



## ADMINISTRATIVE AGREEMENT

This Administrative Agreement Administrative ("Agreement") is made between Intelligent Decisions Inc ("ID"), and the United States Department of the Army ("Army") acting through its Suspension & Debarment Official and on behalf of the U.S. Government, as the lead agency for determining the present responsibility of ID under Subpart 9.4 of the Federal Acquisition Regulation ("FAR").

### A. PREAMBLE

1. ID is a Virginia corporation with offices and headquarters located in Ashburn, Virginia. It was founded in 1998 by Harry Martin, its exclusive owner. ID is an IT solutions company with fields of practice in simulation and training, network convergence, mobility solutions and cloud storage solutions. The majority of ID's business is with the Federal Government.

2. On 10 October 2014, a criminal information was filed against Mr. Martin charging him with one count of paying illegal gratuities, in violation of 18 U.S.C. § 201. Thereafter, the United States Attorney's Office for the District of Columbia ("USAODC") signed a deferred prosecution agreement ("DPA") with ID.

3. On 26 November 2015, the Department of the Army ("DA") suspended Mr. Martin from contracting with the Executive Branch on the basis of the criminal information filed against him. The facts underlying Mr. Martin's charge and subsequent guilty plea together with ID's DPA stem from a subcontract assumed by ID and managed by a former DA employee, In Seon Lim ("Mr. Lim").

4. Mr. Lim was employed as an Assistant Project Manager coordinating a task order on a prime contract with Eighth United States Army, in Seoul, South Korea ("the Prime Contract"). In January 2009, when Mr. Lim terminated his relationship with a subcontractor on the Prime Contract who had been providing Mr. Lim with things of value in exchange for confidential contracting information and favorable treatment, Mr. Lim solicited ID to assume that subcontract.

5. Over the next several months, ID employees including Mr. Martin provided Mr. Lim with meals, entertainment and golf outings. After several months of performing under the subcontract, Mr. Martin reported the apparent conditions of ID's ensuing relationship with Mr. Lim to the U.S. Army Criminal Investigation Division ("CID").

6. On 7 November 2015, counsel for ID met with the Army Procurement Fraud Branch to inform DA that Mr. Martin had resigned from his position as President and CEO of ID with an effective date of 16 October 2014. To provide the Government with further assurances that ID remains presently responsible the company also removed

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Mr. Martin from any involvement in its Government contracting business. Joe Armstrong, ID's existing CFO has been appointed to the additional role of President and as Director on ID's Board. ID's board is being further reconfigured to include outside individuals who will not be employees or owners of the company. Although Mr. Martin plans to retain his ownership in the company he and the company have submitted a draft proxy arrangement which is being reviewed by the Defense Security Service.

7. Mr. Martin may receive compensation from ID but he has formed a new company, ID Private Equity ("IDPE"), unrelated to ID's Government contracting business, for purposes of conducting future business activities. IDPE will manage a portfolio of investments in independent third party companies previously made by Mr. Martin or ID. Some of the portfolio companies have direct or indirect business relationships with the Government, but neither Mr. Martin nor ID have control over or Board representation in the companies.

8. On 3 December 2014, representatives from ID's executive management accompanied by outside legal counsel met with the Army PFB and SDO. During this meeting, counsel emphasized the steps ID had taken since 2010 to demonstrate its present responsibility: and provided assurances that the company-wide changes coupled with the Voting Proxy Agreement Mr. Martin is expected to sign ensured ID's present responsibility as a Government contractor, including the following:

- a. ID reported the misconduct to the Army CID;
- b. ID cooperated fully in the ensuing criminal investigation;
- c. ID implemented a substantial upgrade of its ethics and compliance program;
- d. Mr. Martin resigned as an officer and director of ID; and
- e. ID and Mr. Martin would enter into a Voting Proxy Agreement.

9. Mr. Martin and ID entered into the Voting Proxy Agreement on October 30, 2015. Pursuant to the terms of the Voting Proxy Agreement, Proxy Holders appointed by Mr. Martin have all rights, powers and authority to exercise all voting rights with respect to the Shares owned by Mr. Martin, subject to the terms and conditions set forth in the Voting Proxy Agreement. (Annex A) Under the Voting Proxy Agreement, if the proxy holders are terminated for any reason, the Army Suspension and Debarment Official shall have the right to approve any replacement proxy holder selected by Mr. Martin. Furthermore, this agreement is conditioned upon Mr. Martin's full compliance with the terms and conditions of the Voting Proxy Agreement.

10. Therefore the Army has determined that the terms and conditions of this Agreement provide adequate assurances that the interests of the Government will be sufficiently protected to preclude the necessity of debarment or suspension of ID.

