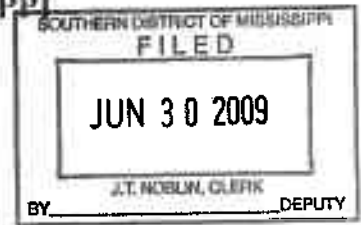


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION



United States of America ex rel. David  
Magee,

Plaintiffs,

v.

Robert Knesel, Dale Galloway, Applied  
Enterprise Solutions LLC, Stephen  
Adamec, Science Applications International  
Corp.,

Defendants.

Case No. 1:09cv324-HSO-JMR

UNITED STATES' COMPLAINT IN  
INTERVENTION

For its complaint, the United States of America ("United States") alleges as follows:

**I. NATURE OF ACTION**

1. The United States brings this action to recover treble damages and civil penalties under the False Claims Act, 31 U.S.C. §§ 3729-33, and to recover all available damages and other monetary relief under the common law or equitable theories of breach of contract, unjust enrichment, payment under mistake of fact, recoupment of overpayments, breach of fiduciary duty, inducement of breach of fiduciary duty, fraudulent procurement, and negligent misrepresentation.

2. This action is based upon defendants' false claims and false statements made in connection with their conspiracy to taint the bid solicitation and award process of a task order, task order 4THL1704915 (the NCCIPS Task Order or the Task Order), under the

Millennia Lite contract administered by the General Services Administration (GSA).

3. The Task Order, which had a \$3.2 billion ceiling specified in the bid solicitation, was to establish and provide support services for the National Center for Critical Information Processing and Storage (NCCIPS), run by the Naval Oceanographic (NAVO) Major Shared Resource Center (MSRC) (NAVO MSRC) High Performance Computing Center at the Stennis Space Center in Hancock County, Mississippi. NAVO is a subagency of the Department of Defense (DoD) Department of the Navy (Navy).

4. GSA awarded the task order on April 14, 2004 to defendant Science Applications International Corp. (SAIC) as the prime contractor which teamed with defendant Applied Enterprise Solutions (AES) and Lockheed Martin Space Operations (LMSO) as subcontractors (hereinafter collectively SAIC Teaming Partners or SAIC Team).

5. However, prior to the issuance of the NCCIPS solicitation on February 14, 2004, and during the pendency of the solicitation, defendant Stephen Adamec, who was then the director of NAVO MSRC, and Robert Knesel, Deputy Director of the NAVO MSRC and the Contracting Officer Technical Representative (COTR) of the NCCIPS solicitation and task order, conspired with Dale Galloway, President of AES, and principals of SAIC to ensure that SAIC and its teaming partners were awarded the task order by a) sharing non public, advance procurement information with the SAIC Team that was not provided to other potential bidders; b) sharing information about the solicitation with the SAIC Team before providing that information to other bidders; and c) choosing Millennia Lite as the contract vehicle and putting language in the solicitation in order to bias the selection process to favor the SAIC Team.

6. In October 2006, in response to the government's investigation of the NCCIPS tainted bid solicitation, AES, as the agent of SAIC, Adamec, and Knesel, attempted to hide the evidence of their conspiracy to bias the bid solicitation process, by destroying the hard drive and all back ups of Adamec's computer and by destroying all hard copies of documents

related to NCCIPS in Adamec's office.

## **II. JURISDICTION**

7. This Court possesses subject matter jurisdiction to entertain this action under 28 U.S.C. §§ 1331 and 1345. The Court possesses supplemental jurisdiction to entertain the common law and equitable causes of action pursuant to 28 U.S.C. § 1367(a). The Court may exercise personal jurisdiction over the defendants pursuant to 31 U.S.C. § 3732(a) and because the defendants reside in, or transact business in, this District.

## **III. VENUE**

8. Venue is proper in this District under 31 U.S.C. § 3732 and 28 U.S.C. § 1391(b) and (c) because the defendants transact business in this District.

## **IV. PARTIES**

9. The United States brings this action on behalf of GSA and the Navy. GSA administered the NCCIPS Task Order on behalf of the NAVO MSRC High Performance Computing Center at the Stennis Space Center in Hancock County, Mississippi for all times relevant to this Complaint. The NAVO MSRC provides high performance computing resources for scientists and engineers throughout the nation engaged in research and development, testing, and evaluation activities for the DoD, and provides support for worldwide Navy and DoD operations for high resolution modeling and simulation of global-scale oceanography and meteorology. Beginning with the NCCIPS Task Order at issue in this Complaint, the NAVO MSRC also operates NCCIPS which provides continuity of operations (COOP), disaster recovery services and data storage for multiple federal agencies, principally for the Department of Homeland Security.

10. Defendant SAIC is a privately held, for-profit Corporation, incorporated in Delaware, with headquarters in San Diego, California and McLean, Virginia.

11. Defendant AES is a Louisiana Corporation, with its corporate headquarters in the home of its Chief Executive Officer (CEO), Dale Galloway, at 109 Shirmac Dr., Slidell,

Louisiana.

12. Defendant Haskin Dale (“Dale”) Galloway is the CEO of AES and a resident of Slidell, Louisiana.

13. Defendant Robert Knesel is the Deputy Director of the NAVO MSRC at the Stennis Space Center and a resident of Diamondhead, Mississippi, and for all relevant times to this action, was the Contracting Officer Technical Representative (COTR) for the NCCIPS task order.

14. Defendant Stephen Adamec is the former Director of the NAVO MSRC who currently resides near Tupelo, Mississippi.

## **V. THE MILLENIA LITE SOLICITATION FOR THE NCCIPS TASK ORDER**

### **A. The Bid and Award Process**

15. GSA administers numerous Government Wide Acquisition Contracts (GWACS), defined in Part 2 of the Federal Acquisition Regulation (FAR), on behalf of numerous federal agencies including the NAVO MSRC. GWACs are task order or delivery order contracts for Information Technology (IT) established by one agency for government wide use.

16. Among the GWACs administered by GSA are the Millennia Contract and the Millennia Lite Contract, both of which are multiple award contract vehicles. The Millennia Contract fulfills the demand for large system integration and development projects by providing IT support contracts in the areas of software engineering, communications, and systems integration. For all times relevant to this action, there were several contractors qualified to bid on Millennia task order solicitations which had high performance computing experience. The Millennia Lite Contract provides IT support task orders for mission support services, among others. For all times relevant to this action, of the contractors qualified to bid on Millennia Lite task order solicitations, only SAIC and Lockheed Martin had high performance computing experience.

17. At the time of the award of the NCCIPS Task Order, GSA had qualified nine contractors to bid for task orders issued under the Millennium Lite Contract. Those contractors included SAIC (through its acquisition of Computer Systems Technology (CST)), Lockheed Martin Information Technology Commercial Corp. (LMIT) (through its acquisition of Affiliated Computer Services (ACS)), and Anteon, Corp. (Anteon), among others.

18. At least as early as August, 2002, Adamec and Knesel began meeting with a contracting officer for GSA, John Mayes, and other GSA officials to begin discussions about issuing a task order solicitation under one of the GSA administered GWACs for a project that ultimately became NCCIPS. At the time, and continuing through the Fall of 2003, the NCCIPS project was more usually referred to as the "bunker renovation project" (explained more fully below). Specifically, the meetings with GSA were to discuss a possible expansion of the MSRC facilities and computing capacity resources for federal interagency disaster recovery and data storage. By December 5, 2003, Adamec formally assigned the name "NCCIPS" to the project.

19. By November 25, 2003, Adamec, Knesel, Mayes, who by that time held the title of Contract Administrator, and Brenda Spence, the new GSA contracting officer, intensively began to collaboratively write and assemble the NCCIPS task order solicitation and to make decisions about which GSA GWAC contracting vehicle to use. Adamec and Knesel were the principal authors of the sections detailing the technical requirements of the task order.

20. On February 13, 2004, GSA publicly issued the NCCIPS solicitation which included a Statement of Objectives (SOO) drafted by Adamec and Knesel. The SOO was the solicitation document that described the top-level objectives of the NCCIPS project that the offerors were required to support. It was used in the solicitation in lieu of a Government written Statement of Work to maximize the flexibility afforded offerors to propose innovative/cost effective approaches and was supposed to clearly reflect all essential

operational requirements. The solicitation specified that the deadline for submitting proposals would be March 17, 2004.

21. Pursuant to the rules and regulations concerning Procurement Integrity, *see, e.g.,* 5 CFR Sec. 2635.703(a), FAR 5.401 (a-c), it is unlawful for a government employee to allow the improper use or disclosure of nonpublic information to further his own private interest or that of another and it is unlawful to disclose advance procurement information that provides undue or discriminatory advantage to private or personal interests.

22. In order to maintain procurement integrity, and in order to ensure that all potential bidders had equal access to all relevant information concerning the NCCIPS project, GSA held a pre-proposal conference open to all potential bidders on February 19, 2004, and required that all questions concerning the requirements of the NCCIPS project be submitted in writing by February 26, 2004, and that the responses to all questions would be distributed to all potential bidders. GSA's NCCIPS Task Order Request for Proposal Notification letter contained the following warning:

To allow all offerors to be treated equally, there will be no individual meetings between the client and offerors. This [pre-proposal] conference will serve as the forum to address any information requirements you may have to assist you in the preparation of your proposal. No questions will be permitted at the pre-proposal conference. This will ensure we share all information with all parties.

As set forth more fully below, GSA was unaware that Adamec and Knesel had been meeting intensively with the SAIC Team prior to and during the solicitation process and therefore did not know that the SAIC Team had access to information concerning the solicitation that was not available to other potential bidders and that Adamec and Knesel had otherwise biased the solicitation and selection process to favor the SAIC Team.

23. On February 26, 2004, Anteon, with its teaming partners (hereinafter "Anteon Team"), submitted a bid as did the SAIC Team. No other Millennium Lite qualified

contractors submitted bids to the NCCIPS solicitation.

24. A GSA Source Selection Evaluation Board (SSEB) evaluated the two competing bids. Adamec was a nonvoting member of the SSEB.

25. On April 14, 2004, after the SSEB recommended that the NCCIPS task order be awarded to SAIC and its teaming partners, GSA awarded the NCCIPS contract to SAIC.

**B. The Scheme to Bias the Selection Process for the SAIC Team**

26. In March of 2002, Adamec and Knesel invited Dale Galloway to tour the renovated army bunkers and to discuss plans with Galloway about expanding the computing capacities of the MSRC for use by other federal agencies. At the time, Galloway was a federal employee who was the Director of the Space and Naval Warfare Command (SPAWAR) Information Technology Center (ITC) in New Orleans.

27. During the course of 2002 and 2003, Adamec and Knesel continued to have discussions with Galloway concerning what was then termed the bunker renovation project. During that time, Galloway was under investigation by the Department of Defense Office of Inspector Office of Audit concerning abuses by Galloway and his staff of the Government Purchase Card Program. Because of the findings of that audit, Galloway was asked to retire.

28. On June 16, 2003, Galloway incorporated AES. Two weeks later, on June 28, 2003, he retired from the government.

29. At some point in the summer of 2003, Adamec, Knesel, and Galloway agreed that Adamec and Knesel would bias the NCCIPS solicitation to favor the award of the NCCIPS task order to Galloway and AES. Further, at some point by the early Fall of 2003, Adamec, Knesel, Galloway, AES, and SAIC agreed that Adamec and Knesel would bias the NCCIPS solicitation to favor the award of the task order to SAIC as the prime contract and to AES as a teaming partner.

30. The overt acts of the conspiracy to bias the selection process to favor the SAIC Team and/or demonstrating such a conspiracy existed consist of at least the following

conduct specified in paragraphs 30 -68:

31. Throughout the course of the summer of 2003, both before and after Galloway's retirement from the government, Adamec, Knesel, and Galloway continued to meet to discuss the NCCIPS or bunker renovation project (hereinafter referred to as "NCCIPS Project"). During those discussions, Galloway proposed that they lobby members of Congress to insert an earmark into the budget for the Department of Homeland Security in order to fund the NCCIPS project and Galloway, Adamec, and Knesel jointly drafted a power point presentation for NCCIPS and the mission statement for NCCIPS to present to members of Congress, the Department of Homeland Security and other government agencies.

32. Also during the summer of 2003, Galloway retained a lobbyist, Dick Egle, to assist in lobbying Congress for the earmark. Adamec, Knesel, Galloway, and Egle met with Congressional representatives to pitch the establishment of NCCIPS via an earmark in the Department of Homeland Security budget. Egle did not register as a lobbyist for AES until after the NCCIPS task order was awarded to SAIC and its teaming partners.

