

ADMINISTRATIVE AGREEMENT

This Administrative Agreement ("Agreement"), dated March 8th 2018, is made between Cabletek, Inc. ("Cabletek" or "the Company"), Ms. Rosa M. Garcia-Lockwood ("Ms. Garcia-Lockwood"), and the United States Department of the Army ("Army"). As used herein, "Cabletek" means, without limitation, Cabletek; all other operating divisions, units and wholly-owned subsidiaries of Cabletek during the term of this Agreement.

A. PREAMBLE

1. Cabletek, Inc. (Cabletek) is a Government contractor headquartered in Gardena, California.
2. On or about 12 February 2015, the U.S. Army proposed Mr. Lockwood and Ninos for debarment from future contracting pursuant to Subpart 9.406. Ninos and Mr. Lockwood were proposed for debarment based upon the company's failure to perform. Ninos was the recipient of a contract to provide wire harnesses for the Army. A problem with the wiring harness was discovered that resulted in a product quality deficiency report (PQDR) from the field. The PQDR noted that the wiring harness was missing the outer protective white electrical tape.
3. The Defense Contract Management Agency (DCMA) sent a Quality Assurance Representative (QAR) to visit the facility and visually inspect the harness. The deficiency was verified by the QAR and Ninos. The QAR further indicated that the cause of the deficiency was failure by Ninos to follow the drawing and determined that it was responsible for the deficiency. The corrective action prescribed was repair of the wiring harness by applying the required insulation sleeving.
4. DCMA referred the case to the Army Procurement Fraud Division (PFD) because it determined that Ninos was an unreliable contractor. The Government paid for harnesses which met its contract specifications and requirements. After receiving full compensation, Ninos provided harnesses which were defective and failed to correct them.
5. In review and evaluation of Ninos' response to the proposed debarment, research was conducted on the status of Mr. Lockwood and Ninos. This research revealed that Lockwood was involved with another Government contractor during its proposed debarment.
6. The Notice of Proposed Debarment clearly states in Paragraph c. that "You and your company may not conduct business with the Federal Government as an agent or representative of other contractors, nor may you act as an individual surety for other contractors." In addition, Paragraph f. provides that, "The Army will carefully examine your affiliation with or relationship to any organization doing business with the government to determine the impact of those ties on the responsibility of that organization to be a government contractor or subcontractor. Your voluntary disclosure of your other business interests will be considered in determining your present responsibility in this proceeding."
7. Cabletek Inc., also known as Cabletek LLC (Cabletek) is located at the same address as Ninos. Dunn & Bradstreet lists the same address as Ninos, Rosa G. Lockwood as the owner and Rosa M. Garcia as the General Manager. The State of California Secretary of State lists the same address as Ninos and Mr. Lockwood as an officer/agent of the company. In addition, Cabletek is an active Government contractor.

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8. In addition, investigation revealed that Lockwood has an e-mail address that includes the other contractor's name: ron.cabletek@gmail.com. Lockwood failed to disclose his affiliation with Cabletek to the Army. The Cabletek e-mail, same business address, listing of Cabletek President with same last name and Lockwood's name as Secretary/Agent for the business establish that Cabletek is an affiliated with Lockwood and Ninos.

9. On or about May 24, 2017, the Army's SDO proposed Rosa M. Garcia-Lockwood and her company Cabletek, Inc. for debarment. Ms. Garcia-Lockwood and Cabletek's proposed debarments were based primarily on their affiliation with Mr. Lockwood and Ninos.

10. Ms. Garcia-Lockwood and Mr. Lockwood have a personal relationship with each other, as they are a married couple. The two have also formed a professional relationship in connection with their family businesses.

11. Cabletek and Ms. Garcia-Lockwood take full responsibility for any appearance of wrongdoing in associating professionally with Mr. Lockwood and/or Ninos. In order to assure present responsibility, Cabletek and Ms. Garcia-Lockwood agree to execute and take the remedial actions specified in this Agreement.

12. The Army has determined that the terms and conditions of this Agreement, if complied with, provide adequate assurance that the interests of the Government will be sufficiently protected to preclude the debarment or suspension of Cabletek and Ms. Garcia-Lockwood, pursuant to the current disposition of facts and circumstances.

