SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and the United States Attorney’s Office for the District of Maryland, and on behalf of the United States Department of the Army (collectively the “United States”), and Computer Sciences Corporation, Inc. (“CSC”) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Computer Sciences Corporation is headquartered in Falls Church, Virginia. CSC designs, integrates, operates and maintains satellite and wireless network solutions and telecommunication services and security systems for government and private sector customers. Prior to January 1, 2008, CSC was awarded a contract through the United States Army Communication Electronics Command (CECOM) to provide IT support to a variety of government assets and locations worldwide. CECOM is Headquartered at Aberdeen Proving Ground, Maryland.

B. The United States contends that it has certain civil claims against CSC for conduct occurring between January 16, 2008, through January 15, 2012. The conduct described in subparagraph B(1) below shall be referred to hereinafter as the “Covered Conduct.” Specifically, the United States contends:

   (1) On time and materials CECOM IDIQ Contract No. W15P7T-06-D-E404, Time and Material Task Order 8, CSC billed CECOM for work performed by individuals whose job qualifications did not meet the qualifications prescribed by the contract for the
labor categories under which their efforts were billed to the Army, thereby falsely increasing the amount of money CSC claimed and the amount CECOM paid to CSC.

C. This Settlement Agreement is neither an admission of liability by CSC nor a concession by the United States that its claims are not well founded.

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 follows:

**TERMS AND CONDITIONS**

1. CSC shall pay to the United States $1,100,000 (the “Settlement Amount”) in a single installment, plus interest at the rate of 2.25 percent per annum accrued on any unpaid balance, from March 31, 2014 until the Settlement Amount and all accrued interest are paid in full in accordance with the terms and conditions set forth in this Agreement. The Settlement Amount and all accrued interest shall constitute a debt immediately due and owing to the United States on the Effective Date of this Agreement. All payments shall be made by electronic fund transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the District of Maryland.

2. Subject to the exceptions in Paragraph 3 (concerning excluded claims) below, and conditioned upon CSC’s full payment of the Settlement Amount, the United States releases CSC, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former affiliates, and the successors and assigns of any of them, 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;
the Contract Disputes Act, 41 U.S.C. § 601 et seq., 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 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, 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 express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

   g. Any liability for failure to deliver goods or services due;

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

   j. Any liability of individuals.

4. CSC waives and shall not assert any defenses CSC 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. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

5. CSC fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney’s fees, costs, and expenses of every kind and however denominated) that CSC 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 CSC, 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 any criminal investigation(s) of the matters covered by this Agreement;

(3) CSC’s investigation, defense, and corrective actions undertaken in response to the United States’ audit(s) and
civil investigation(s) in connection with the matters
covered by this Agreement (including attorney’s fees);
(4) the negotiation and performance of this Agreement;
(5) the payment CSC 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 CSC, and CSC 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, CSC shall identify and
repay by adjustment to future claims for payment or otherwise any Unallowable Costs
included in payments previously sought by CSC or any of its subsidiaries or affiliates
from the United States. CSC agrees that the United States, at a minimum, shall be
entitled to recoup from CSC 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 CSC’s books and records
and to disagree with any calculations submitted by CSC or any of its subsidiaries or
affiliates regarding any Unallowable Costs included in payments previously sought by
CSC, or the effect of any such Unallowable Costs on the amount of such payments.
7. CSC agrees to cooperate fully and truthfully with the United States’ investigation of individuals and entities not released in this Agreement. Upon reasonable notice, CSC shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. CSC 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 jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Maryland. 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.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.
13. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

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

15. This Agreement is binding on CSC's successors, transferees, heirs, and assigns.

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

17. 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.

THE UNITED STATES OF AMERICA

ROD J. ROSENSTEIN
United States Attorney for the District of Maryland

DATED: 11/2/14 BY: 
THOMAS H. BARNARD
Assistant United States Attorney for the District of Maryland

DEFENDANT

DATED: __________ BY: _______________________
Adriaen M. Morse, Jr.
Director, Global Compliance, Investigations & Litigation
Computer Sciences Corporation
DATED: ____________ BY: ____________________________

Ronald A. Schechter, Esq.
Arnold & Porter LLP
Counsel for Computer Sciences Corporation.