

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between the United States of America, acting through the United States Department of Justice and on behalf of the United States Small Business Administration (“SBA”) (collectively, the “United States”); the Tarbell Group, LLC (“Relator”); and the International Brotherhood of Electrical Workers Local 103 (“Local 103”) (hereafter, the United States, Relator, and Local 103 are collectively referred to as the “Parties”), through their authorized representatives.

RECITALS

A. Local 103 is a union headquartered in Dorchester, Massachusetts. At all times relevant to this agreement, Local 103 has been organized as a 501(c)(5) nonprofit.

B. The SBA is an independent agency of the United States government that provides aid, counsel, and assistance to small businesses and entrepreneurs. The Coronavirus Aid, Relief, and Economic Security Act, Section 1102, vested the SBA with the responsibility of managing the Paycheck Protection Program (“PPP”) under the SBA’s 7(a) Loan Program. The PPP was a federal program that provided emergency relief to small businesses affected by the COVID-19 pandemic. *See* 15 U.S.C. § 636(a)(36). The SBA administered the PPP and guaranteed loans that were made according to PPP rules.

C. Under the PPP, an entity could receive up to two loans—a “First Draw” PPP loan, which was available from March 2020 through March 2021, and a “Second Draw” PPP loan, which was available from January 2021 through May 2021. Entities organized as 501(c)(5) nonprofits did not become eligible for First Draw or Second Draw loans until March 2021. To be eligible for a Second Draw loan, an entity, among other things, had to receive a First Draw loan and exhaust the funds from that loan prior to applying for the Second Draw Loan. *See* 15

U.S.C. § 636(37)(O). To apply for PPP funding under either Draw, an entity had to certify that it met the requirements of the program.

D. On July 26, 2024, the Tarbell Group, LLC filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States of America ex rel. The Tarbell Group, LLC v. [SEALED]*, No. 24-cv-11950-LTS, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). Relator alleged, among other things, that Local 103 violated the False Claims Act because it received (a) a First Draw loan in April 2020, before it became eligible to receive such a loan, and (b) a Second Draw loan in violation of the PPP eligibility rules.

E. Local 103 admits, acknowledges, and accepts responsibility for the following facts:

1. In April 2020, at the start of the PPP, Local 103 applied for and received a First Draw loan. At this time, 501(c)(5) nonprofits, like Local 103, were not eligible for First Draw loans.

2. In March 2021, 501(c)(5) nonprofits became eligible for First Draw and Second Draw loans. At this time, Local 103 did not return the First Draw funds it previously received or reapply for a First Draw loan.

3. On March 21, 2021, Local 103 applied for a Second Draw loan, and at the end of March, received a Second Draw loan in the amount of \$1,294,471 (SBA#7175648608). On its application, Local 103 certified that it was eligible for the loan under the PPP regulations in effect at the time of the application. It also certified that it received a First Draw loan and used all the loan proceeds before applying for the Second Draw loan.

4. Had it applied for the First Draw loan when it became eligible in March 2021, Local 103 would not have spent the proceeds from that loan before it applied for the Second Draw loan—only about 11 days passed between when Local 103 became eligible for First Draw loans and when it applied for the Second Draw loan, and generally speaking, PPP loan amounts are for 2.5 months of payroll expenses.

5. In November 2021, Local 103 sought and received forgiveness from SBA, through a private lender, of its First Draw loan. In December 2021, Local 103 sought and received forgiveness from SBA, through a private lender, of its Second Draw loan.

F. The foregoing conduct described in paragraph E, including subparagraphs, is hereinafter referred to as the “Covered Conduct.” The United States contends it has certain civil claims against Local 103 based on the Covered Conduct for submitting or causing the submission of false claims to the SBA arising from Local 103’s Second Draw PPP loan. In particular, the United States contends that, had it complied with the PPP rules, Local 103 would not have been eligible for a Second Draw loan. The United States also contends that as a result of the Covered Conduct, the SBA paid \$1,294,471 in principle, \$22,165.60 in interest, and \$38,834.13 in lender fees.

G. Local 103 received credit under the Department of Justice’s guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justice Manual § 4-4.112. Among other actions, Local 103 produced materials without a subpoena, cooperated with the government’s investigation, and immediately acknowledged wrongdoing and sought to resolve this matter expeditiously.

In consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Local 103 shall pay to the United States the sum of \$2,033,205, of which \$1,355,470 is restitution, plus interest at a rate of five percent (5%) from June 27, 2025, and continuing through the date of payment (the “Settlement Amount”), no later than ten (10) days after the Effective Date of this Agreement pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Massachusetts.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$203,320.50 to Relator by electronic funds transfer (“Relator’s Share”).

3. Within thirty (30) days of the Effective Date of this agreement, Local 103 shall pay to Relator the sum of \$4,656.60 for expenses and attorney’s fees and costs pursuant to 31 U.S.C. § 3730(d). Immediately upon execution of this Agreement, Relator shall provide wire instructions to Local 103 in order to effectuate this payment.

4. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount, the United States releases Local 103 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 Administrative Remedies for False Claims Act, 31 U.S.C. §§ 3801-3812, or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Notwithstanding the release 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 this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement; and
- f. Any liability of any individuals.

6. Relator and its heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of Relator's Share, Relator and its heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. Conditioned upon its receipt of the payment from Local 103 described in Paragraph 3, Relator, for itself and its heirs, successors, attorneys, agents, and assigns, releases Local 103, and its officers, agents, and employees, from any liability to the Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

8. Local 103 waives and shall not assert any defenses they 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. Local 103 fully and finally releases the United States and its agencies, officers, agents, employees, and servants from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Local 130 has asserted, could have asserted, or may assert in the future against the United States or its agencies, officers, agents, employees, or servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

10. Local 103 fully and finally releases Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Local 103 has asserted, could have asserted, or may assert in the future against Relator, related to the Covered Conduct and Relator's investigation and prosecution thereof.

11. Local 103 agrees to the following:

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 the Released Parties, and their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;
- (3) Local 103's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and

any criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);

- (4) the negotiation and performance of this Agreement; and
- (5) the payment Local 103 makes to the United States and Relator pursuant to this Agreement, are unallowable costs for government contracting purposes (hereinafter referred to as "Unallowable Costs").

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Local 103, and Local 103 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, Local 103 shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Local 103 or any of their subsidiaries or affiliates from the United States. Local 103 agrees that the United States, at a minimum, shall be entitled to recoup from Local 103 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 Local 103's books and records and to disagree with any calculations submitted by Local 103 or any of their subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Local 103, or the effect of any such Unallowable Costs on the amount of such payments.

12. Local 103 agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Local 103 shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Local 103 further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

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

14. Upon receipt of the payments described in Paragraphs 1 and 3, above, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal as to Local 103. The Joint Stipulation of Dismissal shall state that: (1) claims for the allegations described in the Covered Conduct are dismissed with prejudice to the United States; (2) all other claims in the Civil Action as to Local 103, including claims under 31 U.S.C. §§ 3729-3733, shall be dismissed without prejudice to the United States; and (3) all claims in the Civil Action shall be dismissed with prejudice as to Relator.

15. Subject to Paragraph 3, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

17. 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 District of Massachusetts. 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.

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

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

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

21. This Agreement is binding on Local 103's successors, transferees, heirs, and assigns.

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

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

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

[SIGNATURES TO FOLLOW ON NEXT PAGES]

THE UNITED STATES OF AMERICA

7/23/2025

Date

By: /s/ Brian M. LaMacchia

Brian M. LaMacchia

Assistant U.S. Attorney

United States Attorney's Office

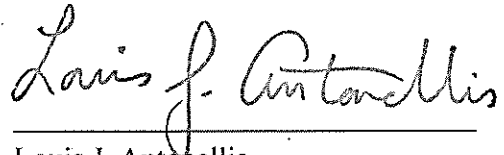
District of Massachusetts

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 103

July 23, 2025

Date

By:

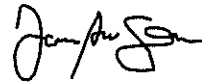


Louis J. Antonellis
Authorized Corporate Officer for
International Brotherhood of Electrical
Workers Local 103

July 23, 2025

Date

By:



James A.W. Shaw, Esq.
Segal Roitman, LLP
Counsel for International Brotherhood of
Electrical Workers Local 103

RELATOR THE TARBELL GROUP, LLC

2/21/2025
Date

By: 
[INSERT]
Authorized Corporate Officer for the
Tarbell Group, LLC

July 22, 2025
Date

By: 
Bruce Ellis Fein, Esq.
Law Office of Bruce Ellis Fein PLLC
Counsel for the Tarbell Group, LLC