June 6, 2008

Parsons Corporation
100 West Walnut Street
Pasadena, CA 91124

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 Parsons. On March 7, 2006 and November 16, 2006, we sent Parsons 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 Parsons, 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. Tucker v. Engineering Services, Inc. (Overcharging the Government)
   Date: 10/11/1995 (Date of Settlement)
   Misconduct Type: Cost/Labor Mischarge
   Enforcement Agency: Defense – Air Force
   Contracting Party: Defense - Air Force
   Court Type: Civil
   Amount: $3,225,000
   Disposition: Settlement
   Synopsis: “Parsons Engineering Sciences Inc. of Pasadena, California, will pay the United States $3,225,000 to settle allegations the company knowingly billed the government on two Air Force contracts for employees' labor rates that were too high for their work experience…[this payment] settles a qui tam lawsuit, United States ex rel. Tucker v. Engineering Sciences, Inc., filed in U.S. District Court in Raleigh, North Carolina, on April 21, 1993, by J.R. Tucker, a former Parsons employee, on behalf of the United States” and filed under the False Claims Act 31 U.S.C. § 3729, et seq.

2. Baghdad Police College SIGIR Report
   Date: 09/27/2006 (Date of SIGIR Report)
   Misconduct Type: Poor Contract Performance
   Enforcement Agency: Multiple Agencies
   Contracting Party: Defense - Army
   Court Type: N/A
   Amount: $0
   Disposition: Investigative Finding
   Synopsis: On September 27, 2006, the Office of the Special Inspector General for Iraq Reconstruction (SIGIR) released a Quick Reaction Report on the Baghdad, Iraq police college. The project was completed under a cost-plus contract awarded to Parsons. The report noted several "significant deficiencies," including leaking water and other waste materials, water damage, and poor construction materials and practices. The report recommended further investigation of all project work associated with the police college.

Pending Instances

Overbilling and Poor Performance on Iraq Reconstruction Work
   Date: 05/01/2007
   Misconduct Type: Government Contract Fraud
   Enforcement Agency: Defense – Army
   Contracting Party: Defense - Army
   Court Type: Administrative
   Amount: $0
   Disposition: Pending
   Synopsis: The Army is considering debarring Parsons Corp. because of allegations of double billing and substandard work on Iraqi reconstruction contracts. In March 2007, Army
procurement fraud officials formally asked Parsons to show cause why it should not be considered for debarment in the wake of a harsh report by the Special Inspector General for Iraq Reconstruction (SIGIR), which found Parsons failed to properly oversee subcontractors and lacked project controls and standards of conduct on such projects as police academies, health clinics and schools. In 2006, the SIGIR found that the company failed to meet contract specifications on 13 of 14 construction projects, prompting the Army to cancel its contract with Parsons for the 14th project.