

June 3, 2008

Jacobs Engineering Group, Inc.
1111 South Arroyo Parkway
P.O. Box 7084
Pasadena, CA 91109-7084

Dear Sir or Madam:

Sometime in the next few weeks, the Project On Government Oversight (POGO) will update its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including Jacobs Engineering Group. On April 12, 2007, we sent Jacobs Engineering Group information regarding findings in POGO's database. As of today, we have not received a response from you. I have enclosed the findings relevant to your company, and I am seeking verification 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.

The biggest change we will be making to the database is the inclusion of more federal contractors (the top 100). We are also adding new instances that we have found in recent months and updating instances already in the database with new information. Please note that the database also includes pending instances, but these are kept separate from resolved instances and are not 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
Investigator

Enclosure

Instances

1. Bond v. Jacobs Engineering (Improperly Charged Overhead Costs)

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

Misconduct Type: Government Contract Fraud

Enforcement Agency: Multiple Agencies

Contracting Party: Multiple Agencies

Court Type: Civil

Amount: \$35,000,000

Disposition: Settlement

Synopsis: In 2000, Jacobs Engineering Group agreed to pay \$35 million to settle allegations that it improperly charged overhead costs to various government contracts. The settlement resolved a qui tam action filed in 1997 by former employee Edwin Bond. In November 1999, a court determined that Jacobs had inflated lease payments under cost-plus contracts in violation of the Federal Acquisition Regulations (FAR).

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

Enforcement Agency: NASA

Contracting Party: NASA

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.”