

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 United States Air Force and the Defense Advanced Research Projects Agency (collectively, the “United States”), Georgia Tech Research Corporation (“GTRC” or “Defendant”), and Christopher Craig and Kyle Koza (“Relators”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. GTRC is a non-profit corporation based in Atlanta, Georgia and organized under the laws of the state of Georgia. GTRC contracts and is paid for research done at the Georgia Institute of Technology (“Georgia Tech”), a research university and institute of technology also based in Atlanta, Georgia, pursuant to a Memorandum of Understanding executed on April 1, 1953. GTRC primarily contracts with the federal government, including the Department of Defense (“DoD”).

B. On July 8, 2022, Relators filed a *qui tam* action (“Relators’ Complaint”) in the United States District Court for the Northern District of Georgia captioned *United States ex rel. Craig et al. v. Georgia Tech Research Corporation et al.*, Civil Action No. 22-cv-02698, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). The United States intervened in the Civil Action on February 19, 2024, and filed its Complaint-in-Intervention on August 22, 2024 (Dkt. No. 23), alleging false claims based on violations of certain DoD cybersecurity requirements at Georgia Tech’s Astrolavos Laboratory.

C. The United States contends that it has certain civil claims against GTRC for the conduct set forth in the Complaint-in-Intervention. That conduct is referred to below as the Covered Conduct.

D. This Settlement Agreement is neither an admission of liability by GTRC nor a concession by the United States that its claims are not well founded. GTRC does not admit and strictly denies the allegations in the Complaint-in-Intervention and the Relators' Complaint.

E. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relators' 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. GTRC shall pay to the United States \$875,000.00 ("the Settlement Amount"), of which \$437,500.00 is restitution by electronic funds transfer pursuant to the written instructions to be provided by the Civil Division of the United States Department of Justice, no later than ten (10) days after 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 \$201,250.00 to Relators by electronic funds transfer (the "Relators' Share").

3. Notwithstanding the foregoing, or any other terms of this Agreement, this Agreement does not resolve or release, and expressly preserves, Relators' right pursuant

to 31 U.S.C. § 3730(d)(1) to reasonable expenses necessarily incurred, plus reasonable attorneys' fees and costs, relating to the Covered Conduct for which expenses, fees and costs GTRC may be liable. The terms and releases related to the settlement of Relators' attorneys' fees, expenses and costs pursuant to 31 U.S.C. § 3730(d) are not provided for herein but are instead the subject of separate agreement between Relators, Relators' counsel, and GTRC.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases GTRC 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, and fraud.

5. Upon the United States' receipt of the Settlement Amount, Relators, together and individually for themselves and their respective heirs, successors, attorneys, agents, and assigns, release GTRC and its affiliated entities, along with their current or former officers, agents, employees, trustees, directors, and representatives, from any liability or claims of any kind whatsoever that the Relators have asserted, could have asserted, or may assert in the future related to the Civil Action, including but not limited

to claims under 31 U.S.C. § 3730(h) or any claim on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. Notwithstanding the releases given in Paragraph 4 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;
- 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; and

j. Any liability for conduct involving information systems of Georgia Tech Research Institute.

7. Relators and their respective 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 Relators' receipt of the Relators' Share, Relators and their respective 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.

8. GTRC waives and shall not assert any defenses GTRC 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.

9. GTRC 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 GTRC 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.

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

11. 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 GTRC, 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) GTRC'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 GTRC makes to the United States pursuant to this Agreement and any payments that GTRC may make to Relators, 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 GTRC, and GTRC 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, GTRC shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by GTRC or any of its subsidiaries or affiliates from the United States. GTRC agrees that the United States, at a minimum, shall be entitled to recoup from GTRC 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 GTRC's books and records and to disagree with any calculations submitted by GTRC or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by GTRC, or the effect of any such Unallowable Costs on the amount of such payments.

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

13. Upon receipt of the payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1) in the form attached as Exhibit A hereto.

14. Except as provided in Paragraph 3, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

16. 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 Northern District of Georgia. 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.

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

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

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

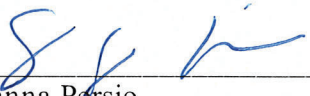
20. This Agreement is binding on GTRC's successors, transferees, heirs, and assigns.

21. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

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

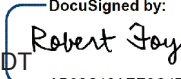
23. This Agreement is effective on the date of signature of the last signatory to the Agreement (the “Effective Date”). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.


