

FILED

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

2012 JUN 18 P 1:22

Alexandria Division

CLERK US DISTRICT COURT  
ALEXANDRIA, VIRGINIA

UNITED STATES OF AMERICA,	)	
	)	
	)	
v.	)	CRIMINAL NO. 1:12-CR-262
	)	
	)	
DATA SYSTEMS & SOLUTIONS LLC,	)	
	)	
Defendant.	)	

**DEFERRED PROSECUTION AGREEMENT**

Defendant Data Systems & Solutions LLC (“DS&S”), by its undersigned attorneys, pursuant to authority granted by DS&S’s Members Committee, and the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney’s Office for the Eastern District of Virginia (collectively, the “Department”), enter into this deferred prosecution agreement (the “Agreement”). The terms and conditions of this Agreement are as follows:

**Criminal Information and Acceptance of Responsibility**

1. DS&S acknowledges and agrees that the Department will file the attached two-count criminal Information in the United States District Court for the Eastern District of Virginia charging DS&S with one count of conspiracy to violate the laws of the United States, in violation of Title 18, United States Code, Section 371, that is, to violate the anti-bribery provisions of the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Section 78dd-2, and one count of violating the anti-bribery provisions of the FCPA, Title 15, United

States Code, Section 78dd-2. In so doing, DS&S: (a) knowingly waives its right to indictment on this charge, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) knowingly waives any objection with respect to venue and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Eastern District of Virginia.

2. DS&S admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as charged in the Information and as set forth in the Statement of Facts attached hereto as Attachment A and incorporated by reference into this Agreement, and that the allegations described in the Information and the facts described in Attachment A are true and accurate. Should the Department pursue the prosecution that is deferred by this Agreement, DS&S agrees that it will neither contest the admissibility of nor contradict the Statement of Facts in any such proceeding, including any guilty plea or sentencing proceeding.

#### **Term of the Agreement**

3. This Agreement is effective for a period beginning on the date on which the Information is filed and ending two (2) years and seven (7) calendar days from that date (the "Term"). However, DS&S agrees that, in the event that the Department determines, in its sole discretion, that DS&S has knowingly violated any provision of this Agreement, an extension or extensions of the term of the Agreement may be imposed by the Department, in its sole discretion, for up to a total additional time period of one year, without prejudice to the Department's right to proceed as provided in Paragraphs 13-16 below. Any extension of the

Agreement extends all terms of this Agreement, including the terms of the reporting requirement under Paragraph 10, for an equivalent period. Conversely, in the event the Department finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Paragraph 10, and that the other provisions of this Agreement have been satisfied, the Term of the Agreement may be terminated early.

**Relevant Considerations**

4. The Department enters into this Agreement based on the individual facts and circumstances presented by this case and DS&S. Among the facts considered were the following: (a) following the receipt of subpoenas in connection with the government's investigation, DS&S initiated an internal investigation and provided real-time reports and updates of its investigation into the conduct described in the Information and Statement of Facts; (b) DS&S's cooperation has been extraordinary, including conducting an extensive, thorough, and swift internal investigation; providing to the Department searchable databases of documents downloaded from servers, computers, laptops, and other electronic devices; collecting, analyzing, and organizing voluminous evidence and information to provide to the Department in a comprehensive report; and responding promptly and fully to the Department's requests; (c) DS&S has engaged in extensive remediation, including terminating the officers and employees responsible for the corrupt payments; dissolving the joint venture and reorganizing and integrating the Company as a subsidiary with a more rigorous compliance program; enhancing its due diligence protocol for third-party agents and subcontractors, including CEO review and approval of the retention of any agent or subcontractor; strengthening its ethics policies, including the appointment of a Company Ethics Representative who reports directly to the CEO

and provides regular reports to the Members Committee at each Committee meeting; providing FCPA training for all agents and subcontractors; and establishing heightened review of most foreign transactions; (d) DS&S has committed to continue to enhance its compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Information; and (e) DS&S has agreed to continue to cooperate with the Department in any ongoing investigation of the conduct of DS&S and its officers, directors, employees, agents, and subcontractors relating to violations of the FCPA as provided in Paragraph 5 below.

5. DS&S shall continue to cooperate fully with the Department in any and all matters relating to corrupt payments. At the request of the Department, DS&S shall also cooperate fully with other domestic or foreign law enforcement authorities and agencies, as well as the Multilateral Development Banks (“MDBs”), in any investigation of DS&S, its parent company or its affiliates, or any of its present and former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to corrupt payments. DS&S agrees that its cooperation shall include, but is not limited to, the following:

a. DS&S shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its parent company and affiliates, and those of its present and former directors, officers, employees, agents, consultants, and subcontractors concerning all matters relating to corrupt payments about which DS&S has any knowledge or about which the Department may inquire. This obligation of truthful disclosure includes the obligation of DS&S to provide to the

Department, upon request, any document, record or other tangible evidence relating to such corrupt payments about which the Department may inquire of DS&S.

b. Upon request of the Department, with respect to any issue relevant to its investigation of corrupt payments in connection with the operations of DS&S, or any of its present or former subsidiaries or affiliates, DS&S shall designate knowledgeable employees, agents or attorneys to provide to the Department the information and materials described in Paragraph 5(a) above on behalf of DS&S. It is further understood that DS&S must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments in connection with the operations of DS&S, its parent company, or any of its present or former affiliates, DS&S shall use its best efforts to make available for interviews or testimony, as requested by the Department, present or former officers, directors, employees, and agents and consultants of DS&S. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of DS&S, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Department pursuant to this Agreement, DS&S consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, and the MDBs, of such materials as the Department, in its sole discretion, shall deem appropriate.

