SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Department of Energy and the Department of the Air Force (collectively, the "United States") and Jose A. Nieves (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Jose A. Nieves ("Mr. Nieves" or "Nieves") was employed by the United States Department of Energy ("DOE") as an engineer at the Sandia Field Office of the National Nuclear Safety Administration.

B. The United States contends that it has certain civil claims against Mr. Nieves arising from his period of employment with DOE. In particular, that Mr. Nieves, while employed by DOE, sought and accepted concurrent employment with Department of the Air Force ("Air Force") contractors Pacific Architects and Engineers ("PAE") and Arctic Slope Regional Corporation ("ASRC"), d/b/a NetCentric Technology, LLC.

Mr. Nieves' was employed by PAE between April 2021 and September 2021, a period during which he was employed full time by DOE. In procuring his employment with PAE, Mr. Nieves falsely represented that he was retired from DOE. The United States alleges that Mr. Nieves submitted nineteen timesheets to PAE containing false representations that caused PAE to compensate Mr. Nieves for his employment.

After completing his dual employment at PAE, Mr. Nieves was employed by ASRC beginning in September 2021 and July 2022. In procuring his employment with ASRC, Mr. Nieves falsely represented on his employment application that his employment with DOE had ended. He supported his employment application with a resume that repeated this falsehood. The United States alleges that Mr. Nieves submitted twenty-four timesheets to ASRC containing false statements, thereby causing ASRC to compensate Mr. Nieves for his employment, and in turn causing ASRC to seek and receive reimbursement from the Air Force. The United States contends that Mr. Nieves' actions with respect to his employment at ASRC were contrary to the False Claims Act, 31 U.S.C. § 3729.

Throughout the timeframe Mr. Nieves was employed by, and compensated by PAE and ASRC, he continued to seek and receive compensation for his DOE employment. During his periods of dual employment, Mr. Nieves submitted thirty-three timesheets to DOE; each one containing falsehoods about the time he worked for DOE. The United States alleges that Mr. Nieves was unjustly enriched by his actions and procured his wages from DOE through fraudulent misrepresentations.

That conduct is referred to below as the Covered Conduct.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as reflected in the terms below. This Settlement Agreement reflects the Parties' compromise and resolution.

C. The recitals of the Covered Conduct shall not be construed as evidence of any admission or concession of any point of fact or law by Mr. Nieves.

Mr. Nieves expressly denies each of the claims and contentions alleged by the United States related to the Covered Conduct and denies any wrongdoing whatsoever. The terms of the Settlement Agreement are as follows:

<u>TERMS AND CONDITIONS</u>

1. Jose A. Nieves shall pay to the United States one hundred and sixty-five thousand dollars ($165,000) (Settlement Amount), of which $156,798.77 is restitution, by electronic funds transfer pursuant to written instructions to be provided by Office of the United States Attorney for the District of New Mexico no later than seven (7) days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, the United States releases Nieves from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);

b. Any criminal liability;

c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;

d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

e. Any liability based upon obligations created by this Agreement;

f. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Nieves waives and shall not assert any defenses Nieves may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Nieves fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Nieves has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf

of Nieves, and its present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Agreement;

(2) the United States' audit(s) and civil and criminal investigation(s) of the matters covered by this Agreement;

(3) Nieves' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);

(4) the negotiation and performance of this Agreement;

(5) the payment Nieves makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

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

7. Consistent with his rights under the Fifth Amendment to the United States Constitution, Mr. Nieves agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Nieves 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.

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

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

11. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Mexico. 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.

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

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

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

16. This Agreement is binding on Nieves' successors, transferees, heirs, and assigns.

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

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

<u>THE UNITED STATES OF AMERICA</u>

DATED: 10/15/25 BY: ______________________________
Sean M. Cunniff
Assistant United States Attorney
District of New Mexico

JOSE A. NIEVES

DATED: 10/08/2025 BY: ______________________________
Jose A. Nieves

DATED: 10/9/2025 BY: ______________________________
Marc M. Lowry
ROTHSTEIN DONATELLI LLP
Counsel to Jose A. Nieves