracts, as well as some additional work. Work under all of these new contracts began toward the end of the period, but the effects of the expired contracts had already saturated the period financial statements. The Company continues to have a strong pipeline of bidding opportunities for new and follow-on business. Revenue is expected to increase in the remainder of its fiscal year 2003.

#### *Gross Margins*

Gross margin was \$449,792, or 21.4% of sales, in the first six months of fiscal 2003 versus \$1,127,495, or 31.2% of sales, in the first six months of fiscal 2002. Of the \$449,792 in 2003, \$442,657 was attributable to services and \$7,135 was attributable to software sales. Gross margin, as a percentage of sales, was 23.1% for professional services and 3.8% for software sales for the first six months of 2003. In the same period of 2002, the Company reported gross margins of 32.3% for professional services and 17.0% for software sales. The decrease in professional services gross margin is attributed to the expiration of higher margin contracts that were included in the same reporting period of fiscal 2002. The decrease in software sales gross margin is attributed to a decrease in contracts under which the Company collects licensing fees for its ICONS suite of conversion software.

#### *Selling, General and Administrative*

Selling, general and administrative expenses (SG&A) were \$702,955, or 33.4% of revenues, in the first six months of 2003 versus \$948,890, or 26.3% of revenues, in the first six months of 2002, a decrease in expenses of 25.9%. The Company continues to control expenses and reduce them wherever practicable, and believes that only marginal increases in SG&A will result from even significant increases in the number of contracts under which it operates.

#### *Profits*

The Company generated an operating loss before other expenses of \$253,163 in the first six months of 2003 compared to operating income before other expenses of \$178,605 in the first six months of 2002. There was a net loss of \$264,306 for the first six months of 2003 versus a net income of \$173,842 for the same period in 2002. The change in profitability is directly related to the overall decrease in contract revenues related to expired contracts as explained in the Revenue section above. The Company believes that the addition of new contracts during the end of the period in 2003, in addition to its strong pipeline of new opportunities, will contribute significantly to its return to profitability in the remainder of its fiscal year 2003.

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**Liquidity and Capital Resources**

Through the first six months of 2003, the Company financed its operations from current collections and through its bank line of credit. Cash and cash equivalents at June 30, 2003 were \$48,590 compared to \$80,502 at December 31, 2002. As of June 30, 2003 the Company had an outstanding balance on its line of credit of \$384,000.

The Company is in default with its line of credit with First Virginia Bank as a result of the Company's failure to maintain a financial condition satisfactory to the bank. However, First Virginia Bank has agreed to extend its forbearance agreement, which effectively decreases the line of credit to \$575,000, adjusts the minimum allowable interest rate (which floats at First Virginia Prime plus 2.5%) from 7.25% to 8%, and extends it to September 11, 2003. The Company is in negotiations with various organizations to obtain new financing.

The Company believes that if revenue continues at the level reported in the six months ended June 30, 2003, it will derive insufficient cash flow to relieve all payables essential to the continuing operation of the business. Any additional material reduction in revenue could have a material adverse effect on the Company's operational capabilities. The Company has begun work on new contracts, however, and believes that with the increased revenue, its cash flow will improve and will be sufficient to operate the business. Cash flow from operations is insufficient, however, to provide the additional working capital that is necessary to repay approximately \$325,000 of past due payables. The Company cannot state with certainty that it will not need additional cash resources at some point in fiscal 2003 or 2004. Accordingly, the Company may from time to time consider additional equity offerings to finance business expansion. The Company is uncertain that it will be able to raise additional capital.

The Company has no material commitments for capital expenditures.

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**Item 3. Controls and procedures**

(a) Evaluation of Disclosure Controls and Procedures. Within 90 days of this report, under the supervision of and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-14(c) and 15d-14(c)). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC reports. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(b) Changes in Internal Controls. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls. Accordingly, no corrective actions were required or undertaken.

**PART II - OTHER INFORMATION**

**Item 6. Exhibits and Reports on Form 8-K**

(a) (2) Exhibits:

See Exhibit Index on page 12.

(b) No reports on Form 8-K were filed for the quarter for which this report is filed.

**SIGNATURES**

In accordance with the requirements of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Information Analysis Incorporated  
(Registrant)

Date: August 11, 2003

By: /S/ Sandor Rosenberg

Sandor Rosenberg, Chairman of the  
Board, Chief Executive Officer,  
and President

By: /S/ Richard S. DeRose

Richard S. DeRose, Executive Vice  
President, Treasurer, and Chief  
Financial Officer

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**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>	<b>Location</b>
31.1	Certification by Chief Executive Officer under Section 302 of the Sabanes-Oxley Act of 2002	Filed with this Form 10-QSB, page 13
31.2	Certification by Chief Financial Officer under Section 302 of the Sabanes-Oxley Act of 2002	Filed with this Form 10-QSB, page 14
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed with this Form 10-QSB, page 15
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed with this Form 10-QSB, page 16

**EXHIBIT 31.1**

**CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sandor Rosenberg, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Information Analysis Incorporated;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) (paragraph omitted in accordance with SEC Transition Period allowance.)
  - (c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 11, 2003

By: /S/ Sandor Rosenberg

Sandor Rosenberg, Chairman of the Board,  
Chief Executive Officer and President

A signed original of this written statement required by Section 302 has been provided to Information Analysis Incorporated and will be retained by Information Analysis Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 31.2**

**CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard S. DeRose, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Information Analysis Incorporated;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) (paragraph omitted in accordance with SEC Transition Period allowance.)
  - (c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 11, 2003

By: /s/ Richard S. DeRose

Richard S. DeRose, Executive Vice President,  
Treasurer, and Chief Financial Officer

A signed original of this written statement required by Section 302 has been provided to Information Analysis Incorporated and will be retained by Information Analysis Incorporated and furnished to the Securities and Exchange Commission or its staff upon request

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Sandor Rosenberg, Chief Executive Officer of Information Analysis Incorporated, a Virginia corporation (the "Company"), do hereby certify, to the best of my knowledge, that:

- 1 the Company's Quarterly Report on Form 10-QSB for the three months ended June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof, (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the periods presented therein.

Date: August 11, 2003

By: /S/ Sandor Rosenberg

Sandor Rosenberg, Chairman of the  
Board, Chief Executive Officer, and President

A signed original of this written statement required by Section 906 has been provided to Information Analysis Incorporated and will be retained by Information Analysis Incorporated and furnished to the Securities and Exchange Commission or its staff upon request



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Richard S. DeRose, Chief Financial Officer of Information Analysis Incorporated, a Virginia corporation (the "Company"), do hereby certify, to the best of my knowledge, that:

- \* the Company's Quarterly Report on Form 10-QSB for the three months ended June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof, (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- \* the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the periods presented therein.

Date: August 11, 2003

By: /S/ Richard S. DeRose

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Richard S. DeRose, Executive  
Vice President, Treasurer, and  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Information Analysis Incorporated and will be retained by Information Analysis Incorporated and furnished to the Securities and Exchange Commission or its staff upon request