**Payment of Monetary Penalty**

6. The Department and DS&S agree that application of the United States Sentencing Guidelines (“USSG” or “Sentencing Guidelines”) to determine the applicable fine range yields the following analysis:

- a. The 2003 USSG are applicable to this matter.
- b. **Offense Level.** Based upon USSG § 2C1.1, the total offense level is 30, calculated as follows:

(a)(2) Base Offense Level	10
(b)(1) Multiple Bribes	+2
(b)(2) Value of benefit received more than \$2,500,000	+18
<b>TOTAL</b>	<u>30</u>

- c. **Base Fine.** Based upon USSG § 8C2.4(a)(1), the base fine is \$10,500,000 (the fine indicated in the Offense Level Fine Table)

- d. **Culpability Score.** Based upon USSG § 8C2.5, the culpability score is 6, calculated as follows:

(a) Base Culpability Score	5
(b)(3) the organization had 200 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense	+3
(g)(2) the organization fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	- 2
<b>TOTAL</b>	<u>6</u>

**Calculation of Fine Range:**

Base Fine	\$10,500,000
Multipliers	1.20(min)/2.40 (max)
Fine Range	\$12,600,000 / \$25,200,000

DS&S agrees to pay a monetary penalty in the amount of \$8,820,000, an approximately thirty-percent reduction off the bottom of the fine range, to the United States Treasury within ten (10) days of the filing of the Information. DS&S and the Department agree that this fine is appropriate given the facts and circumstances of this case, including the nature and extent of DS&S's extraordinary cooperation and extensive remediation in this matter. The \$8,820,000 penalty is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Department that \$8,820,000 is the maximum penalty that may be imposed in any future prosecution, and the Department is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Department agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. DS&S acknowledges that no tax deduction may be sought in connection with the payment of any part of this \$8,820,000 penalty.

**Conditional Release from Criminal Liability**

7. In return for the full and truthful cooperation of DS&S, and its compliance with the other terms and conditions of this Agreement, the Department agrees, subject to Paragraphs 13-16 below, not to use any information related to the conduct described in the attached Statement of Facts against DS&S in any criminal case, except: (a) in a prosecution for perjury or

obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. In addition, the Department agrees, except as provided herein, that it will not bring any criminal case against DS&S related to the conduct of present and former officers, directors, employees, agents, consultants, and subcontractors, as described in the attached Statement of Facts, or relating to information DS&S disclosed to the Department prior to the date on which this Agreement was signed.

a. This Paragraph does not provide any protection against prosecution for any corrupt payments by DS&S after the date on which this Agreement is signed.

b. In addition, this Paragraph does not provide any protection against prosecution for any present or former officer, director, employee, agent, consultant, or subcontractor of DS&S for any violations committed by them.

**Corporate Compliance Program and Reporting Requirements**

8. DS&S represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout its operations including those of its affiliates, agents, and joint ventures, and those of its contractors and subcontractors where responsibilities include interacting with foreign officials or other high-risk activities. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Department as of the date of signing of this Agreement for which DS&S would otherwise be responsible.

9. In order to address any deficiencies in its internal controls, policies, and procedures, DS&S represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws. If necessary and appropriate, DS&S will adopt new or modify existing internal controls, policies, and procedures in order to ensure that DS&S maintains: (a) a system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. The internal controls system and compliance code, standards, and procedures will include, but not be limited to, the minimum elements set forth in Attachment C, which is incorporated by reference into this Agreement.

10. DS&S agrees that it will report to the Department periodically, at no less than twelve-month intervals during a two-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment C. Should DS&S discover credible evidence that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any DS&S entity or person, or any entity or person working directly for DS&S (including its affiliates and any agent), or that related false books and records have been maintained, DS&S shall promptly report such conduct to the Department. During this two-year period, DS&S shall: (1) conduct an initial review and submit an initial report, as described in subparagraph (a) below,

and (2) conduct and prepare at least one (1) follow-up review and report, as described in subparagraphs (b) and (c) below:

a. By no later than one (1) year from the date this Agreement is executed, DS&S shall submit to the Department a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve DS&S's internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Fourth Floor, Washington, DC 20530. DS&S may extend the time period for issuance of the report with prior written approval of the Department.

b. DS&S shall undertake at least one (1) follow-up review, incorporating the Department's views on DS&S's prior reviews and reports, to further monitor and assess whether DS&S's policies and procedures are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

c. The follow-up review and report shall be completed by no later than one (1) year after the initial review.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation with the review and thus undermine the objectives of the reports. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the

Department determines in its sole discretion that disclosure would be in furtherance of the Department's discharge of its duties and responsibilities or is otherwise required by law.

e. DS&S may extend the time period for submission of the follow-up report with prior written approval of the Department.

#### **Deferred Prosecution**

11. In consideration of: (a) the past and future cooperation of DS&S described in Paragraphs 4 and 5 above; (b) DS&S's payment of a criminal monetary penalty of \$8,820,000; and (c) DS&S's implementation and maintenance of remedial measures as described in Paragraphs 8 and 9 above, the Department agrees that any prosecution of DS&S for the conduct set forth in the attached Statement of Facts, and for the conduct that DS&S disclosed to the Department prior to the signing of this Agreement, be and hereby is deferred for the Term of this Agreement.

12. The Department further agrees that if DS&S fully complies with all of its obligations under this Agreement, the Department will not continue the criminal prosecution against DS&S described in Paragraph 1 and, at the conclusion of the Term, this Agreement shall expire. Within thirty (30) days of the Agreement's expiration, the Department shall seek dismissal with prejudice of the criminal Information filed against DS&S described in Paragraph 1.

#### **Breach of the Agreement**

13. If, during the Term of this Agreement, the Department determines, in its sole discretion, that DS&S has (a) committed any U.S. crime subsequent to the signing of this Agreement, (b) at any time provided deliberately false, incomplete, or misleading information, or

(c) otherwise breached the Agreement, DS&S shall thereafter be subject to prosecution for any federal criminal violation of which the Department has knowledge, including the charges in the Information attached as Exhibit 1, which may be pursued by the Department in the U.S. District Court for the Eastern District of Virginia. Any such prosecution may be premised on information provided by DS&S. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against DS&S notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, DS&S agrees that the statute of limitations with respect to any prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year.

14. In the event that the Department determines that DS&S has breached this Agreement, the Department agrees to provide DS&S with written notice of such breach prior to instituting any prosecution resulting from such breach. DS&S shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the Department in writing to explain the nature and circumstances of such breach, as well as the actions DS&S has taken to address and remediate the situation, which explanation the Department shall consider in determining whether to institute a prosecution.

15. In the event that the Department determines that DS&S has breached this Agreement: (a) all statements made by or on behalf of DS&S to the Department or to the Court, including the attached Statement of Facts, and any testimony given by DS&S before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in

evidence in any and all criminal proceedings brought by the Department against DS&S; and (b) DS&S shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that statements made by or on behalf of DS&S prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed. The decision whether conduct or statements of any current director or employee, or any person acting on behalf of, or at the direction of, DS&S will be imputed to DS&S for the purpose of determining whether DS&S has violated any provision of this Agreement shall be in the sole discretion of the Department.

16. DS&S acknowledges that the Department has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if DS&S breaches this Agreement and this matter proceeds to judgment. DS&S further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

**Sale or Merger of DS&S**

17. DS&S agrees that in the event it sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, or transfer, it shall include in any contract for sale, merger, or transfer a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement.

**Public Statements by DS&S**

18. DS&S expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for DS&S make

any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by DS&S set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of DS&S described below, constitute a breach of this Agreement and DS&S thereafter shall be subject to prosecution as set forth in Paragraphs 13-16 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to DS&S for the purpose of determining whether they have breached this Agreement shall be at the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Department shall so notify DS&S, and DS&S may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. Consistent with the obligations of DS&S as set forth above, DS&S shall be permitted to raise defenses and to assert affirmative claims in civil and regulatory proceedings relating to the matters set forth in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of DS&S in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of DS&S.

19. DS&S agrees that if it, its parent company, or any of its direct or indirect affiliates issues a press release or holds any press conference in connection with this Agreement, DS&S shall first consult the Department to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Department and DS&S; and (b) whether the Department has no objection to the release.

20. The Department agrees, if requested to do so, to bring to the attention of governmental and other debarment authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, including the nature and quality of DS&S's cooperation and remediation. By agreeing to provide this information to debarment authorities, the Department is not agreeing to advocate on behalf of DS&S, but rather is agreeing to provide facts to be evaluated independently by the debarment authorities.

**Limitations on Binding Effect of Agreement**

21. This Agreement is binding on DS&S and the Department but specifically does not bind any other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Department will bring the cooperation of DS&S and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by DS&S.

**Notice**

22. Any notice to the Department under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, Fourth Floor, 1400 New York Avenue, N.W., Washington, D.C. 20005. Any notice to DS&S under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to William H. Walker, Data Systems & Solutions, LLC, 1875 Explorer Street, Suite 200, Reston, VA 20190, and Carl Rauh, Hogan Lovells US LLP, Columbia Square, 555 Thirteenth Street, NW, Washington, DC 20004. Notice shall be effective upon actual receipt by the Department or DS&S.

**Complete Agreement**

23. This Agreement sets forth all the terms of the agreement between DS&S and the Department. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Department, the attorneys for DS&S and a duly authorized representative of DS&S.

