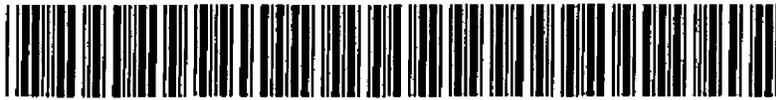


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3:05-CR-00314 USA V. TITAN CORPORATION

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\*CRJCAMD.\*

**FILED**

APR 12 2005

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA  
v.  
TITAN CORPORATION

**AMENDED JUDGMENT IN A CRIMINAL CASE**  
(For Organizational Defendants)  
SOUTHERN DISTRICT OF CALIFORNIA  
BY *[Signature]* DEPUTY

CASE NUMBER: 05CR0314-BEN

ROGER M. WITTEN, MARTIN J. WEINSTEIN  
Defendant Organization's Attorney

**THE DEFENDANT ORGANIZATION:**

pleaded guilty to count(s) 1, 2, 3 OF THE INFORMATION.

was found guilty on count(s) \_\_\_\_\_  
after a plea of not guilty.

Accordingly, the defendant organization is adjudged guilty of such count(s), which involve the following offense(s):

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Count Number(s)</u>
15 USC 78dd-1	FOREIGN CORRUPT PRACTICES ACT	1
15 USC 78m(b)(2)(A) and 78m(b)(5)	FAILURE TO MAINTAIN ACCURATE BOOKS AND RECORDS	2
26 USC 7206(2)	AIDING AND ABETTING FILING OF FALSE RETURN	3

The defendant organization is sentenced as provided in pages 2 through 11 of this judgment.

The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

The defendant organization has been found not guilty on count(s) \_\_\_\_\_

Count(s) \_\_\_\_\_  is  are dismissed on the motion of the United States.

Assessment : \$ 1200.00 - \$400 ON EACH COUNT

No fine as to counts 2 and 3.

IT IS ORDERED that the defendant organization shall notify the United States Attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization shall notify the court and United States Attorney of any material change in the organization's economic circumstances.

MARCH 1, 2005

Date of Imposition of Sentence

*[Signature]*  
HON. ROGER T. BENITEZ  
UNITED STATES DISTRICT JUDGE

Entered Date: 4-13-05

05CR0314-BEN

11

DEFENDANT ORGANIZATION: TITAN CORPORATION  
CASE NUMBER: 05CR0314-BEN

### PROBATION

The defendant organization is hereby sentenced to probation for a term of:

THREE (3) YEARS AS TO COUNTS 1, 2 & 3, CONCURRENTLY.

### MANDATORY CONDITION

The defendant organization shall not commit another federal, state or local crime.

If this judgment imposes a fine or a restitution obligation, it shall be a condition of probation that the defendant organization pay any such fine or restitution.

The defendant organization shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant organization shall also comply with the additional conditions on the attached page.

### STANDARD CONDITIONS OF SUPERVISION

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organizations's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4) the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6) the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees;
- 7) the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

COMPLIANCE PROGRAM

The remedial compliance program that the defendant is required to implement pursuant to Section XI.B of the Plea Agreement shall include, at a minimum, the following components:

- a. A clearly articulated corporate policy against violations of the Foreign Corrupt Practices Act and other applicable anti-bribery laws and the establishment of compliance standards and procedures to be followed by its officers, directors, employees, agents, consultants, joint ventures, and sub-contractors that are reasonably capable of reducing the prospect of violative conduct;
- b. The assignment to one or more senior corporate officials of the responsibility for oversight of compliance with such policies, standards, and procedures. Such officials shall have the authority and responsibility to implement and utilize monitoring and auditing systems reasonably designed to detect criminal conduct by the company's employees and other agents, including, where appropriate, the retention of outside counsel and independent auditors to conduct investigations and audits. In addition, such officials shall be charged with making any necessary modifications to the compliance program to respond to

detected violations and to prevent further similar violations;

- c. The establishment and maintenance of a committee to review (i) the retention of any agent, consultant, or other representative for purposes of business development or lobbying in a foreign jurisdiction, (ii) the retention of any sub-contractor for a project in which a foreign government or public international organization, or instrumentalities thereof, is the ultimate customer or beneficiary, and (iii) all contracts related thereto. The committee also will review the suitability of all prospective joint venture partners for purposes of compliance with the Foreign Corrupt Practices Act, as well as the adequacy of the due diligence performed in connection with the selection of the joint venture partner, any subsequent due diligence relating to the continued suitability of such joint venture partner, and any due diligence in connection with approvals of the retention of sub-agents, sub-contractors, and consultants by the joint venture for purpose of business development in a jurisdiction other than the United States. The majority of the committee shall be comprised of persons who are not subordinate to the most senior officer of the department or unit responsible for the relevant transaction;

