

## SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among: (i) the United States of America, acting through the United States Department of Justice and on behalf of the General Services Administration (GSA) and the Department of the Air Force (Air Force) (collectively, the “United States” or the “Government”); and (ii) Booz Allen Hamilton Holding Corporation (Booz Allen) (collectively, the “Parties”), through their authorized representatives.

### RECITALS

A. Booz Allen, which is headquartered in McLean, Virginia, provides services to government agencies and other customers, including in the areas of analytics, digital solutions, engineering, consulting, cyber, and artificial intelligence. Booz Allen is the ultimate parent company of its indirect wholly owned subsidiaries Booz Allen Hamilton Inc. (BAH), which is Booz Allen’s primary operating company, and Booz Allen Hamilton Engineering Services, LLC (BES).

B. On November 30, 2012, Booz Allen acquired the defense systems engineering and support division of another prime contractor (Contractor A) and renamed this division BES. BES was located in Annapolis Junction, Maryland, with offices in Dayton, Ohio, and other locations.

C. BES took over Contractor A’s GSA “Alliant” Government-wide Acquisition Contract (GWAC), GSA Contract No. GS00Q09BGD0013, and former employees of Contractor A, including John G. Hancock and Karen K. Paulsen, became employees of BES.

D. On September 17, 2013, GSA awarded BES a task order to provide computer military training simulators and systems to Department of Defense (DoD) agencies, including the Air Force, the Air National Guard, and other military customers, known as Core Task Order No. GST0713BG0053 (the “Trainer Development 1 Task Order” or “TD-1 Task Order”). The TD-1

Task Order did not guarantee any funding or work to BES at the time of award. Each scope of work was separately funded, priced, and awarded in the form of a “module.” The TD-1 Task Order and the subsequent modules were awarded to BES against its Alliant GWAC with GSA.

E. GSA awarded 129 individual modules to BES under the terms of the TD-1 Task Order and against the Alliant GWAC.

F. Between approximately 2013 and 2018, BES awarded 37 of the 129 total modules to one of its subcontractors, QuantaDyn Corporation (QuantaDyn), on a sole-source basis. *See* Attachment A. QuantaDyn was a privately held software engineering firm located in Ashburn, Virginia, specializing in developing training simulation systems for DoD agencies, including the Air Force and the Air National Guard.

G. The United States contends that, from September 17, 2013, through June 3, 2020, BES knowingly submitted fraudulent claims to the United States in violation of the False Claims Act, 31 U.S.C. §§ 3729-3733, in connection with the 37 QuantaDyn modules awarded under the terms of the TD-1 Task Order and against the Alliant GWAC. Specifically, the United States contends that:

1. BES, through its program managers John Hancock and Karen Paulsen, knowingly engaged in a fraudulent course of conduct with Keith A. Seguin, then a civilian Air Force employee and contracting official, and David J. Bolduc, Jr., the co-owner and manager of QuantaDyn, that resulted in the award of the TD-1 Task Order to BES and BES awarding subsequent modules to QuantaDyn on a sole-source basis.

2. Seguin improperly and illegally divulged confidential government contracting and budget information, a competitor’s confidential bid or proposal information, and source selection information to Hancock and Paulsen, who used the illicit information to prepare the GSA offer evaluation forms for BES’s technical

proposal and for its only competitor's technical proposal despite knowing they were not authorized to possess or use that information. Through this conduct, Hancock and Paulsen successfully influenced GSA to award the TD-1 Task Order to BES.

3. After the GSA award of the TD-1 Task Order, Hancock, Paulsen, Seguin, and Bolduc made use of confidential government budget information to formulate and submit price quotes to GSA for the individual modules that BES sole-sourced to QuantaDyn.

4. As a result of the conduct described above, BES knowingly submitted fraudulent claims to GSA under the 37 QuantaDyn modules and against the Alliant GWAC, which GSA paid.

H. The conduct in Paragraph G is referred to as the "Covered Conduct."

I. This Agreement is neither an admission of liability by Booz Allen or its subsidiaries nor a concession by the United States that its claims are not well founded. Booz Allen and its subsidiaries deny the allegations referred to as the Covered Conduct.

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. Booz Allen through BAH shall pay to the United States the sum of Fifteen Million, Eight Hundred Seventy-Five Thousand Dollars (\$15,875,000.00) (Settlement Amount), of which Seven Million, Nine Thousand, Thirteen Dollars (\$7,009,013.00) is restitution, plus simple interest upon the Settlement Amount at a rate of 4.34 percent per annum from November 20, 2024, and continuing until and including the date final payment is made under this Agreement. Booz Allen through BAH shall pay the Settlement Amount no later than seven (7)

days after the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1 above, the United States releases Booz Allen, 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; the Procurement Integrity Act, 41 U.S.C. §§ 2101-2107; the Anti-Kickback Act, 41 U.S.C. §§ 8701-8707; or the common law or equitable theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the releases 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; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Booz Allen and its subsidiaries waive and shall not assert any defenses Booz Allen and its subsidiaries 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. Booz Allen and its subsidiaries fully and finally release 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 Booz Allen and its subsidiaries have 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.

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 Booz Allen and its subsidiaries, and their 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) Booz Allen's and its subsidiaries' 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; and
- (5) the payment Booz Allen through BAH 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 shall be separately determined and accounted for by Booz Allen and its subsidiaries, and Booz Allen and its subsidiaries shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Booz Allen and its subsidiaries shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Booz Allen or any of its subsidiaries or affiliates from the United States. Booz Allen and its subsidiaries agree that the United States, at a minimum, shall be entitled to recoup from Booz Allen and its subsidiaries 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 Booz

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

7. This Agreement is intended to be for the benefit only of the Parties and the persons and entities released by Paragraphs 2 and 5 above.

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 Western District of Texas, San Antonio Division. 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 signatories 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 Booz Allen's and its subsidiaries' 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: 12/20/2024 BY:   
SETH W. GREENE  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: 12/20/2024 BY:   
THOMAS A. PARNHAM, JR.  
Assistant United States Attorney  
Western District of Texas

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**

DATED: 12/20/2024

BY: Joshua E. Petty  
JOSH PETTY  
General Counsel  
Booz Allen Hamilton Holding Corporation

DATED: 12/20/2024

BY: Brent J. Gurney  
BRENT J. GURNEY  
Wilmer Cutler Pickering Hale and Dorr LLP  
Counsel for Booz Allen Hamilton Holding Corporation

# **ATTACHMENT A**

**37 Modules Awarded to QuantaDyn Corporation  
under the TD-1 Task Order and the GSA Alliant GWAC**

**Module 1**

**Module 2**

**Module 3**

**Module 4**

**Module 5**

**Module 6**

**Module 7**

**Module 9**

**Module 10**

**Module 11**

**Module 17**

**Module 18**

**Module 20**

**Module 28**

**Module 29**

**Module 32**

**Module 33**

**Module 34**

**Module 36**

**Module 37**

**Module 53**

**Module 59**

**Module 60**

**Module 63**

**Module 64**

**Module 67**

**Module 68**

**Module 71**

**Module 74**

**Module 89**

**Module 104**

**Module 105**

**Module 108**

**Module 109**

**Module 114**

**Module 116**

**Module 131**