

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 Federal Emergency Management Agency (FEMA) (collectively the “United States”); AECOM, AECOM Technical Services, Inc., AECOM Recovery, and Emergency Response Program Management Consultants (collectively, “AECOM”); and Robert Romero (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. AECOM is an infrastructure consulting firm based in Dallas, Texas. From at least 2006 to 2010, AECOM was a FEMA Technical Assistance Contractor (“TAC”) in Louisiana. As a TAC, AECOM deployed some employees to assist FEMA in administering Public Assistance after Hurricane Katrina.

B. AECOM employees were assigned to prepare documents called project worksheets (“PWs”) on behalf of applicants—including the Xavier University of Louisiana (“Xavier”), the Archdiocese of New Orleans (“ADNO”), and the Louisiana Department of Education (“LDOE”)—whose structures were damaged by Hurricane Katrina. PWs included damage descriptions and dimensions, scopes of work, an estimate of the cost to repair damage caused by Hurricane Katrina, and an estimate of the cost to replace the entire structure to its pre-disaster design. An applicant was eligible to receive funds to replace the structure if the estimated cost to repair the structure after Hurricane Katrina was more than fifty percent of the estimated cost to the replace the structure.

C. On September 30, 2016, Relator Robert Romero filed a complaint, and subsequently three amended complaints (collectively, the “Relator Complaints”), in the United States District Court for the Eastern District of Louisiana, captioned *United States ex rel. Romero v. AECOM, et al.*, Civil Action No. 16-15092, pursuant to the *qui tam* provision of the False Claims Act, 31 U.S.C. § 3730(b). The United States intervened in part in the action on May 29, 2020, and filed the United States’ Complaint in Intervention on July 28, 2020. For purposes of this Agreement, the term “Civil Action” encompasses both the United States’ Complaint in Intervention and the Relator Complaints.

D. The United States contends that it has certain civil claims against AECOM arising from AECOM’s performance as a TAC in Louisiana after Hurricane Katrina. In particular, the United States alleges the conduct described below, in subparagraph (D)(1) through (3), which is identified in this Agreement as the “Covered Conduct.”

1. From 2006 until 2010, an AECOM employee deployed to Louisiana as a Project Officer in the Hurricane Katrina recovery effort wrote fraudulent PWs for Xavier’s Student Center; Xavier’s Gymnasium; Xavier’s Electrical Grid; and the ADNO’s St. Raphael Cafeteria Building (hereinafter the “Covered Projects”).

2. For example, this employee wrote a PW for the Xavier Student Center indicating that the facility had a finished basement when it did not. AECOM supervisors reviewed this PW and did not correct this misstatement, and the PW subsequently was provided to FEMA, which approved and then “obligated,” that is, funded, the project based on the representations in the PW. For the remaining Covered Projects, the AECOM employee wrote, and AECOM supervisors reviewed and did not correct, PWs for Covered Projects that included materially false design, damage, scope of

work, eligibility of work, and replacement eligibility descriptions. The false information in the PWs was provided to FEMA, which approved and obligated the Covered Projects based on the representations in the PWs.

3. AECOM violated the FCA by knowingly providing FEMA with these fraudulent PWs, thereby knowingly recommending that FEMA obligate and pay higher-cost replacement funding for each of the Covered Projects, rather than the lower-cost repair funding that the applicants were eligible to receive for these structures.

E. This Settlement Agreement is made in compromise of disputed claims. This Settlement Agreement is neither an admission of liability by AECOM nor a concession by the United States that its claims are not well founded. AECOM expressly denies the allegations of the United States and Relator set forth herein, in the Relator Complaints, and in the Civil Action.

F. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

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 Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. AECOM shall pay to the United States \$11,800,000 (Settlement Amount), of which \$5,900,000 is restitution, and interest on the Settlement Amount at a rate of 3% per annum from the Effective Date of this Agreement, by electronic funds transfer

pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice no later than the Effective Date of this Agreement.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$2,478,000 to Relator by electronic funds transfer as Relator's share of the proceeds pursuant to 31 U.S.C. § 3730(d) (Relator's Share). No other relator payments shall be made by the United States with respect to the matters covered by this Agreement.