- d. Clearly articulated corporate procedures to ensure that TITAN CORPORATION exercises due care to assure that substantial discretionary authority is not delegated to individuals whom the defendant knows, or should know through the exercise of due diligence, have a propensity to engage in illegal activities;
- e. Clearly articulated corporate procedures to assure that all necessary and prudent precautions are taken to ensure that TITAN CORPORATION has formed business relationships with reputable and qualified agents, consultants and other representatives for purposes of business development and lobbying in foreign jurisdictions and with reputable and qualified sub-contractors for projects in which foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries. Such policy shall require that evidence of such a "due diligence" inquiry be maintained in TITAN CORPORATION's files;
- f. The effective communication to all officers, employees, agents, consultants, and other representatives, and to sub-contractors, of corporate policies, standards, and procedures regarding the Foreign Corrupt Practices Act by requiring regular training concerning the requirements of the Foreign Corrupt Practices Act and of other applicable foreign bribery laws on a periodic

basis to its officers and employees involved in foreign projects. With respect to the training of agents, consultants, or other representatives retained in connection with foreign business, as well as sub-contractors for projects in which foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries, such training shall be given as soon as practicable following their retention and periodically thereafter;

- g. The implementation of appropriate disciplinary mechanisms, including as appropriate, discipline of individuals responsible for the failure to detect a violation of the law or of compliance policies, standards, and procedures;
- h. The establishment of a reporting system by which officers, employees, agents, consultants, and other representatives, as well as sub-contractors, may report suspected criminal conduct without fear of retribution or going through the chain of command or reporting the same to the employee's, agent's, representative's, or sub-contractor's immediate managers;
- i. The inclusion in all contracts and contract renewals entered into subsequent to the date of this Plea Agreement with agents, consultants, and other representatives for purposes of business development in

a foreign jurisdiction, and sub-contractors for projects in which foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries, and undertaking by each prospective agent, consultant, representative, and sub-contractor that no payments of money or anything of value will be offered, promised or paid, directly or indirectly, to any foreign officials, foreign political parties, party officials, or candidates for foreign public or political party office to influence the acts of such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with a foreign government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which TITAN CORPORATION is a participant. In addition, all such contracts shall contain an agreement by each prospective agent, consultant, and representative for business development in a foreign jurisdiction, and by sub-contractors for projects in which foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries, providing TITAN CORPORATION with audit rights and an undertaking that it shall not retain any sub-agent, sub-contractor, or

representative without the prior written consent of a senior officer of TITAN CORPORATION. All such contracts shall further provide for termination of said contract as a result of any breach of such undertakings, representations, and agreements;

- j. The inclusion in all joint venture agreements entered into or modified hereafter a representation and undertaking by each joint venture partner, with periodic certifications made to TITAN CORPORATION, that no payments of money or anything of value will be or has been offered, promised or paid, directly or indirectly, to any foreign officials, foreign political parties, party officials, or candidates for foreign public or political party office to influence the acts of such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with a foreign government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which TITAN CORPORATION is a participant. In addition, all such agreements shall contain an agreement by each prospective joint venture partner providing TITAN CORPORATION with audit rights and an undertaking that it shall not retain any sub-agent, sub-contractor, or representative without the prior written consent, after the exercise of due diligence,

of a senior officer of TITAN CORPORATION. All such contracts shall further provide for termination of said contract as a result of any breach of such undertakings, representations, and agreements;

- k. TITAN CORPORATION will conduct periodic reviews, not less than once every five years, of its corporate policies and compliance programs regarding the Foreign Corrupt Practices Act and the anti-bribery provisions of each foreign jurisdiction to which the defendant, its officers, employees, agents, sub-contractors, affiliates, and subsidiaries may be subject. Such periodic reviews will be conducted by independent legal and auditing firms retained for such purpose by the Board of Directors of TITAN CORPORATION or its successors; and
- l. TITAN CORPORATION will, using objective measures, determine the regions or countries in which it operates that pose higher risks of corruption. It will, on a periodic basis, conduct rigorous FCPA audits of its operations in such regions or countries, which audits shall include:
  - i. detailed audits of the operating unit's books and records, with specific attention to payments and commissions to agents, consultants, and sub-contractors and contributions to joint ventures;

- ii. audits of selected agents, consultants, sub-contractors, and joint ventures, where authorized by the governing contract or retention agreement;  
and
- iii. interviews with relevant employees, consultant, agents, sub-contractors, and joint venture partners.

DEFENDANT: TITAN CORPORATION  
CASE NUMBER: 05CR0314-BEN

**FINE**

The defendant shall pay a fine in the amount of \$13,000,000.00 unto the United States of America.

This sum shall be paid  immediately.  
 as follows:

THE FINE OF \$13,000,000.00 IS TO BE PAID FORTHWITH TO THE UNITED STATES DISTRICT COURT, CLERK OF THE COURT, ON MARCH 1, 2005, BY THE END OF BUSINESS DAY.

The Court has determined that the defendant does have the ability to pay interest. It is ordered that:

The interest requirement is waived.

The interest is modified as follows: