



Administrative Compliance Agreement

This Administrative Compliance Agreement (“Agreement”) is made between the United States Army (“Army”) and 360 Patriot Enterprises LLC (“360 Patriot”).

A. Preamble

1. On or around 22 June 2020, Brodie S. Thomson entered an agreement to plead guilty to one count of honest services wire fraud in violation of 18 U.S.C. §§ 1343 and 1346. The conduct for which he was convicted was unrelated to 360 Patriot. However, the Statement of Facts accompanying his plea agreement included “Other Pertinent Facts,” which indicated, among other things, that, during the period from 10 March 2015 to 1 July 2017, Brodie Thomson controlled 360 Patriot while it claimed eligibility for contracts set aside for a service disabled veteran owned small business concern (“SDVOSBC”).

2. On 2 October 2020, 360 Patriot submitted a disclosure to the Department of Defense Inspector General (“DoDIG”) explaining that an internal investigation by the company uncovered credible evidence that, between March 2015 and July 2017, Mr. Thomson, and not the service-disabled veteran who held a 51% interest in 360 Patriot, controlled 360 Patriot. Among other things, Thomson, not the service-disabled veteran who held a 51% ownership interest in the company, made strategic decisions for 360 Patriot. 360 Patriot’s disclosure further noted that the majority owner during that period did not receive a distribution of profits consistent with his ownership interests. Based on the credible evidence of Mr. Thomson’s *de facto* control between 2015 and 2017, 360 Patriot disclosed that it likely did not qualify as an SDVOSBC during that period under regulations of the Small Business Administration (“SBA”). The disclosure identified two affected SDVOSBC set-aside contracts, both awarded by the Army.

3. On 25 May 2021, 360 Patriot entered into a civil settlement agreement with the Department of Justice concerning certain civil and administrative monetary claims related to the DoDIG disclosure on the two Army contracts.

4. 360 Patriot proactively engaged the Army Procurement Fraud Division (“PFD”) concerning the facts and circumstances resulting in the DoDIG disclosure and civil settlement. 360 Patriot submitted extensive written materials, including responses to questions, and made an oral presentation to the SDO on organizational changes, corrective actions, and remedial measures in an effort to establish its present responsibility. In its submissions, 360 Patriot represented, among other things, the following:

a. On July 1, 2017, Jed M. Owen acquired a 51% ownership interest in 360 Patriot. On or about January 1, 2018, Mr. Owen caused 360 Patriot to repurchase the other 49% interest in 360 Patriot.

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b. The circumstances that led to the control and eligibility issues reported in 360 Patriot's DoDIG Disclosure were eliminated when the current owner, Mr. Owen, acquired the company and became its CEO in July 2017. Mr. Thomson disengaged from 360 Patriot after Mr. Owen took the helm. Mr. Owen is a certified service-disabled veteran, the 100% owner of 360 Patriot, and is actively engaged in leading 360 Patriot's business as the CEO, including making all strategic decisions. In addition, 360 Patriot's Chief Operating Officer, Tim Clubb, runs the day-to-day operations of the company and is also a service-disabled veteran.

c. Since June 2020, 360 Patriot has undertaken the following remedial measures:

(1) it implemented a Code of Conduct and Business Ethics;

(2) it appointed a Compliance Officer;

(3) it established an anonymous reporting hotline; and

(4) it mandated compliance training for executives, managers/directors, and employees.

d. An organization chart dated 1 February 2022 reflects 360 Patriot's current management team. Brodie Thomson does not exercise any control or direction of 360 Patriot, either directly or indirectly.

5. In order to assure 360 Patriot's present responsibility, 360 Patriot agrees to comply with this Agreement, including the provisions in Section C (Contractor Responsibility Program), Section D (General Conditions), and Section E (Administration of Agreement).

6. Based on the actions 360 Patriot agrees to take under this Agreement, the Army has determined that it is not necessary to take administrative action against 360 Patriot to protect the Government's interest.

Therefore, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows:

B. Definitions

1. "Contractor" or "Company" refers to 360 Patriot, including its members, managers, officers, and employees while acting in their capacities as such.