AGREED:

FOR DATA SYSTEMS &  
SOLUTIONS LLC

Date: 5/24/12

By:   
WILLIAM H. WALKER  
Data Systems & Solutions, LLC

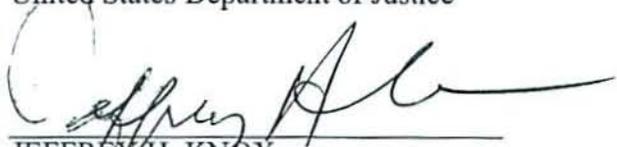
Date: May 30, 2012

By:   
CARL RAUH  
Hogan Lovells US LLP

FOR THE DEPARTMENT OF JUSTICE:

DENIS J. McINERNEY  
Chief, Fraud Section  
Criminal Division  
United States Department of Justice

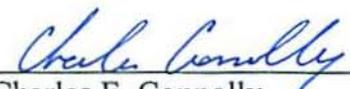
Date: 6/11/12

BY:   
JEFFREY H. KNOX  
Principal Deputy Chief

Date: 6/11/12

BY:   
DANIEL S. KAHN  
Trial Attorney

NEIL H. MacBRIDE  
UNITED STATES ATTORNEY  
EASTERN DISTRICT OF VIRGINIA

By:   
Charles F. Connolly  
Assistant U.S. Attorney

**GENERAL COUNSEL'S CERTIFICATE**

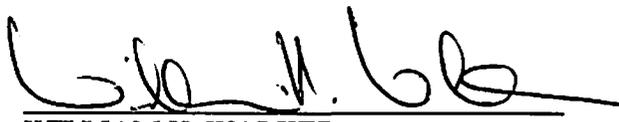
I have read this Agreement and carefully reviewed every part of it with outside counsel for Data Systems & Solutions LLC ("DS&S"). I understand the terms of this Agreement and voluntarily agree, on behalf of DS&S, to each of its terms. Before signing this Agreement, I consulted outside counsel for DS&S. Counsel fully advised me of the rights of DS&S, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of this Agreement with the Members Committee of DS&S. I have advised and caused outside counsel for DS&S to advise the Members Committee fully of the rights of DS&S, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of DS&S, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am General Counsel for DS&S and that I have been duly authorized by DS&S to execute this Agreement on behalf of DS&S.

Date: 5/24, 2012

DATA SYSTEMS & SOLUTIONS LLC

By:   
WILLIAM H. WALKER

**CERTIFICATE OF COUNSEL**

I am counsel for Data Systems & Solutions LLC ("DS&S") in the matter covered by this Agreement. In connection with such representation, I have examined relevant DS&S documents and have discussed the terms of this Agreement with the DS&S Members Committee. Based on our review of the foregoing materials and discussions, I am of the opinion that the representative of DS&S has been duly authorized to enter into this Agreement on behalf of DS&S and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of DS&S and is a valid and binding obligation of DS&S. Further, I have carefully reviewed the terms of this Agreement with the Members Committee and the General Counsel of DS&S. I have fully advised them of the rights of DS&S, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To my knowledge, the decision of DS&S to enter into this Agreement, based on the authorization of the Members Committee, is an informed and voluntary one.

Date: May 30, 2012

By:   
\_\_\_\_\_  
CARL RAUH  
Hogan Lovells US LLP  
Counsel for Data Systems & Solutions LLC

ATTACHMENT A

**STATEMENT OF FACTS**

1. The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Eastern District of Virginia (collectively the "Department") and **Data Systems & Solutions LLC** ("**DS&S**"), and the parties hereby agree and stipulate that the following information is true and accurate. **DS&S** admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Should the Department pursue the prosecution that is deferred by this Agreement, **DS&S** agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding. If this matter were to proceed to trial, the Department would prove beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in the criminal Information attached to this Agreement. This evidence would establish the following:

**Relevant Entities and Individuals**

2. **DS&S** was headquartered in Reston, Virginia, in the Eastern District of Virginia, incorporated in Delaware, and thus a "domestic concern," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1)(B). **DS&S's** business included instrumentation and controls, which involved the design, installation, maintenance of systems, and other services at nuclear power plants, fossil fuel power plants, and other critical infrastructure facilities. Customers of **DS&S's** instrumentation and controls business included state-owned nuclear power plants in Eastern Europe.

3. Executive A was a vice president of marketing and business development at **DS&S** during the relevant time period. Executive A was responsible for marketing and business development efforts in connection with **DS&S**'s nuclear services, including power plant customers in Eastern Europe.

4. The Ignalina Nuclear Power Plant ("INPP" or "Ignalina") was a state-owned nuclear power plant in Lithuania and an "agency" and "instrumentality" of a foreign government, as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(2). INPP was a customer of **DS&S**.

5. Official 1 was the Deputy Head of the Instrumentation & Controls Department at INPP and had influence over the award of contracts. Official 1 was a "foreign official," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(2).

6. Official 2 was the Head of the Instrumentation & Controls Department at INPP and had influence over the award of contracts. Official 2 was a "foreign official," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(2).

7. Official 3 was the Director General at INPP and had influence over the award of contracts. Official 3 was a "foreign official," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(2).

8. Official 4 was the Head of International Projects Department at INPP and had influence over the award of contracts. Official 4 was a "foreign official," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(2).

9. Official 5 was the lead software engineer at INPP and had influence over the award of contracts. Official 5 was a “foreign official,” as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(2).