THE UNITED STATES OF AMERICA

DATED: 9/29/2025 BY: 
Joanna Persio
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____ BY: MELANIE HENDRY Digitally signed by MELANIE HENDRY
Date: 2025.09.29 13:33:35 -04'00'
Melanie Hendry
Adam Nugent
Assistant United States Attorneys
United States Attorney’s Office
Northern District of Georgia

GEORGIA TECH RESEARCH CORPORATION - DEFENDANT

DATED: 1/26/2025 | 5:14 PM EDT BY:  AB32C18AEE9C47D...
Robert Foy
Executive Director – General Manager
Georgia Tech Research Corporation

DATED: 1/29/2025 BY:  _____
Ronald Machen
Matthew Jones
George Varghese
WilmerHale LLP
Counsel for Georgia Tech Research Corporation

RELATORS

DATED: 9/26/25 BY: 
Christopher Craig

DATED: 9/26/25 BY: 
Kyle Koza


DATED: 9/28/25 BY: 
Julie Bracker
Counsel for Christopher Craig
and Kyle Koza

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA EX
REL. CHRISTOPHER CRAIG AND
KYLE KOZA,
PLAINTIFFS,

v.

GEORGIA TECH RESEARCH
CORP. AND BOARD OF REGENTS
OF THE UNIVERSITY SYSTEM
OF GEORGIA (D/B/A THE
GEORGIA INSTITUTE OF
TECHNOLOGY),
DEFENDANTS.

Civil Action No.

1:22-cv-02698-JPB

JOINT STIPULATION OF DISMISSAL

Pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii) and the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b)(1), and in accordance with the terms and conditions of the September 29, 2025 Settlement Agreement (“the Agreement”), Plaintiff the United States of America, Defendants Georgia Tech Research Corporation (“GTRC”) and the Board of Regents of the University System of Georgia d/b/a the Georgia Institute of Technology (“Georgia Tech”), and Relators Christopher Craig and Kyle Koza (hereafter collectively referred to as “the Parties), through their undersigned counsel, hereby stipulate and agree to dismissal of this

Civil Action as follows, subject to the terms and conditions of the Agreement:

1. The United States' Complaint-in-Intervention (Dkt. No. 23) is dismissed with prejudice.

2. The United States' Complaint-in-Intervention superseded Relators' earlier filed Complaint (Dkt. No. 1), and as such the claims in the earlier Complaint shall also be dismissed with prejudice as to Relators.

3. The United States, GTRC, Georgia Tech, and Relators shall each bear all of their own costs and fees in connection with the litigation of this action, except for Relators' claims for expenses, attorneys' fees, or costs under 31 U.S.C. § 3730(d), which are not included in this stipulation and will be dealt with pursuant to a separate agreement.

4. This Court retains jurisdiction over any disputes that may arise regarding the Agreement or regarding Relators' claims for expenses, attorneys' fees, or costs under 31 U.S.C. § 3730(d).

Accordingly, the Parties respectfully request that the Court enter an order dismissing the United States' Complaint-in-Intervention.

Respectfully Submitted,

Counsel for Plaintiff United States of America

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CIVIL DIVISION

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA EX
REL. CHRISTOPHER CRAIG AND
KYLE KOZA,
PLAINTIFFS,

v.

GEORGIA TECH RESEARCH
CORP. AND BOARD OF REGENTS
OF THE UNIVERSITY SYSTEM
OF GEORGIA (D/B/A THE
GEORGIA INSTITUTE OF
TECHNOLOGY),
DEFENDANTS.

Civil Action No.

1:22-cv-02698-JPB

[PROPOSED] ORDER

Upon consideration of the Joint Stipulation of Dismissal submitted by Plaintiff the United States of America, Defendants Georgia Tech Research Corporation (“GTRC”) and the Board of Regents of the University System of Georgia d/b/a the Georgia Institute of Technology (“Georgia Tech”), and Relators Christopher Craig and Kyle Koza, it is hereby ORDERED that:

1. The United States’ Complaint-in-Intervention (Dkt. No. 23) is dismissed with prejudice.
2. The United States’ Complaint-in-Intervention superseded Relators’ earlier filed Complaint (Dkt. No. 1), and as such the claims in the earlier Complaint shall also be dismissed with prejudice as to Relators.

3. The United States, GTRC, Georgia Tech, and Relators shall each bear all of their own costs and fees in connection with the litigation of this action, except for Relators' claims for expenses, attorneys' fees, or costs under 31 U.S.C. § 3730(d), which are not included in the Parties' Joint Stipulation of Dismissal and will be dealt with pursuant to a separate agreement.

3. This Court retains jurisdiction over any disputes that may arise regarding the September 29, 2025 Settlement Agreement or regarding Relators' claims for expenses, attorneys' fees, or costs under 31 U.S.C. § 3730(d).

IT IS SO ORDERED, this _____ day of _____,
2025.

UNITED STATES DISTRICT JUDGE