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**NOW 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" refers to Intelligent Decisions, Inc., including its directors, officers, and employees, while acting in their capacities as such.
2. "Days" refers to "calendar days."
3. "Effective date" (of this Settlement Agreement) refers to the date on which the Army's Suspension and Debarment Official signs this Agreement on behalf of the Army.
4. "Employee" refers to officers, managers, and supervisors. All full and part-time workers and consultants will be considered employees for training purposes.
5. "Ethics Program Director" refers to a managerial official of the Contractor who will be the first point of contact for all questions regarding the terms and conditions of this Agreement.
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.
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. "Ombudsman" refers to an independent attorney, certified public accountant, or other expert knowledgeable in the area of Federal Government contracting policies and procedures who will audit Contractor compliance with the terms of this Agreement.

**C. CONTRACTOR RESPONSIBILITY PROGRAM**

1. **General.** Contractor has instituted a Contractor Responsibility Program involving all its employees. The program shall be designed to ensure that Contractor maintains the high standard of business integrity and honesty required of Government contractors and that Contractor's performance of Government contracts is in strict compliance with their terms. At a minimum, the Program shall include the following features, which are described in greater detail below:

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- a. Notification to employees and subcontractors of this Agreement;
- b. Adoption of a Code of Business Ethics and Conduct;
- c. Publication of a Government Contracting Policies and Procedures Manual;
- d. Establishment and conduct of a training program in business ethics and Government contracting for all Contractor employees and subcontractors;
- e. Appointment of an Ethics Program Director; and
- f. Installation of an employee and subcontractors reporting mechanism to report suspected instances of improper conduct.

**2. Notification of This Agreement.** Within 30 days of the effective date of this Agreement, Contractor's President shall prepare and display, in a prominent place accessible to all employees and subcontractors, a letter stating that Contractor has entered into an administrative settlement agreement with the Army. A copy of the President's letter will be forwarded to the Army for approval prior to distribution and will describe this Agreement and Contractor's responsibilities thereunder. The letter shall state:

- a. The basis for this Agreement;
- b. Contractor's commitment to observe all applicable laws and regulations, and to maintain the highest standards in conducting business with the United States Government;
- c. A brief description of the features of the Contractor Responsibility Program;
- d. The Contractor's Ethics Program Director's name, address, and mechanism for reporting misconduct.
- e. The availability of the Ethics Program Director for consultation on any questions concerning Contractor's business practices or employee responsibilities, or subcontractors including required reporting of improprieties; and
- f. That all improprieties regarding Government operations shall be reported to the Ethics Program Director who will conduct an investigation followed by appropriate corrective action, and that employees may make such reports without revealing their identity.

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**3. Code of Business Ethics and Conduct.**

a. Contractor has created and will maintain, and revise as necessary, a Code of Business Ethics and Conduct ("Code"). The Code shall be designed to ensure that Contractor maintains the business integrity and honesty required of a Government contractor, and that Contractor's performance is in strict compliance with the terms and conditions of its Government contracts.

b. Contractor has already submitted a copy of its Code of Business Ethics and Conduct to the Army for approval. If the Army objects to the Code of Business Ethics and Conduct, Contractor shall promptly revise the Code to meet the Army's objections and resubmit it for approval.

c. Elements of the Code of Business Ethics and Conduct. 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 the conduct of Government contracting or subcontracting;

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

(3) Specific standards of conduct for Contractor Employees concerning their business dealings with the Government on behalf of Contractor;

(4) Notice that Contractor will immediately discipline, to include termination if appropriate, Employees or officers, termination of affiliated subcontractors whose conduct violates applicable laws, regulations, or the basic tenets of business integrity and honesty set forth in the Code of Business Ethics and Conduct; and

(5) A requirement that Contractor Employees report to the Ethics Program Director any impropriety or violation of this Agreement, whether committed by Contractor, a vendor, a subcontractor, or a Government employee; and

(6) Any provisions that pertain to an individual contractor's misconduct that this Agreement is designed to prevent, e.g., product substitution, antitrust violations, compliance with the Truth in Negotiation Act, timecard reporting, compliance with the Prompt Payment Act in paying subcontractors, prohibition on offering or receiving gifts or gratuities from or to suppliers or Government personnel, etc.

**4. Government Contracting Policies and Procedures Manual.**

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a. Contractor shall establish and maintain a written Government Contracting Policies and Procedures Manual ("Manual") to regulate the performance of its Government contracts. The Manual shall describe, in detail, Contractor's method for competing for and administering Government contracts and the positions responsible for performing, approving, and reviewing these tasks.

b. Contractor management shall monitor employee compliance with the policies and procedures set forth in the Manual, and consider such compliance when making decisions concerning personnel decisions, including compensation.

c. Within 60 days of the effective date of this Agreement, Contractor shall submit a draft Manual to the Army for written approval. If the Army objects to the Manual, Contractor shall promptly revise it to meet the Army's objections and resubmit it for approval. At a minimum, the Government Contracting Policies and Procedures Manual will be updated annually.

