

April 12, 2007

Jacobs Engineering Group, Inc.  
Attn: General Counsel's Office  
1111 South Arroyo Parkway  
P.O. Box 7084  
Pasadena, CA 91109-7084

Dear General Counsel's Office of Jacobs Engineering Group:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database ([www.pogo.org/db/index.cfm](http://www.pogo.org/db/index.cfm)), a compilation of information from public resources regarding government contractors, including Jacobs Engineering Group, Inc.. I have enclosed the findings relevant to your company and am requesting verification or refutation of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Jacobs Engineering Group, please be assured that any response received by POGO will be posted on the website along with the data.

Changes to the database include the addition of more current instances and removal of information that could not be verified with official documents. Additionally, pending cases will still be included, but this information will be kept separate from the resolved cases and will not be included in the totals.

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

Sincerely,

Neil Gordon  
Legal Fellow

Enclosure

## Instances of Misconduct

1.

### **Improperly Charged Overhead Costs**

**Date:** 11/02/2000 (Date of Press Release)

**Misconduct Type:** Government Contract Fraud

**Contracting Party:** Government Civilian

**Court Type:** Civil

**Amount:** \$35,000,000

**Disposition:** Settlement

**Synopsis:** On November 2, 2000, the Department of Justice issued a press release regarding civil fraud recoveries made during the previous fiscal year, most of which involved the False Claims Act 31 U.S.C. § 3729, et seq. The release highlighted a recovery for “\$35 million from Jacobs Engineering Group in connection with allegations that it improperly charged overhead costs to various government contracts.”

2.

### **United States v. Sverdrup Technology, Inc. (Mischarging NASA for Labor and Materials)**

**Date:** 08/15/2001 (Date of Settlement Announcement)

**Misconduct Type:** Government Contract Fraud

**Contracting Party:** Government Civilian

**Court Type:** Civil

**Amount:** \$2,500,000

**Disposition:** Settlement

**Synopsis:** On August 15, 2001, the Department of Justice announced that Sverdrup Technology, Inc., a subsidiary of Jacobs Engineering, Inc., “agreed to pay the government \$2.5 million to resolve allegations of mischarging the National Aeronautics and Space Administration (NASA)...The allegations stem from mischarging practices carried out by two laboratories operated by Sverdrup at the Stennis Space Center in Hancock, Mississippi. In both instances,

NASA alleged that [Sverdrup] mischarged the United States when it had the technical services contract at the Stennis Space Center in the early to mid-1990's. In the first case, the court on January 24, 2001 found that Sverdrup...violated the False Claims Act when it mischarged overhead labor and materials costs as direct costs, which allowed the company to increase its profits by disguising the true extent of its overhead expenses...The second case brought by the government against Sverdrup involved similar allegations, but at a different laboratory operated by the company at the Stennis Space Center.”