33. On August 28, 2003, Adamec, Knesel, Galloway, and Egle met with Fred Herr, Department of Homeland Security, at Herr's office in Washington, D.C. to discuss the NCCIPS project.

34. Also in the summer of 2003, because AES at that point was no more than a one-man business operating from Galloway's personal home and he was not qualified to bid in his own right on any GWACs, Galloway began meeting with Mark Edwards, an SAIC Vice President, and other representatives of SAIC to begin exploring teaming with SAIC in order to win the NCCIPS contract once the solicitation was issued.

35. On September 4, 2003, Mark Edwards, of SAIC, met with Knesel to discuss the NCCIPS project.

36. On September 17, 2003, Mike Daniels, Sector Vice President, from SAIC's headquarters in McLean, Virginia, met with Galloway, and upon information and belief,

Knesel, and Adamec, to discuss the NCCIPS project at the Stennis Space Center.

37. During the Fall of 2003, the meetings and discussions between Adamec, Knesel, Galloway, and representatives of SAIC, including Edwards, Bobby Bradley, Business Manager, Michael Mendler, Deputy Sector Vice President, and Michael Daniels, Sector Vice President, concerning the NCCIPS project intensified.

38. On September 29, 2003, AES and SAIC entered into a non-disclosure agreement for "the purpose of submitting a proposal in response to the Navy Ocean Graphic [sic] (NAVO) request for proposal for High Performance Computing."

39. Between October 3, 2003 and October 14, 2003, there were a string of communications between Adamec, Knesel, SAIC, and Galloway setting up a meeting to occur on October 15, 2003 at SAIC headquarters in McLean, Virginia between Adamec, Galloway, and representatives of SAIC to discuss the NCCIPS project. In those emails, Knesel sent a power point presentation to Galloway and SAIC discussing the capabilities of the NAVO MSRC and the planned NCCIPS project. Also circulated in those email communications was an agenda for the October 15, 2003 meeting that included topic areas such as "agreement to move ahead as a team," "framework of organizational and political strategy," "discussion of competition," and "strategies and associated tactical plans, with timeframes."

40. On October 15, 2003, Adamec presented his powerpoint at SAIC headquarters to numerous SAIC representatives, including the then CEO of SAIC, Duane Andrews, Mendler, Daniels, and Wallie Kane, Director of Homeland Securities Contracts.

41. After the meeting on October 15, 2003, dozens of emails and telephone calls continued to occur between and among Adamec; Galloway; Egle; and various SAIC representatives, including Edwards, Daniels, Bobby Bradley, Business Manager, and Michael Mendler, Deputy Sector Vice President; between October 15, 2003 up through at least early January, 2004.

42. In those communications, Galloway tasked each member of the "team" with certain areas of responsibility. SAIC, for instance, because of its prior experience with DHS, was tasked with setting up further meetings between Adamec and DHS to discuss the NCCIPS project. Galloway and Adamec were tasked jointly with refining the NCCIPS mission statement, which at that point in time they referred to as the "MSRC white paper" (hereinafter "NCCIPS mission statement"). In these followup communications, each member of the team was asked and did report on the status of the tasks each were assigned.

43. On October 20, 2003, Adamec, Galloway, and Knesel shared drafts of the NCCIPS mission statement among themselves and by November 21, 2003, they provided the NCCIPS mission statement to Mark Edwards, Bobby Bradley, and Mike Mendler at SAIC. The language in this NCCIPS mission statement provided a more detailed description of the NCCIPS mission and purpose than what Adamec and Knesel later put in the NCCIPS solicitation itself. For instance, the NCCIPS mission statement made clear that the principal client agency for NCCIPS would be DHS, whereas the NCCIPS solicitation was silent as to which federal agencies were to be the clients, and made no mention that DHS was to be the principal client agency.

44. Beginning at least as early as October 28, 2003, SAIC began to assemble its review and proposal preparation teams in anticipation of the NCCIPS solicitation.

45. Meanwhile, Adamec, Galloway, and Galloway's lobbyist, Egle, continued meeting with congressional representatives and congressional aides with the aim of inserting an earmark into the DHS budget for the NCCIPS project. For instance, on November 5, 2003, Adamec, Galloway, and Egle met with a congressional aide on the United States Senate Appropriations Committee, Homeland Security Subcommittee, and also met with congressional representatives.