10. Subcontractor A provided simulation technology products and services to companies in the power generation sector. During the relevant time period, Subcontractor A acted as a subcontractor on a number of DS&S projects, including projects at INPP.

11. Subcontractor B was a power generation subcontractor located in Eastern Europe. Subcontractor B was beneficially owned and operated by Official 1. During the relevant time period, Subcontractor B acted as a subcontractor for DS&S and for Subcontractor A on a number of projects, including projects at INPP. Subcontractor B used INPP employees to perform labor on DS&S projects at INPP, paying them significantly above-market rates in ways that helped them to avoid taxation.

12. Subcontractor C was a shell company incorporated in the United States. During the relevant time period, Subcontractor C funneled money from Subcontractor A to INPP officials and employees in connection with the Gorbach project at INPP.

#### **Overview of the Bribery Scheme**

13. From 1999 through 2004, INPP awarded DS&S a number of contracts, including the Unit 2 TITAN System Replacement project on or about September 6, 1999, valued at or around \$11,500,000; the Radiation Monitoring Systems project on or about March 8, 2000, valued at or around \$2,200,000; the SPDS project on or about October 2,

2000, valued at or around \$1,300,000; the Diverse System Shutdown project on or about July 1, 2002, valued at or around €13,000,000; and the Gorbach project on or about June 5, 2003, valued at or around \$4,400,000.

14. Beginning in or around 1999 and continuing until in or around June 2004, DS&S, directly and through third-party subcontractors, paid bribes and provided other things of value to officials at INPP in order to obtain and retain multi-million dollar instrumentation and controls projects. DS&S funneled many of these bribes through Subcontractor A and Subcontractor B, which sometimes performed legitimate business services for DS&S, and sometimes acted solely as a pass-through for improper payments. Subcontractor A, in turn, funneled bribes to INPP officials through Subcontractor C.

15. DS&S relied on at least three methods to make and disguise corrupt payments to government officials. First, DS&S retained Subcontractor A as a subcontractor on projects at INPP and funneled payments through Subcontractor A to officials at INPP. Subcontractor A either paid the bribes directly to INPP officials or funneled the bribes to the INPP officials through Subcontractor B or Subcontractor C. One method by which DS&S justified the payment of additional money to Subcontractor A for use in paying bribes was entering into fictitious subcontract modifications with Subcontractor A for work at INPP. The real purpose of at least some of these modifications – referred to as “scopes of work” or “statements of work” – was to pay Subcontractor A additional money to make covert bribe payments to foreign government officials. The phony modifications were ordered by Executive A and others. In several

instances, the phony work scopes were physically prepared by a relatively low-level marketing employee at **DS&S** who had no prior experience in this area and who received no input from the project managers or other technical input. There was no legitimate need for the additional funding called for by the modifications, there was no additional work actually performed under the modifications, and the increased funding resulting from some of these modifications was intended for INPP officials.

16. Second, **DS&S** made payments to Subcontractor B for the purpose of funneling bribes to INPP officials, including Official 1 and Official 2. **DS&S** and Subcontractor A engaged Subcontractor B to perform legitimate services, but significantly overpaid Subcontractor B for those services, knowing that the overpayment would be used to pay INPP staff employed by Subcontractor B.

17. Third, **DS&S** spent thousands of dollars on gifts, entertainment and vacations for INPP officials.

18. The INPP officials had the ability to, and did, influence the award of contracts at Ignalina by providing input into which bidder should be awarded the contract; feeding information about the project itself and the competing bidders to **DS&S** and Subcontractor A, which allowed **DS&S** and Subcontractor A to tailor their bids to win the contracts; and designing project specifications that favored **DS&S**.

### **Details of the Bribery Scheme**

#### **Payments from 1999 to 2000**

19. From 1999 to 2000, **DS&S** was awarded several contracts at INPP, including an \$11.5 million contract for the INPP Unit 2 TITAN System Replacement in September 1999, a \$2.2 million contract for the Radiation Monitoring Systems project in March 2000, and a \$1.3 million contract for SPDS on October 2, 2000. During this time period, in efforts to obtain and implement these projects, **DS&S**, directly or indirectly through Subcontractor A, made payments to INPP officials, including Official 1 and Official 2, and provided gifts and entertainment to INPP officials.

20. As early as 1999, Executive A and Official 1 reached an understanding that if **DS&S** was awarded contracts by INPP, **DS&S** would make payments to Official 1 and other INPP employees through the use of Subcontractors, among other means. This included the Unit 2 TITAN System Replacement project, awarded in September 1999. Leading up to the contract award, on May 18, 1999, **DS&S** drafted a Preliminary Proposal Estimate for the Unit 2 TITAN System Replacement project at INPP and reserved \$650,000 for Subcontractor A to make payments to Subcontractor B and others.

21. Following the award of the Unit 2 TITAN contract, but prior to the award of the SPDS contract, when **DS&S** suggested in February 2000 that Subcontractor A's budget should be reduced, an employee of Subcontractor A sent an e-mail to Executive A and other **DS&S** employees, stating that the budget should not be reduced because Subcontractor A's activities in Lithuania had already led to a profitable contract for

**DS&S** at INPP. Executive A made the intention to pay INPP officials even more explicit when, in March 2000, he drafted hand-written notes on documents related to the SPDS Project at INPP, including notations suggesting \$20,000 for Official 1 and \$20,000 for Official 2.