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2. "Days" refers to calendar days.
3. "Effective date" (of this Administrative Agreement) refers to the date on which the Army's Suspension and Debarment Official signs this Agreement on behalf of the Army.
4. "FAR" refers to the Federal Acquisition Regulation.
5. "Government" refers to any department, agency, division, independent establishment, or corporation of the United States Government.
6. "Independent cause" for suspension or debarment refers to a basis for such action not directly related to information in the Preamble.

C. Contractor Responsibility Program

1. General. Contractor shall institute and maintain a Contractor Responsibility Program for the duration of the Agreement. The Program shall be designed to ensure that Contractor conducts business in accordance with the high standard of business ethics and integrity required of a Government contractor and/or subcontractor. At a minimum, the Program shall include the following features, as described in the paragraphs below:

- a. Contractor will notify its employees of this Agreement.
- b. Contractor will maintain a Code of Business Ethics and Conduct.
- c. Contractor will maintain a hotline for employee reports of wrongdoing.
- d. Contractor will ensure that Brodie Thomson does not exercise any control or direction of the Company, either directly or indirectly.
- e. Contractor will report to the Army any change in the: (1) ownership of Contractor; (2) control of Contractor; and/or (3) managers or officers of Contractor.

2. Notification of Agreement. Within 30 days of the effective date of this Agreement, Contractor shall prepare and display, in a prominent place accessible to all employees (specifically, via the Contractor's intranet HR Portal), a letter regarding Contractor's administrative agreement with the Army. Before displaying that letter, Contractor will send a proposed letter to the Army for review. The letter shall state:

- a. the basis for this Agreement;

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b. Contractor's commitment to observe all applicable laws and regulations, and to maintain the highest standards in conducting business as a Government contractor or subcontractor;

c. a brief description of the features of the Contractor Responsibility Program;
and

d. that employees shall report all alleged improprieties to Contractor's hotline, in response to which Contractor will conduct an investigation and recommend appropriate corrective action, and that employees may make such reports to the DoD hotline without revealing their identity.

3. Code of Business Ethics and Conduct.

a. Contractor shall maintain, and revise as necessary, its Code of Business Ethics and Conduct ("Code"). The Code shall be designed to ensure that Contractor conducts business with the integrity and honesty required of a Government contractor or subcontractor.

b. Within 30 days of the effective date of this Agreement, Contractor shall send a draft Code to the Army.

c. Elements of the Code. The Code shall include, at a minimum:

(1) a statement of Contractor's commitment to comply with the contractor responsibility provisions of the FAR and all other applicable laws and regulations concerning its Government contracting and subcontracting;

(2) a statement of Contractor's commitment to cooperate fully with any Government agencies responsible for investigation or corrective action;

(3) specific standards of conduct for Contractor employees in connection with Government contracts or subcontracts;

(4) notice that Contractor will immediately discipline, as appropriate (to include termination if appropriate), employees or officers whose conduct violates applicable laws, regulations, or the basic tenets of business integrity and honesty set forth in the Code; and

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(5) a requirement that Contractor employees report any impropriety or violation of this Agreement, whether committed by Contractor, a vendor, a subcontractor, or a Government employee.

4. Hotline.

a. General. Contractor shall maintain a "hotline" by which employees may report suspected incidents of improper conduct, to include fraud, waste, and abuse, or violation of the terms of any contract or this Agreement. Contractor shall make the hotline known to each of Contractor's managers, officers, and employees. Additionally, Contractor shall display in a prominent place accessible to all employees (specifically, via the Contractor's intranet HR Portal) information about the hotline and how to submit a report via telephone, text, or website. These notifications shall describe the hotline's purpose and explain that reports may be made anonymously.

b. Hotline Log. The Contractor or its legal counsel shall maintain a log of all reports to the hotline, to include the following: date and time of call or report; identity of reporter, if disclosed; summary of allegation or inquiry; and disposition. The Contractor or its legal counsel shall ensure that each call is adequately investigated and resolved. Upon request, hotline investigative reports shall be provided to the Army. Contractor shall not assert an attorney-client or attorney work-product privilege with respect to the hotline log, investigative reports, or their contents.

5. Reports of Changes in Ownership, Control, or Management. Contractor shall submit a report to the Army within 30 days of any change in the ownership, control, or management of Contractor. Each report shall contain:

a. a description of any change in ownership or control of Contractor, along with the surrounding facts and circumstances;

b. the details of any change in managers or officers of Contractor, including the reasons for each change, along with an updated organizational chart depicting Contractor's management team; and

c. a reasonably detailed resume or curriculum vitae for each new manager or officer.