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1 if applicable, the United States releases AECOM, 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 AECOM 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; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 6 below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1 if applicable, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases AECOM, 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 AECOM from any claim the Relator has against AECOM relating to or arising out of the Covered Conduct, or

Relator's investigation or prosecution of the Civil Action, including any and all claims set forth in the Relator Complaints, as of the date Relator executes this Agreement, with the exception of Relator's statutory entitlement to reasonable attorneys' fees and costs, under the False Claims Act, 31 U.S.C. §§ 3729-3733.

5. Notwithstanding the releases given in Paragraph 3 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 the 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;
and
- f. Any liability of individuals.

6. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).
Conditioned upon Relator's receipt of the Relator's Share, Relator and his heirs,

successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. AECOM waives and shall not assert any defenses AECOM 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.

8. AECOM 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 AECOM 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 or the United States' investigation or prosecution thereof.

9. AECOM fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that AECOM has asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct and the Relator's investigation and prosecution thereof.

10. 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 AECOM, 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 investigation(s) of the matters covered by this Agreement;
- (3) AECOM's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil 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 AECOM makes to the United States pursuant to this Agreement and any payments that AECOM may make to Relator, including costs and attorneys' fees,

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 AECOM, and AECOM 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, AECOM shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by AECOM or any of its subsidiaries or affiliates from the United States. AECOM agrees that the United States, at a minimum,

shall be entitled to recoup from AECOM 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 AECOM's books and records and to disagree with any calculations submitted by AECOM or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by AECOM, or the effect of any such Unallowable Costs on the amount of such payments.

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

12. Within five (5) business days of either (a) the payment described in Paragraph 1 or (b) the Effective Date, whichever is later, the Parties to this agreement shall sign and file in the Civil Action a Joint Stipulation of Dismissal pursuant to Rule 41(a) that dismisses with prejudice all claims asserted against AECOM in the Civil Action. In the event that AECOM has not paid Relator's statutory attorneys' fees and costs referenced in Paragraph 4 of this Agreement as of the date of the filing of the Joint Stipulation, the Joint Stipulation shall reflect that the Court retains jurisdiction over Relator's claim for fees and costs. The Joint Stipulation shall also reflect that Relator shall have no less than sixty (60) days from the filing of the Joint Stipulation to submit a petition for reasonable expenses, attorneys' fees, and costs under 31 U.S.C. § 3730(d), if necessary.

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

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

15. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and 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.

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

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

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

19. This Agreement is binding on AECOM's successors, transferees, heirs, and assigns.


20. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

21. All parties consent to any party's disclosure of this Agreement, and information about this Agreement, to the public.

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

THE UNITED STATES OF AMERICA

DATED: 10/23/2023 BY: 
LAURA HILL
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 10/23/2023 BY: 
LOAN 'MIMI' NGUYEN
Assistant United States Attorney
Eastern District of Louisiana

AECOM – DEFENDANT

DATED: October 23, 2023 BY: *Sarah Levitt*
SARAH LEVITT
Senior Vice President and Deputy General
Counsel, AECOM


DATED: _____ BY: _____
CRAIG D. MARGOLIS
CHRISTIAN SHEEHAN
Arnold & Porter LLP
Counsel for AECOM, AECOM Technical Services,
Inc., AECOM Recovery, and Emergency Response
Program Management Consultants

AECOM – DEFENDANT

DATED: _____ BY: _____


SARAH LEVITT
Senior Vice President and Deputy General
Counsel, AECOM

DATED: Oct. 23, 2023 BY: _____


CRAIG D. MARGOLIS
CHRISTIAN SHEEHAN
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Counsel for AECOM, AECOM Technical Services,
Inc., AECOM Recovery, and Emergency Response
Program Management Consultants

ROBERT ROMERO – RELATOR

DATED: 10/23/23 BY: 
ROBERT ROMERO

DATED: 10/23/23 BY: 
AMY L. EASTON
JEFFREY W. DICKSTEIN
Phillips and Cohen LLP
Counsel for Robert Romero