22. **DS&S** then made the following payments to Official 1 and Official 2 via checks issued by Subcontractor A in the Spring of 2000:

Date	Recipient	Amount
March 3, 2000	Official 1	\$5,000
March 3, 2000	Official 2	\$10,000
March 7, 2000	Official 1	\$5,000
March 20, 2000	Official 2	\$5,000
May 16, 2000	Official 1	\$5,000
May 16, 2000	Official 2	\$10,000

23. Gifts to Official 2 also included a trip to Florida paid for by **DS&S** in December 2000. On December 14, 2000, Executive A, who attended the trip with Official 1, sent an e-mail to other **DS&S** employees, including two senior vice presidents, stating, "P.S. I forgot about my other gift to you all. I took [Official 2] away from the Huntsville business for 1 week. Although it cost me tons of nerves and money, it was worth it. How do I put my nerves on an expense report?" Executive A submitted to

**DS&S** an expense report from his trip to Florida with Official 2 in the amount of \$3,410.63 to be reimbursed by **DS&S**.

24. In November and December of 2000, Subcontractor A also issued the following check to Official 4 and wire transferred the following amounts to Official 5 in return for their assistance in securing work for **DS&S** with INPP:

Date	Recipient	Amount
November 17, 2000	Official 5	\$7,000
November 28, 2000	Official 5	\$2,000
December 18, 2000	Official 4	\$7,000

Payments from 2001 to 2004

25. The bribery of INPP officials in return for the award of contracts continued from 2001 to 2004, during which time **DS&S** was awarded additional contracts at INPP, including a €13 million contract to manufacture and install a Diverse Shutdown System in July 2002 and the \$4.4 million Gorbach project in June 2003. In efforts to obtain and implement projects at INPP, **DS&S**, directly or indirectly, through Subcontractor A, Subcontractor B, and Subcontractor C made additional corrupt payments to INPP officials, including Official 1, Official 2, Official 4, and Official 5, and provided gifts and entertainment to INPP officials.

26. Although **DS&S** had already been using Subcontractor B to make payments to INPP officials, in October 2001, Executive A discussed with Official 1, who was the

beneficial owner of Subcontractor B, the need to open a bank account for Subcontractor B in the United States. Later that month, Executive A and Official 1 opened the account. On November 12, 2001, a **DS&S** employee wrote a memorandum to other **DS&S** employees, including Executive A, reporting on discussions with Official 1 regarding the upcoming Diverse Shutdown System project at INPP and stating that “[c]ollaboration with local company in Lithuania is a must, and [Subcontractor B], has been recommended.”

27. In addition to the use of Subcontractor B, **DS&S** caused Subcontractor A to make the following direct payments to Official 1, Official 2, Official 4, and Official 5:

Date	Recipient	Amount
April 23, 2001	Official 4	\$8,000
August 29, 2001	Official 4	\$8,000
August 29, 2001	Official 4	\$8,000
December 17, 2001	Official 1	\$7,000
December 17, 2001	Official 2	\$7,000
December 18, 2001	Official 1	\$3,000
December 18, 2001	Official 2	\$3,000
March 1, 2002	Official 4	\$6,000
May 2, 2002	Official 1	\$5,000
May 2, 2002	Official 2	\$5,000

May 8, 2002	Official 2	\$3,000
May 14, 2002	Official 2	\$7,000
July 5, 2002	Official 5	\$7,000

28. Later that year, **DS&S** began its attempts to secure the upcoming Gorbach project at INPP. On September 24, 2002, Executive A sent an e-mail to the **DS&S** project manager for INPP stating that Executive A and two **DS&S** senior vice presidents would be having dinner with Official 3 and others to discuss the Gorbach project. Several weeks later, Executive A took Official 2 and Official 3 on a vacation to Hawaii for which **DS&S** paid.

29. On October 2, 2002, Subcontractor A issued a check in the amount of \$4,000 to Official 4 in return for Official 4's assistance in securing work for **DS&S** with INPP.

30. In the beginning of 2003, the **DS&S** project manager for INPP sent several e-mails laying the groundwork to make covert payments to INPP employees for the Gorbach Project. On January 22, 2003, the project manager sent an e-mail to Executive A and a **DS&S** senior vice president of marketing in which he stated that, as had been done in previous projects, most of the work for the Gorbach project would be completed by subcontractors. On February 11, 2003, the project manager sent an e-mail to the senior vice president of marketing and other employees at **DS&S** stressing the need to be discreet about the use of Subcontractor B: "[W]e should include in the proposal specific

names like [an employee at Subcontractor A] and myself in order to give confidence that we have a team knowledgeable on how to complete work successfully at INPP. Just a reminder that we need to be very careful not to mention any locals that work for INPP as part of our (subcontractor) team, e.g., [Official 1] when we discuss [Subcontractor B] for supplying local labor.”

31. The following month, in March 2003, in response to an e-mail question from a DS&S employee about why DS&S was using Subcontractor B for services that DS&S could itself provide, the DS&S project manager for INPP made clear that one of the reasons was “the opportunity for further projects.”