46. On November 7, 2003, two days after Galloway, Adamec, and Egle met with Congressional representatives, AES and SAIC entered into a teaming agreement stating that

they were doing so because “the Naval Oceanographic Office is planning to issue a solicitation for Navy Oceanographic High Performance Computing.”

47. Ten days later, on November 17, 2003, SAIC began assembling its marketing team for the anticipated NCCIPS project.

48. By December 2, 2003, Edwards and others at SAIC began preparing to write the proposal in response to the NCCIPS solicitation which at that point in time they were anticipating would be issued in mid-December 2003.

49. While the SAIC Team was preparing for the anticipated NCCIPS solicitation, Adamec, Knesel, and GSA were preparing the NCCIPS solicitation. In November or December of 2003, Adamec communicated to John Mayes, the GSA contracting officer, that he did not want to use the Millennium GWAC. Instead, he wanted to use the Millennium Lite GWAC. Because there were numerous companies with high performance computing experience who were pre-qualified to bid on Millennium solicitations, but only SAIC and Lockheed Martin who had high performance computing experience who were pre-qualified to bid on Millennium Lite solicitations, the effect of Adamec’s decision was to favor the SAIC Team because SAIC, would be the only prime contractor bidding on the solicitation with high performance computing experience. Additionally, at some point prior to the issuance of the NCCIPS solicitation, Adamec and Knesel communicated to Lockheed Martin that they did not want Lockheed Martin as a prime contractor on the NCCIPS task order.

50. In two documents dated December 29, 2003, sent by Galloway to Knesel and Adamec, and reviewed and commented upon by Knesel to Adamec on January 2, 2004, Galloway set forth an “MSRC . . . Business Development Strategy Overview” discussing in detail the NCCIPS mission, and an “MSRC Business Development Strategic [sic], Tactical and Political” discussing in detail necessary strategies to bring NCCIPS into existence, and identifying SAIC, Lockheed Martin, AES, and Dick Egle, among others, as “key execution members.” The document also identified “action items” and identified Galloway, Mark

Edwards, Egle, and Adamec as the individuals to carry out those action items.

51. On January 23, 2004, Wally Kaine, of SAIC, met with Steve Cooper, the Chief Operating Officer at DHS, to discuss the NCCIPS project and discussed setting up a meeting between Adamec and Cooper concerning NCCIPS. On January 30, 2004, Wally Kaine contacted Cooper's secretary in order to propose specific dates for the meeting. On March 3, 2004, Adamec met with Cooper to discuss NCCIPS.

52. On February 3, 2004, 10 days before GSA issued the NCCIPS solicitation, SAIC hosted a "pre rfp" (request for proposal) meeting attended by Cleon Laceyfield and Morris Crowder, of Lockheed Martin; Galloway, Vincent Thomas, and John Utes of AES; and Jim Weatherbee, Ashley May, Mark Edwards, Jay Sullivan, Michael Busbey, and Chris Jackson of SAIC. In that meeting, the participants discussed the anticipated NCCIPS solicitation, including the expected release date, the total cost ceiling, and the contract requirements; and divided up specific responsibilities in responding to the anticipated solicitation among the members of the SAIC Team.

53. On February 13, 2004, GSA issued the NCCIPS solicitation. The solicitation emphasized the importance of high performance computing experience and an explicit evaluation criterion was "past performance/experience." Additionally, the NCCIPS Acquisition Plan, that was used by the SSEB to evaluate the bids, specified that the "successful offeror shall have experience with . . . high performance computing . . ."

54. Further, the solicitation noted that NCCIPS would be used by multiple federal agencies, but did not identify any of those agencies, and in particular, did not identify DHS as a user of the NCCIPS. The NCCIPS solicitation also provided less information about the computing environment and capabilities at the NAVO MSRC than Adamec and Knesel had previously provided to Galloway, AES, and SAIC in September 2003.

55. On February 26, 2004, Anteon and SAIC sent questions to GSA regarding the solicitation; Mayes and Spence consulted with Adamec and Knesel regarding the technical

responses. Among the questions were those concerning the identity of the client agencies, the current computing capacity, environment, protocols, and operating procedures at the NAVO MSRC; and the location of where work might be performed in addition to the Stennis Space Center (as the solicitation indicated that there might be additional locations).