13. Pursuant to Mr. Lockwood's debarment from Government contracting through February 11, 2019, Cabletek will prohibit him from performing any work involving or related to federal projects. To the extent Mr. Lockwood performs any work for the Company, Cabletek will permit Mr. Lockwood to only work on private, non-federal projects. He will have limited access to the Company's offices. Mr. Lockwood will have no access to Cabletek's internal company records or any records regarding federally-funded projects.

14. The proposed debarment of Cabletek and Garcia-Lockwood will be terminated upon the execution of this Agreement. This Agreement in no way restricts the authority, responsibility, or legal duty of the Army, or any other federal agency, to consider and institute suspension or debarment proceedings against them based upon information constituting an independent cause for suspension or debarment concerning events unrelated to the facts and circumstances set forth in the Preamble, including, but not limited to, any substantive allegations of wrongdoing in the past, at present, or in the future. The Army, or any other federal agency, may in its sole discretion, initiate such proceedings in accordance with FAR Subpart 9.4.

15. This Agreement is effective for a period of two years (24 months) from the Effective Date, which is the date on which the Army's Suspension and Debarment Official signs this Agreement on behalf of the Army.

NOW THEREFORE, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows.

B. DEFINITIONS

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1. "Contractor" refers to Cabletek, Inc., Ms. Rosa M. Garcia-Lockwood, and its divisions, operating units, and groups, as appropriate, including its directors, officers, and employees, while acting in their capacities as such.
2. "Days" refers to "calendar days."
3. "Effective date" (of this Agreement) refers to the date on which the Army's Suspension and Debarment Official signs this Agreement on behalf of the Army.
4. "Attachment" refers to documents which are incorporated by reference into this Agreement. Attachments contain material relevant to the basis for entering into this Agreement or discuss specific aspects of its implementation. Attachments may be modified after the entry of this Agreement into force without altering the basic Agreement itself at the express agreement of the parties.
5. "Employee" refers to officers, managers, and supervisors. All other full and part-time workers, whose performance is under the direct supervision and control of the Contractor, will be considered "employees" solely for training purposes. Consultants and temporary workers shall be made aware of the compliance agreement and the Contractor Responsibility Program, and, to the extent engaged in the formation or administration of government contracts, furnished copies of the Code of Conduct and the Government Contracting Policies and Procedures.
6. "FAR" refers to the Federal Acquisition Regulation.
7. "Government" refers to any department, agency, division, independent establishment, or wholly owned corporation of the United States Government. Specific points of contact for this Agreement are the SDO and the United States Army Legal Services Agency, Contract and Fiscal Law Division, Procurement Fraud Division and their designees.
8. "Independent cause" for suspension or debarment refers to a reason or basis for such action not directly related to information set forth in the Preamble or any document referred to in the Preamble.
9. "Management" includes all Company Officers, Board of Directors, and any other members that exercise a controlling influence in deciding substantive Company matters; and members who the Company considers as being in supervisory positions.
10. "Army" refers to the Army's Suspension and Debarment Official ("SDO").

C. SELF-GOVERNANCE PROGRAM

1. Cabletek shall implement and maintain an improved self-governance program that includes a Business Ethics and Compliance program (collectively, "Program") covering all Employees. The Program shall be maintained to ensure that the Company and its Employees maintain the business honesty and integrity required of a Government contractor and that the Company operates in strict compliance with all applicable laws, regulations, and terms of all of its government contracts and subcontracts.
2. The Program shall include the following components, all of which have been fully implemented as of the effective date of this Agreement unless otherwise stated in this Agreement.

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a. Information and Education Program. The Company shall institute, maintain, and continuously improve its information and education effort. This education effort will ensure all Employees are aware of the laws, regulations, and standards of business conduct they are expected to follow; their expected ethical conduct; and the consequences to the Employee and the Company that shall ensue from any violation.

b. Training will consist of at least one hour of initial ethics and compliance training for every new Employee. Cabletek will report to the Army on improvements to its information and education effort in the quarterly President's Reports. Additionally, Cabletek will include a list of the training efforts undertaken during the relevant period in each President's Report, along with the number of employees that received such trainings.

c. Code of Conduct and Employee Certification. The Company shall maintain the Program and a Code of Conduct ("Code"). A copy of the Code is attached as Exhibit A to this Agreement. The Code shall be circulated to each employee of the Company. After reading the Code, each current employee shall sign a certification that he or she read and understood the Code within 30 days of the Agreement. The Company shall continue to maintain the certifications in a register open to inspections by the Army. Thereafter, at least once each calendar year, every employee shall read the Code and re-sign a certification of Code compliance.

d. The certificates shall be maintained and available for the Army's review and inspection during the period of this Agreement. On an annual basis, the Company shall outline updates or enhancements to the Code, along with the updated Code training materials in the President's Report of the applicable reporting cycle to the Army. Additionally, the Company shall submit, as part of each report to the Army, a statement signed by Ms. Garcia-Lockwood that she has verified the certifications are being maintained and each Employee has provided a certification as required by this provision.