D. General Conditions

1. Unallowable Costs. All costs defined in FAR 31.205-47 incurred for or on behalf of Contractor in response to or in preparation for Government criminal, civil, or

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administrative actions arising out of alleged violations described in the Preamble, and all costs incurred by the Contractor in negotiating, implementing and abiding by the terms of this Agreement, shall be deemed unallowable costs, direct or indirect, for Government contract purposes. These unallowable amounts shall be separately accounted for by the Contractor for Government contract purposes by identification of costs incurred: (a) through accounting records to the extent possible; (b) through memorandum records, including diaries and formal logs, regardless of whether such records are part of official corporate documentation, where accounting records are not available; and (c) through good faith itemized estimates where no other accounting basis is available.

2. Modification of Agreement. Any requirements imposed on Contractor by this Agreement may be discontinued by the Army at its sole discretion. All modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

3. Business Relationships with Excluded Parties. In the event that Contractor is awarded a federal government contract or subcontract, it shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or entity listed by the General Services Administration (GSA) as debarred, suspended, or proposed for debarment. In order to implement this provision, Contractor shall make reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

4. Public Document. This Agreement is a public document. The Army will post it on a publicly accessible website. Additionally, the Army may distribute the Agreement throughout the Government for official purposes. It may also release the Agreement under the Freedom of Information Act.

5. Releases. Contractor releases the United States, its 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.

6. Scope of 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

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investigations. The Army or any other federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

7. Survival of 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.

8. Truth and Accuracy of Submissions. Contractor represents that all written materials and other information supplied to the Army by Contractor's 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 Contractor's information and belief. Contractor understands that this Agreement is executed on behalf of the Army in reliance upon the truth, accuracy, and completeness of all such representations.

9. Violations of Agreement. Any violation of this Agreement that Contractor does not correct within ten days from receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within ten days, Contractor shall present within ten days an acceptable plan for correction. The Army may initiate, at its sole discretion, suspension or debarment proceedings under FAR Subpart 9.4. Alternatively, in case of any noncompliance, the Army may extend, in its sole discretion, this Agreement for a period equal to the period of noncompliance. Contractor does not waive, by this Agreement or otherwise, 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.

E. Administration of Agreement

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

If to the Army:

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Procurement Fraud Division
Office of the Judge Advocate General
Attn: Allen Stewart
9275 Gunston Road
Fort Belvoir, VA 22060
allen.d.stewart2.civ@army.mil

If to Contractor:

360 Patriot Enterprises LLC
Attn: Jed M. Owen, CEO
2000 Duke St., Suite 300
Alexandria, VA 22314
886-694-9516
mowen@patriotenterprisesllc.com

2. Certification of Compliance. Within 90 days of the effective date of this Agreement, 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, 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 relating to a Government contract. To the extent allowed to do so by law, regulation, and policy, the Army shall protect Contractor's confidential and proprietary business information from public disclosure.

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. PFD or its designee shall also have the opportunity to interview any Contractor employee to evaluate (1) compliance with the terms of this Agreement; (2) future compliance with federal procurement policies and regulations; and (3) maintenance of

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the high level of business integrity and honesty required of a Government contractor or subcontractor.


d. The interviews and materials described above shall be made available to PFD 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 to give an interview. To the extent allowed to do so by law, regulation, and policy, the Army shall protect Contractor's confidential and proprietary business information from public disclosure.

e. Contractor shall make the materials described above available at reasonable times for inspection, audit, or reproduction at Contractor's office. PFD or its designee shall not copy or remove Contractor's technical or other proprietary data without Contractor's permission.

4. Expiration. This Agreement shall expire at midnight not later than three years after its date of signing by the SDO. The SDO, in his/her sole discretion, may consider terminating this Agreement after two (2) years from the date of this Agreement, following a written request from the Contractor and SDO finding that the Contractor has fully complied with the terms of this Agreement and established its present responsibility.


360 Patriot Enterprises LLC
by:

Jed Michael Owen, CEO


Date: 2 March 2022

Army Suspension and Debarment
Official

Karen H. Carlisle


Date: 3 March 2022