32. On April 7, 2003, Subcontractor A issued a check in the amount of \$4,000 to Official 4 in return for Official 4’s assistance in securing work for DS&S with INPP.

33. However, in order to make payments to INPP officials in return for their help in securing the Gorbach project for DS&S, Subcontractor A also funneled several payments through Subcontractor C. On September 2, 2003, Subcontractor A caused \$63,500 to be wired from the bank account of Subcontractor A to the bank account of Subcontractor C in order to make payments to officials at INPP.

34. DS&S determined that an additional \$100,000 needed to be diverted to Subcontractor A for the purpose of paying officials at INPP in return for their help in obtaining and retaining contracts for DS&S. In October 2003, the DS&S project manager for INPP held meetings in Virginia with the INPP officials responsible for Gorbach. At the meetings, the officials approved the first milestone for design work

without any discussion of any design cost overruns or any other justification for increasing the payments associated with the contract. Nonetheless, the very next week, after a dinner with officials from INPP and employees from Subcontractor A, Executive A asked the DS&S project manager to make an additional \$100,000 available to Subcontractor A in connection with the Gorbach project.

35. On October 15, 2003, the DS&S project manager sent an e-mail to Executive A, copying the DS&S senior vice president of marketing, stating, "I've done a little research . . . So, sales fee funds will have to come from our profit and/or [Subcontractor A's] profit. I'm in Frederick today and will have some discussions with [the DS&S senior vice president] on the issue." Executive A responded to the e-mail, stating, "[Subcontractor A is] responsible for their part of obligations. And they already do something to help us save face. Let's think how we will to do our job." Several days later, on October 19, 2003, Executive A sent another e-mail to the DS&S project manager and the senior vice president of marketing, stating, "Do what you wont, but set up A.S.A.P. new task order for [Subcontractor A] (with [the senior vice president's] help)-100K for local support and make 1-st payment. And better stop discussion about it with [Subcontractor A] and INPP managers to avoid rumors which can kill our business in Lithuania." The project manager responded via e-mail, stating, "I think the 3 of us need to speak by phone so we are clear on all things. I don't see how [Subcontractor A] can not be involved as they will have to make the payment to locals...Whether or not [Executive A] you can get [Subcontractor A] to use these funds to pay locals in the

timeframe you want I can't say. The most I can do is to help [Subcontractor A] obtain more profit than they originally planned. Convincing [Subcontractor A] to play ball, and at what \$ level, is up to you."

36. On November 25, 2003, Executive A sent an e-mail to other DS&S employees, including two senior vice presidents, stating, "Thank you all for your support and especially for the last two payments which helped us manifold: 1. Successfully pass [the factory acceptance test].... 3. Start negotiations for three new projects at Ignalina."

37. Additional payments and gifts continued in December 2003 and January 2004. On December 5, 2003, Subcontractor A caused \$127,000 to be wired from the bank account of Subcontractor A to the bank account of Subcontractor C in order to make payments to officials at INPP. On January 23, 2004, DS&S purchased a Cartier watch for Official 3 valued at \$2,664.74.

38. On March 15, 2004, Executive A sent an e-mail to a DS&S senior vice president of marketing expressing Executive A's frustration because DS&S still owed money in connection with projects at INPP and stated that these payments were "still important because without NPP people support the contract would have been terminated already. We owe 128K for INPP support ... I am tired of explaining to [the DS&S employee] what 5-10% for local support means. I remember exactly our requirements in INPP..."

39. Subcontractor A made five additional payments to Subcontractor C for the purpose of bribing INPP officials. On April 1, 2004, an employee of Subcontractor A

sent an e-mail to the owner of Subcontractor A, stating that Subcontractor A needed to make a payment in the amount of \$56,300 to INPP. On April 6, 2004, Subcontractor A caused the \$56,300 to be wired from the bank account of Subcontractor A to the bank account of Subcontractor C. Subcontractor A then made the following wire transfers from its bank account to the bank account of Subcontractor C in order to make payments to officials at INPP:

Date	Amount
August 11, 2004	\$16,500
September 7, 2004	\$54,800
November 29, 2004	\$54,800
December 3, 2004	\$15,400

ATTACHMENT B

**CERTIFICATE OF CORPORATE RESOLUTIONS**

WHEREAS, Data Systems & Solutions LLC (“DS&S” or the “Company”) has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section (the “Department”) regarding issues arising in relation to certain improper payments to foreign officials to facilitate the award of contracts and assist in obtaining business for the Company; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Department; and

WHEREAS, the Company’s General Counsel, William H. Walker, together with outside counsel for the Company, have advised the Members Committee of the Company of its rights, possible defenses, the Sentencing Guidelines’ provisions, and the consequences of entering into such agreement with the Department;

Therefore, the Members Committee has RESOLVED that:

1. The Company (a) acknowledges the filing of the two-count Information charging DS&S with participating in a conspiracy to violate the laws of the United States, in violation of 18 U.S.C. § 371, that is, to violate the anti-bribery provisions of the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. § 78dd-2, and one count of violating the anti-bribery provisions of the FCPA, 15 U.S.C. § 78dd-2; (b) waives indictment on such charges and enters into a deferred prosecution agreement with the Department; and (c) agrees to accept monetary criminal penalties against DS&S totaling \$8,820,000, and to pay a total of \$8,820,000 to the United States Treasury with respect to the conduct described in the Information;