3. Cabletek shall provide a report from the president on a quarterly basis. The report shall be done in the following manner:

a. Quarterly Reporting. On a quarterly basis, the President shall submit a written report to the Army describing the measures taken by the Company during the reporting period to ensure compliance with this Agreement. The President's Report shall be delivered on a quarterly basis beginning on the date of execution of this Agreement. Exhibit B provides the deadlines for the Presidential Reports. The reports shall include: (a) information about the status of all internal and Government investigations concerning procurement-related matters and all allegations of business ethics or integrity-related misconduct that are pending, resolved, or initiated from the Company's last reporting period; (b) information required by other Articles and subsections of the Agreement; and (c) indications of any problems or weaknesses identified by the Program, the corrective action proposed or initiated, and the status of any corrective action.

b. Reports of Misconduct. As part of its quarterly President's Reports, Cabletek shall report to the Army any suspected misconduct that management has reasonable grounds to believe may constitute a violation of U.S. criminal or civil law. The Company shall investigate all reports of such misconduct that come to its attention and shall notify the Army of the outcome of such investigations and any potential or actual impact on any aspect of the Company's

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business. Additionally, Cabletek will provide a copy of any disclosure to an agency Office of the Inspector General or contracting officer pursuant to FAR Subpart 52.203-13.

c. **Report of All Federal Contracts and Subcontracts.** As part of the President's Reports, the Company shall list new federal contracts and subcontracts awarded during the prior 90-day period.

d. **Performance Concerns.** As part of the President's Reports, Cabletek will list any concerns raised by Contracting Officers or other government contracting personnel regarding performance by Cabletek. Cabletek will also outline its plan to remedy the issue and prevent reoccurrence. Cabletek will provide updates on past performance concerns in each of its President's Reports until the issue is resolved to the Army's satisfaction.

e. **Terminations for Cause or Default.** Cabletek will notify the Army within fifteen calendar days if a federal contract that it holds has been terminated for cause or default. Cabletek will provide to the Army all documentation it received and provided to the relevant contracting officer, including cure notices and show cause letters, regarding the performance issue.

f. **Education and Training.** Cabletek' Management and employees must take an annual ethics course or course related to federal procurement issues. In the fourth (and, if applicable, eighth and twelfth) President's Report(s), Cabletek shall submit proof of course attendance to the Army.

g. **Legal Proceedings.** As part of the President's Reports, the Company shall notify the Army of (a) the initiation of any criminal or civil investigation by any U.S. federal, state, or local government entity involving any allegations of U.S. criminal or civil law violations, or any other offenses relating to the Company's business integrity, if the Company has reason to believe that it is a target or subject of such investigation; (b) service of subpoenas by any such U.S. governmental entity; (c) service of search warrants and/or searches carried out by any U.S. government entity in any Company facility; or (d) initiation of any legal action against the Company, or any of its Managers, employees, affiliates, or agents by any U.S. government entity alleging violations of any U.S. criminal or civil law or any other offenses relating to the Company's business integrity. The Company shall provide to the Army as much information as necessary to allow the Army to determine the impact of the investigative or legal activity upon the present responsibility of the Company for Government contracting.

D. GENERAL CONDITIONS

1. **Modifications of This Agreement.** Any requirements imposed on the Contractor by this Agreement may be discontinued by the Army at its sole discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

2. **Business Relationships with Suspended or Debarred Entities.** The Contractor shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity, to include Mr. Lockwood and Ninos that is listed by the General Services Administration ("GSA") as debarred, suspended, or proposed for debarment. In order to implement this provision, the Contractor shall make reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of the SAM at www.sam.gov.

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3. Public Document. This Agreement is a public document that may be distributed by the Army throughout the Federal Government for official purposes and to other interested parties upon appropriate request under the Freedom of Information Act.

