

November 15, 2006

Electronic Data Systems
Attn: General Counsel's Office
5400 Legacy Drive
Plano, Texas 75024

Dear General Counsel of EDS:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database (www.pogo.org/db/index.cfm), a compilation of information from public resources regarding government contractors, including EDS. On January 26, 2006, we sent you information regarding findings relevant to EDS, which I have enclosed for your reference. As of today, we have not received a response from your office.

A written response is certainly in the best interest of everyone involved. It is the best way for your company to go on record regarding this process and the instances identified; your letter will be posted in its entirety on the database. Several companies have already responded and have expressed appreciation for the opportunity to express their views. POGO would prefer to receive a response by November 30, 2006 to ensure it is included with the launch of our new database.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Scott Amey
General Counsel

Enclosure

Instances

1.

Compensation Issues

Date: 11/25/2005 (Date of Settlement)

Misconduct Type: Tax

Contracting Party: International

Court Type: Civil

Amount: \$121,800,000

Disposition: Settlement

Synopsis: "Her Majesty's Revenue & Customs (HMRC) and EDS...negotiated a settlement of HMRC's claim for compensation for issues experienced with the IT system developed by EDS, to support the 2003 launch and subsequent operation of Tax Credits, during their partnership with HMRC. HMRC and EDS have successfully concluded an aggregate settlement of £71.25m [\$121.8 million], including an up front payment and payments of additional amounts over time. The specific terms of the settlement agreement are confidential."

Document(s):

EDS Press Release

2.

Failure to Conform to Current Good Manufacturing Practices

Date: 02/07/2005 (Date of Inspection Report)

Misconduct Type: Other

Contracting Party: N/A

Court Type: Administrative

Amount: \$0

Disposition: Administrative Agreement

Synopsis: During a 2004 inspection it was found that a device produced by EDS was not being manufactured in conformance with Current Good Manufacturing Practice. Some Quality System (QS) violations included: failure "to ensure that the procedures for implementing corrective and preventive actions were complete", that "software used by your firm as part of the quality system has not been fully validated for its intended use according to an established protocol", and failure "to address design input requirements that are incomplete". The FDA requested that EDS immediately take prompt action to correct these violations.

Document(s):

FDA Warning Letter

Pending

1.

Feder v. Electronic Data Systems (Violations of the Securities Exchange Act)

Date: 10/24/2005 (Date of Most Recent Appeal)

Misconduct Type: Securities

Contracting Party: N/A

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: The complaint alleges that the defendants violated the Securities Exchange Act by issuing a series of material misrepresentations to the market.

Document(s):

5th Circuit Court of Appeals Opinion