56. In the response to the questions, distributed to the potential bidders on February 26, 2004, Adamec and Knesel instructed that information concerning the identity of the potential client agencies, including DHS, "was not releasable." With respect to questions concerning the potential additional locations, Adamec and Knesel instructed that all solicitations were to be priced as though 100% of the work was to be performed at the Stennis Space Center. Finally, with respect to all questions concerning computing capacity, environment, protocols, and operating procedures, Adamec and Knesel instructed that the "[i]nformation will be provided to the successful offeror" and that the "[i]nformation [was] not necessary for vendor to make an offer . . ."

57. With respect to above information sought by Anteon in the questions it submitted to GSA, Adamec and Knesel had previously provided all such information to the SAIC Team prior to the release of the NCCIPS solicitation during the course of Adamec and Knesel's meetings and communications with the SAIC Team from the summer of 2003 through at least January 2004.

58. The SSEB met from March 23 through March 26, 2004, and evaluated the Anteon Team's and the SAIC Team's proposals. On March 26, 2004, the SSEB recommended that the NCCIPS task order be awarded to the SAIC Team. In scoring the two proposals, the SSEB rated the SAIC Team's proposal highly because its proposal "clearly demonstrated a thorough understanding of all aspects of the statement of objectives and scope of work and exceeded most of the solicitation requirements" and because SAIC had "performed contracts similar in scope, size and complexity." The SSEB criticized Anteon's proposal because "the lack of detail" in its proposal was "considered to be an indicator the

contractor lack[ed] a complete understanding of the full scope of the requirement.” The SSEB further criticized the Anteon Team’s proposal because it “appeared to be dependent on one teaming member for [its] entire high performance computing and petascale data management experience.”

59. The conspiracy and collusion of Adamec, Knesel, Galloway, AES, and SAIC in biasing the NCCIPS task order award process in the SAIC’s Team favor was material in that it had a natural tendency to cause the NCCIPS task order to be awarded to the SAIC Team and undermined the integrity of the procurement.

60. Adamec and Knesel had a fiduciary and statutory duty to ensure the integrity of the NCCIPS procurement and they knowingly violated that fiduciary and statutory duty when they biased the NCCIPS award process to favor the SAIC Team.

61. Galloway, AES, and SAIC knew that Adamec and Knesel had a fiduciary and statutory duty to ensure the integrity of the NCCIPS procurement and they knowingly induced Adamec and Knesel to breach that fiduciary and statutory duty.

62. GSA relied on Adamec and Knesel to perform their fiduciary and statutory duty to ensure the integrity of the NCCIPS task order procurement and relied on the integrity of SAIC, Galloway, and AES to not induce Adamec and Knesel to breach their fiduciary and statutory duty. If GSA had known that Adamec, Knesel, Galloway, AES, and SAIC had undermined the procurement integrity of the NCCIPS solicitation, it would have taken measures to cure the problem and to issue a new solicitation not tainted by Adamec’s, Knesel’s, Galloway’s, AES’, and SAIC’s collusion.

63. In response to the government investigation, on July 30, 2004 and continuing until February 17, 2005, NAVO removed Knesel from his duties at the NAVO MSRC and put him on administrative leave. On February 17, 2005, NAVO reinstated Knesel with instructions that he was “not to provide direction to current MSRC contractors or future operations with any prospective contractor or contractor organization.”

64. In October 2006, in response to the government's investigation of the tainted bid solicitation, Adamec, Knesel, SAIC, and AES conspired to destroy evidence of Adamec's collusion to bias the NCCIPS solicitation process to favor the SAIC Team.

65. During the week of October 30, 2006, Adamec placed all hard copies of all documents relating to NCCIPS that he maintained in his office in burn bags and gave instructions to contracting staff that all such documents were to be destroyed.

66. Additionally, during the week of October 30, 2006, Adamec instructed Knesel to have the hard drive and all back up disks to Adamec's computer at NAVO to be destroyed.

67. As a result, Knesel instructed an AES employee to destroy Adamec's hard drive and all back up disks to Adamec's NAVO computer.

68. The AES employee, acting as an agent of SAIC, used nippers or a hammer to destroy Adamec's hard drive and shredded all the back up disks to Adamec's NAVO computer.