4. Releases. Respondents release the United States and the United States releases Respondents, and each party's respective instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims, monetary or equitable, arising out of the investigation and negotiation of this Agreement.

5. Scope of This Agreement – Suspension and Debarment for Independent Cause. This Agreement in no way restricts the authority, responsibility, or legal duty of the Army, or any other federal agency to consider and institute suspension or debarment proceedings against Contractor based upon information constituting independent cause for suspension or debarment concerning events unrelated to the facts and circumstances set out herein, including, but not restricted to, any substantive allegations of wrongdoing under any past, present, or future hotline complaint or security program investigations. The Army or any other federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

6. Survival of This Agreement. If, during the term of this Agreement, Contractor establishes new companies or subsidiaries, merges with another company, or transfers the entire company or major assets to new owners, it shall notify the Army 90 days in advance of such action and provide a copy of the corporate documents. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns, unless the new owners request and show good cause why it should not be applicable to their operations. Bankruptcy proceedings shall not prevent or stay the enforcement of this Agreement or any debarment proceedings the Army deems to be appropriate should the parties fail to comply with the terms of this Agreement, or engage in such other conduct that is a cause for suspension or debarment.

7. Truth and Accuracy of Submissions. The Contractor represents that all written materials and other information supplied to the Army by its authorized representatives, during the course of discussion with the Army preceding this Agreement are true and accurate in all material respects, to the best of the Contractor's information and belief.

8. Violations of This Agreement. Any violation of this Agreement that is not corrected within ten days from the date of receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within ten days, Contractor shall present an acceptable plan for correction within that ten-day period. The Army may, at its sole discretion, initiate suspension or debarment proceedings in accordance with FAR Subpart 9.4. Alternatively, in the event of any noncompliance, the Army may in its sole discretion extend this Agreement for a period equal to the period of noncompliance. The Contractor does not, by this Agreement or otherwise waives its right to oppose such action under FAR Subpart 9.4, or any other substantive, procedural, or due process rights it may have under the Constitution or other applicable laws or regulations of the United States.

9. Management Responsibility. The Company agrees to notify the Army within two weeks if any of the Company's principals leaves his or her current position and to provide the name of the successor to the Army upon appointment. The principle members of the Company's Management, as of the date of execution of this Agreement, are provided in Exhibit C.

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10. Cooperation with Investigations. The Company shall cooperate fully with all Government agencies responsible for audits, investigations or corrective actions relating the stated conduct, circumstances, and representations in the Preamble of the Agreement. Cabletek agrees that full cooperation shall be judged by the Army, in its sole discretion, and shall include at a minimum providing full, unfettered, and timely access to Employees, records, documents, electronically-stored information, and any other information or evidence to federal law enforcement upon request and without requiring a subpoena. Pursuant to this Agreement, the Company shall not seek to exclude from evidence any data it provides to the Army (or other Government agency) from any forum including administrative, judicial, and executive.

11. Meeting. The Army and President of Cabletek shall meet between two and four months prior to the expiration of this Agreement to discuss the status of the Company's Program and potential continuation of the Agreement. The meetings may be held telephonically.

12. Unallowable Costs. Cabletek agrees that all costs, as defined in FAR 31.205-47(a), incurred by, for, or on behalf of the Company or any current or former Employee, affiliate, or agent shall be expressly unallowable costs for Government contract accounting purposes. However, the Company's present and future costs of maintaining, operating, and improving the Company's Program are allowable costs for purposes of this Agreement.

13. Adverse Actions. The Company avers that adverse actions taken, or to be taken, by the Company against any employee or other individual associated with the Company arising out of or related to the conduct at issue here were/are solely the result of the Company's initiatives and decisions and were/are not the result of any action by, or on behalf of, agents or employees of the United States.

14. Present Responsibility. The Company's compliance with the terms and conditions of this Agreement shall constitute an element of the Company's present responsibility for Government contracting. By entering into this Agreement, the Army is not determining that the Company is presently responsible for any specific Government contract.

15. Waiver. The Company hereby waives all claims, demands, or requests for monies from the Government, of any kind or nature including, but not limited to, in law or in equity, that the Company, its parent and/or its subsidiaries may have or may develop in the future arising from or related to any investigation, or resulting from any administrative or judicial proceedings relating to the facts and circumstances giving rise to the proposed debarment and this Agreement.

16. Release. The Company hereby releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims arising out of or related to the investigation, the suspension, or the discussions leading to this Agreement.

