

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Department of Homeland Security and the United States Coast Guard (collectively the “United States”) and Bollinger Shipyards, LLC (“Bollinger”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Bollinger is a Louisiana-based company that has designed, built and serviced ships for over 75 years. The United States has awarded numerous contracts to Bollinger during this period, including a contract with the Coast Guard to build Fast Response Cutters, Contract No. HSCG23-08-C-2FR125, which the United States awarded in September 2008 and a follow-up contract, Contract No. HSCG23-16-C-AFR625, which the United States awarded in May 2016. These contracts are referred to herein as “FRC Contracts.”

B. E-Verify is a web-based system administered by Social Security Administration (SSA) and the U.S. Citizenship and Immigration Services (USCIS) through which employers must electronically confirm the employment eligibility of their employees to work in the United States.

C. The United States contends from 2015 through 2020, Bollinger knowingly presented false claims to the United States for labor provided by workers who were not eligible to work in the United States in violation of the False Claims Act. Specifically, the United States contends that it has certain civil claims against Bollinger arising from Bollinger’s performance of the FRC Contracts. The United States contends that

Bollinger was contractually required to employ individuals whose eligibility to work in the United States has been confirmed by E-Verify. The United States further contends that Bollinger and/or its subcontractors knowingly employed ineligible workers, listed in Appendix A, on the FRC contracts without obtaining appropriate confirmation from E-Verify. That conduct is referred to below as the Covered Conduct.

D. Bollinger denies these allegations.

E. This Agreement is neither an admission of liability by Bollinger nor a concession by the United States that its claims are not well founded.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Bollinger shall pay to the United States \$1,025,000 (the "Settlement Amount"), of which \$512,500 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the Eastern District of Louisiana no later than 21 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, the United States releases Bollinger, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under

the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Contract Disputes Act, 41 U.S.C. §§ 7101-7109; or the common law theories of breach of contract, payment by mistake, unjust enrichment, or fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due;

- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Bollinger waives and shall not assert any defenses Bollinger may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Bollinger fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Bollinger has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Bollinger, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;
- (3) Bollinger's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and

civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);

- (4) the negotiation and performance of this Agreement;
- (5) the payment Bollinger makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Bollinger, and Bollinger shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Bollinger shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Bollinger or any of its subsidiaries or affiliates from the United States. Bollinger agrees that the United States, at a minimum, shall be entitled to recoup from Bollinger any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Bollinger's books and records and to disagree with any calculations submitted by Bollinger or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments

previously sought by Bollinger, or the effect of any such Unallowable Costs on the amount of such payments.

7. This Agreement is intended to be for the benefit of the Parties only.

8. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

9. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of Louisiana. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

11. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

12. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.


14. This Agreement is binding on Bollinger's successors, transferees, heirs, and assigns.

15. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

16. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures and electronic signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 01/14/2025

BY: 
Art J. Coulter
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

Sandra Lee Sears
Sandra Lee Sears
Assistant United States Attorney
United States Attorney's Office
Eastern District of Louisiana

BOLLINGER SHIPYARDS, LLC

DATED: _____

BY: _____
Rachael Battaglia
General Counsel
Bollinger Shipyards, LLC

DATED: _____

BY: _____
Scott M. McCaleb
Roderick L. Thomas
Jonathan C. Clark
Wiley Rein LLP
Counsel for Bollinger Shipyards, LLC

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THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Art J. Coulter
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

Sandra Lee Sears
Assistant United States Attorney
United States Attorney's Office
Eastern District of Louisiana

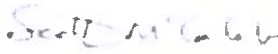
BOLLINGER SHIPYARDS, LLC

DATED: 01/13/2025

BY: 

Rachael Battaglia
General Counsel
Bollinger Shipyards, LLC

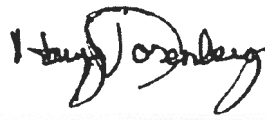
DATED: 01/13/2025

BY: 

Scott M. McCaleb
Roderick L. Thomas
Jonathan C. Clark
Wiley Rein LLP
Counsel for Bollinger Shipyards, LLC

DATED: 01/13/2025

BY:



Walt Green
Harry Rosenberg
Phelps Dunbar LLP
Counsel for Bollinger Shipyards, LLC

Appendix A

Worker Identification Numbers

- 39009
- 39698
- 39953
- 39954
- 39956
- 40145
- 40497
- 33833
- 37034
- 38358
- 39135
- 40030
- 40143
- 40309
- 41033
- 41166
- 41231
- 41316
- 41334
- 41552