#### **VIII. DAMAGES AND PENALTIES**

69. As set forth above, defendants Adamec, Knesel, Galloway, AES, and SAIC knowingly submitted or caused to be submitted false claims for payment to GSA, NAVO, DHS, and other federal agencies that funded NCCIPS in violation of 31 U.S.C. § 3729.

70. As set forth above, defendants Adamec, Knesel, Galloway, AES, and SAIC knowingly made, used, or caused to be made or used, false records or statements to get false or fraudulent claims paid or approved by the United States in violation of 31 U.S.C. § 3729 (a)(2).

71. Because of Adamec's, Knesel's, Galloway's, AES' and SAIC's scheme to submit a false and fraudulent NCCIPS proposal, SAIC submitted at least 60 false claims for payment to GSA and NAVO, GSA and NAVO paid such claims, and the United States suffered actual damages in at least the amount of \$116,062,771.

#### **COUNTS**

FIRST CAUSE OF ACTION

(False Claims Act: Presentation of False Claims)

(31 U.S.C. § 3729(a)(1))

(Against Adamec, Knesel, Galloway, AES, and SAIC)

72. Plaintiff United States repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set forth herein.

73. Defendants Adamec, Knesel, Galloway, AES, and SAIC knowingly presented or caused to be presented false or fraudulent claims for payment or approval to the United States.

74. By virtue of the false or fraudulent claims made by the defendant, the United States suffered damages and therefore is entitled to multiple damages under the False Claims Act, plus a civil penalty for each violation.

SECOND CAUSE OF ACTION

(False Claims Act: Making or Using False Record or Statement)

(31 U.S.C. § 3729(a)(1) (B))

(Against Adamec, Knesel, Galloway, AES, and SAIC)

75. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 66, as if fully set forth herein.

76. Defendants Adamec, Knesel, Galloway, AES, and SAIC knowingly made, used, or caused to be made or used, false records or statements material to the false or fraudulent claims.

77. By virtue of the false records or statements made by the defendants, the United States suffered damages and therefore is entitled to multiple damages under the False Claims Act, to be determined at trial, plus a civil penalty for each violation.

THIRD CAUSE OF ACTION

(Breach of Contract)

(Against SAIC)

78. Plaintiff realleges and incorporates by reference paragraphs 1 through 71 as though fully set forth herein.

79. By virtue of the conduct described above, defendant SAIC breached the NCCIPS task order and Millennium Lite contract with the United States.

80. The actions described above were material breaches of those contracts.

81. The United States, unaware of such conduct, paid SAIC the amount specified at ¶ 71 above.

82. By reason of SAIC's breaches of those contracts, the United States has been damaged in an amount of at least \$112, 500,825.

FOURTH CAUSE OF ACTION

(Unjust Enrichment)

(Against SAIC, Galloway, and AES)

83. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71 as if fully set forth herein.

84. This is a claim for the recovery of monies by which defendants SAIC, Galloway, and AES have been unjustly enriched.

85. By directly or indirectly obtaining Government funds to which they were not entitled, defendants were unjustly enriched, and are liable to account and pay such amounts, or the proceeds therefrom, which are to be determined at trial, to the United States.

FIFTH CAUSE OF ACTION

(Payment By Mistake)

(Against SAIC)

86. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set

forth herein.

87. This is a claim for the recovery of monies paid by the United States to SAIC as a result of mistaken understandings of fact.

88. The false claims that SAIC submitted to the United States' agents were based upon mistaken or erroneous understandings of material fact.

89. The United States, acting in reasonable reliance on the accuracy and truthfulness of the information contained in the claims, paid SAIC certain sums of money to which it was not entitled, and SAIC is thus liable to account and pay such amounts to the United States.

#### SIXTH CAUSE OF ACTION

(Common Law Recoupment)

(Against defendant SAIC)

90. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set forth herein.

91. This is a claim for common law recoupment, for the recovery of monies unlawfully paid by the United States to SAIC contrary to statute or regulation.

92. The United States paid SAIC certain sums of money to which it was not entitled, and SAIC is thus liable under the common law of recoupment to account and return such amounts to the United States.

#### SEVENTH CAUSE OF ACTION

(Breach of Fiduciary Duty)

(Against Adamec and Knesel)

93. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set forth herein.