E. ADMINISTRATION OF AGREEMENT

1. Address for Agreement Correspondence. All submissions required by this Agreement shall be delivered to the following address, or such other addresses as the parties may designate in writing.

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Office of the Judge Advocate General
Procurement Fraud Division
ATTN: DAJA-PFD (Pamoline J. McDonald)
9275 Gunston Road, Suite 2100
Fort Belvoir, VA 22060-5546

2. Certification of Compliance. Within 90 days of the effective date of this Agreement, the Contractor will provide the Army a certification that all terms and conditions of this Agreement have been implemented or will be satisfied within the times specified in this Agreement.

3. Access to Books and Records.

a. During the term of this Agreement, the Army Procurement Fraud Division ("PFD"), or any agency or office of the Department of Defense designated by PFD for a particular inquiry, shall have the right to examine, audit, and reproduce Contractor's books, records, documents, and supporting materials related to any report, allegation or complaint of suspected wrongdoing, whether criminal, civil, administrative, or contractual and whether reported through the hotline program, or by any other means, and any resulting inquiries or investigations related thereto. Such hotline reports, inquiries, investigations (except those conducted by attorneys), and all related books, records, documents and supporting material are considered by the Contractor to be administrative and managerial and are not investigations, books, records, documents, material, reports, or investigations protected by the attorney-client privilege or any other privilege. Any investigations by attorneys for Respondents will be considered attorney client privileged and/or work product materials and may be protected from production.

b. Additionally, PFD or its designee shall have the opportunity to review the books, records, documents, materials, reports, and investigations directly related to compliance with this Agreement.

c. The PFD or its designee shall also have the opportunity to interview any Contractor employee for the purpose of evaluating (1) compliance with the terms of this Agreement; (2) future compliance with federal procurement policies and regulations; and (3) maintenance of the high level of business integrity and honesty required of a Government contractor.

d. The interviews and materials described above shall be made available to the PFB or its designee at company offices at reasonable times. Contractor's obligation under this Agreement with respect to employee interviews is limited to making its employees available for an interview at their place of employment during normal business hours. The individual employee shall have the right to determine whether or not to submit to an interview. To the extent it is permitted to do so by law, regulation, or policy, the Army shall protect Contractor's confidential and proprietary business information from public disclosure.

e. The materials described above shall be made available, at Contractor's offices at reasonable times for inspection, audit, or reproduction. The PFB or its designee shall not copy or remove the Contractor's technical or other proprietary data without the Contractor's permission.

f. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns.

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g. Changes, amendments, or modifications to this Agreement shall only be made and agreed to by a written document signed by the Army and Cabletek. No changes shall be implemented without the prior approval of the Army.

h. If the Company is affected by an extraordinary event or circumstance beyond its control, the Company shall not be deemed to be in breach of this contract, by reason of delay in performance or non-performance of this Agreement to the extent that the delay or non-performance is due to any extraordinary event of which the Company has timely notified the Army.

i. The Company shall not use any term of this Agreement, the existence of this Agreement, or the termination of the Company's suspension, for any purpose related to the defense or litigation of, or in mitigation of any criminal, civil, or administrative investigation or proceedings.

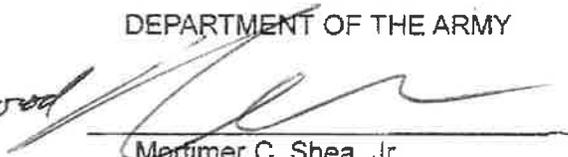
j. Rosa M. Garcia-Lockwood is fully authorized to execute this Agreement and represents she has authority to bind the Company.

k. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Agreement.

l. This Agreement is effective upon its execution by the Army. The terms and conditions of this Agreement shall continue in force and effect for two years starting from the execution date of this Agreement by the Army. The Army, at its sole discretion, has the ability to continue the Agreement for an additional year after the Company completes its reporting requirements for the two years.

CABLETEK, INCORPORATED

DEPARTMENT OF THE ARMY



Rosa M. Garcia-Lockwood
President

Mortimer C. Shea, Jr.
Army Suspension and Debarment Official

3-1-2018

3-8-2018

DATE

DATE

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EXHIBITS

- (A) Company Code of Conduct
- (B) Due Dates for Reports and Other Deliverables
- (C) Company Management on Date of Agreement