2. The General Counsel of DS&S, William H. Walker, is hereby authorized, empowered and directed, on behalf of the Company, to execute the Deferred Prosecution Agreement substantially in such form as reviewed by this Members Committee at this meeting with such changes as the General Counsel of DS&S, William H. Walker, may approve;

3. The General Counsel of DS&S, William H. Walker, is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and

4. All of the actions of the General Counsel of DS&S, William H. Walker, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: 5/24, 2012

By:   
\_\_\_\_\_  
Mary Sullivan  
Secretary  
Data Systems & Solutions LLC

## **ATTACHMENT C**

### **CORPORATE COMPLIANCE PROGRAM**

In order to address any deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, Data Systems & Solutions LLC (“DS&S”) agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, DS&S agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that DS&S makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the company’s existing internal controls, policies, and procedures:

1. DS&S will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law counterparts (collectively, the “anti-corruption laws,”), which policy shall be memorialized in a written compliance code.
2. DS&S will ensure that its senior management provides strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

3. DS&S will develop and promulgate compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and DS&S's compliance code, and DS&S will take appropriate measures to encourage and support the observance of ethics and compliance standards and procedures against foreign bribery by personnel at all levels of the company. These anti-corruption standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of DS&S in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"), to the extent that agents and business partners may be employed under DS&S's corporate policy. DS&S shall notify all employees that compliance with the standards and procedures is the duty of individuals at all levels of the company. Such standards and procedures shall include policies governing:

- a. gifts;
- b. hospitality, entertainment, and expenses;
- c. customer travel;
- d. political contributions;
- e. charitable donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

4. DS&S will develop these compliance standards and procedures, including internal controls, ethics, and compliance programs on the basis of a risk assessment addressing the individual circumstances of the company, in particular the foreign bribery risks facing the

company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

5. DS&S shall review its anti-corruption compliance standards and procedures, including internal controls, ethics, and compliance programs, no less than annually, and update them as appropriate, taking into account relevant developments in the field and evolving international and industry standards, and update and adapt them as necessary to ensure their continued effectiveness.

6. DS&S will assign responsibility to one or more senior corporate executives of DS&S for the implementation and oversight of DS&S's anti-corruption policies, standards, and procedures. Such corporate official(s) shall have direct reporting obligations to independent monitoring bodies, including internal audit, DS&S's Members Committee, or any appropriate committee of the Members Committee, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

7. DS&S will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts to ensure that they cannot be used for the purpose of foreign bribery or concealing such bribery.

8. DS&S will implement mechanisms designed to ensure that its anti-corruption policies, standards, and procedures are effectively communicated to all directors, officers,

employees, and, where appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents and business partners; and (b) annual certifications by all such directors, officers, and employees, and, where necessary and appropriate, agents, and business partners, certifying compliance with the training requirements.

9. DS&S will maintain, or where necessary establish, an effective system for:

a. Providing guidance and advice to directors, officers, employees, and, where appropriate, agents and business partners, on complying with DS&S's anti-corruption compliance policies, standards, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the company operates;

b. Internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners, not willing to violate professional standards or ethics under instructions or pressure from hierarchical superiors, as well as for directors, officers, employees, and, where appropriate, agents and business partners, willing to report breaches of the law or professional standards or ethics concerning anti-corruption occurring within the company, suspected criminal conduct, and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners; and

c. Responding to such requests and undertaking appropriate action in response to such reports.

10. DS&S will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and DS&S's anti-corruption compliance code, policies, and procedures by DS&S's directors, officers, and employees. DS&S shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, ethics, and compliance program and making modifications necessary to ensure the program is effective.

11. To the extent that the use of agents and business partners is permitted at all by DS&S, it will institute appropriate due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

- a. Properly documented risk-based due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
- b. Informing agents and business partners of DS&S's commitment to abiding by laws on the prohibitions against foreign bribery, and of DS&S's ethics and compliance standards and procedures and other measures for preventing and detecting such bribery; and
- c. Seeking a reciprocal commitment from agents and business partners.

12. Where necessary and appropriate, DS&S will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of

the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of anti-corruption laws, and regulations or representations and undertakings related to such matters.

13. DS&S will develop and implement policies and procedures for mergers and acquisitions requiring that DS&S conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel. If DS&S discovers any corrupt payments or inadequate internal controls as part of its due diligence of newly acquired entities or entities merged with DS&S, it shall report such conduct to the Department as required in Appendix B of this Agreement.

14. DS&S will ensure that DS&S's policies and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with DS&S and will promptly:

a. Train directors, officers, employees, agents, consultants, representatives, distributors, joint venture partners, and relevant employees thereof, who present corruption risk to DS&S, on the anti-corruption laws and DS&S's policies and procedures regarding anti-corruption laws.

b. Conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

15. DS&S will conduct periodic review and testing of its anti-corruption compliance code, standards, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and DS&S's anti-corruption code,

**standards and procedures, taking into account relevant developments in the field and evolving international and industry standards.**