94. Defendants Adamec and Knesel had a fiduciary duty to conduct the NCCIPS solicitation in a manner that did not provide undue or discriminatory advantage to one bidder

over others.

95. By reason of the foregoing, defendants Adamec and Knesel breached that fiduciary duty.

96. By reason of defendants Adamec's and Knesel's breach of their fiduciary duty, plaintiff has suffered actual damages.

#### EIGHTH CAUSE OF ACTION

(Conspiracy to Present False Claims)

(31 U.S.C. § 3729(a)(3))

(Against defendants Adamec, Knesel, AES, Galloway, and SAIC)

97. Plaintiff realleges and incorporates by reference paragraphs 1 through 71 as though fully set forth herein.

98. By reason of the foregoing, defendants Adamec, Knesel, Galloway, AES, and SAIC conspired together to defraud the government in order to get false or fraudulent claims paid by the United States, in violation of 31 U.S.C. § 3729(a)(3), as amended. In furtherance of the conspiracy, defendants Adamec, Knesel, Galloway, AES, and SAIC acted to effect the objects of the conspiracy alleged herein.

99. Because of the conduct set forth in this count, the United States suffered actual damages.

#### NINTH CAUSE OF ACTION

(Inducement of Breach of Fiduciary Duty)

(Against Galloway, AES, and SAIC)

100. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set forth herein.

101. Defendants Adamec and Knesel had a fiduciary duty to conduct the NCCIPS solicitation in a manner that did not provide undue or discriminatory advantage to one bidder over others.

102. By reason of the foregoing, defendants Galloway, AES, and SAIC induced Adamec and Knesel to breach that fiduciary duty.

103. By reason of defendants Galloway's, AES', and SAIC's inducement of Adamec's and Knesel's breach of their fiduciary duty, plaintiff has suffered actual damages.

#### TENTH CAUSE OF ACTION

(Unlawful Disclosure of Advance Procurement Information)

(FAR 5.401(a-c))

(Against Adamec and Knesel)

104. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set forth herein.

105. By reason of the foregoing, defendants Adamec and Knesel made information available to Galloway, AES, and SAIC that provided undue and discriminatory advantage for Galloway, AES, and SAIC in being awarded the NCCIPS task order.

106. By reason of defendants Adamec's and Knesel's violation of FAR 5.401(a-c), plaintiff has suffered actual damages.

#### ELEVENTH CAUSE OF ACTION

(Fraudulent Procurement)

(Against Adamec, Knesel, Galloway, AES, and SAIC)

107. Plaintiff repeats and realleges each allegation in ¶¶ 1 through 71, as if fully set forth herein.

108. By reason of the foregoing, defendants Adamec, Knesel, Galloway, AES, and SAIC corrupted the NCCIPS solicitation and award of the task order.

109. This is a claim for the recovery of monies from Adamec, Knesel, Galloway, AES, and SAIC paid under the NCCIPS task order by the United States to SAIC as a result of the fraudulent procurement.

110. By reason of defendants Adamec's, Knesel's, Galloway's AES' and SAIC's

fraudulent procurement, plaintiff has suffered actual damages.

PRAYER FOR RELIEF

WHEREFORE, the United States demands and prays that judgment be entered in favor of the United States as follows:

1. On the First, Second, and Eighth Causes of Action under the False Claims Act, as amended, for the amount of the United States' damages, multiplied as required by law, and such civil penalties as are required by law, together with such further relief as may be just and proper.

2. On the Third Cause of Action for breach of contract, that judgment be entered against SAIC for contract damages together with interest and costs of suit;

3. On the Fourth Cause of Action, for unjust enrichment for the damages sustained and/or amounts by which the defendants were unjustly enriched or by which defendants retained illegally obtained monies, plus interest, costs, and expenses, and such further relief as may be just and proper.

4. On the Fifth, Sixth, Seventh, Ninth, Tenth, and Eleventh Causes of Action, for payment by mistake, recoupment, breach of fiduciary duty, inducement of breach of fiduciary duty, unlawful disclosure of advance procurement information, and fraudulent procurement for the damages sustained and/or amounts by which defendants retained illegally obtained monies, plus interest, costs, and expenses, and such further relief as may be just and proper.

Respectfully submitted,

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/s/ Diana J. Younts

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