**5. Training Program.**

a. Army Approval of Training Plans. Within 30 days of the effective date of this Agreement, Contractor shall provide the Army a training plan with a detailed description of course materials it intends to use in ethics and Government contracting training classes. If the Army rejects a plan, Contractor will promptly propose another plan.

b. Ethics Training. Within 60 days of the approval of the training plan by the Army, pursuant to subparagraph a. above, Contractor shall provide all its employees with a copy of its Code of Business Ethics and Conduct and conduct initial training in business ethics and conduct. All employees shall sign and date a roster, certifying that they attended training and received and read a copy of the Code of Business Ethics and Conduct. Contractor shall ensure that newly hired employees receive training, a copy of the Code of Business Ethics and Conduct, and sign and date a roster certifying they attended training and received and read a copy of the Code.

c. Government Contracting Training. Within 60 days of the approval of the training plan by the Army, pursuant to paragraph a above, Contractor shall provide employees directly involved with Government contracts, specialized training in laws, regulations, and contractor policies and procedures related to Government contracting. These employees shall sign and date a roster certifying they attended the training and received a copy of the Government Contracting Policies and Procedures Manual, and were familiarized with the Government Contracting Policies and Procedures Manual, which is readily accessible to them.

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d. Frequency and Certification of Training. Contractor shall conduct and update all ethics and Government contracting training and employee certifications annually. The Ethics Program Director shall maintain all employee certification rosters for ethics and Government contracting training and make them available to the Army upon request.

e. Notice of Training. Contractor will provide the Army a schedule of all ethics and Government contracting training sessions at least 15 days in advance, so the Army may attend the training.

f. Subcontractors. Contractor will ensure that any subcontractor engaged by Contractor has in place an ethics and Government contracting training program consistent with Contractor's ethics and Government contracting training. To the extent any subcontractor does not ethics and Government contracting training program in place, or has in place a ethics and Government contracting training program that is inconsistent in any way with Contractor's ethics and Government contracting training program, Contractor shall provide to all employees of the subcontractor performing services in connection with the subcontract the same training Contractor provides to its own employees under this Agreement.

**7. Misconduct Reporting.**

a. General. Within 30 days of the effective date of this Agreement, Contractor shall establish and maintain a mechanism by which employees and/or subcontractors may report to the Ethics Program Director suspected incidents of improper conduct, to include fraud, waste, and abuse, or violation of the terms of any contract or this Agreement. The reporting mechanism and the name and address of the Ethics Program Director shall be prominently displayed in all employees' and subcontractors' work and break areas, and included in all appropriate internal employee and management publications. These notifications shall describe the reporting mechanism's purpose, and explain that reports may be made anonymously, and that all anonymous reports will be acted upon in the same manner as identifiable reports.

b. Reporting Log. The Ethics Program Director shall maintain a log of all misconduct reporting, to include: date and time of reporting; identity of reporter, if disclosed; summary of allegation or inquiry; and general resolution or referral. The Ethics Program Director shall ensure that each report is adequately investigated and resolved. Investigation reports shall be provided to the Army. Contractor shall not assert an attorney-client or work-product privilege with respect to the reporting log, investigative reports, or their contents.

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**8. Reports to the Army.** The Ethics Program Director shall submit quarterly reports to the Army, postmarked no later than seven days after the first day of January, April, July, and October, as appropriate, of each year that this Agreement is in effect, until this Agreement has expired. Each report shall include:

a. A description of the training conducted that is required by this Agreement and the number of persons who attended, including a statement of the percentage of total employees and, if required under ¶ 5(f), *supra*, subcontractors, trained year to date as of the date of the report.

b. The total number of misconduct reports and other contacts made or referred to the Ethics Program Director. This part of the report shall include:

(1) The means by which any alleged misconduct was reported (e.g., call, letter, or drop-in visit, etc.);

(2) The category of any alleged misconduct (e.g., product substitution, mischarging, defective pricing, etc.) and a brief descriptive summary thereof;

(3) Whether the alleged misconduct was substantiated, in whole or in part;

(4) Whether disciplinary action was imposed and if so, a description of that action; and

(5) Whether corrective measures other than disciplinary action were taken and if so, a description of those actions. Matters pending resolution at the time of a reporting period shall be included in each subsequent report until final resolution of all matters are reported.

**D. GENERAL CONDITIONS**

**1. Unallowable Costs.** All costs, as defined in FAR 31.205-47, incurred for or on behalf of Contractor in response to or in preparation of Government criminal, civil, or administrative actions arising out of alleged violations described in the Preamble, and all costs incurred by 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 Contractor 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.

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**2. Allowable Costs.** The costs of all self-governance, compliance, or ethics programs, activities and offices in existence on the date of this Agreement, and which are continued by the terms of this Agreement, shall be allowable costs to the extent otherwise permitted by law and regulation.

**3. Modifications of This Agreement.** Any requirements imposed on 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.

**4. Business Relationships with Suspended or Debarred Entities.** Contractor shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity that is 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 Government's SAM. Notwithstanding the foregoing, Contractor may transact business with or consult with Harry Martin to the extent permitted by the Proxy Agreement, and may consult with Mr. Martin with regard to any contemplated merger with another company.

**5. 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. The Contractor shall be given the opportunity to identify Confidential Business Information ("CBI") that shall be redacted or otherwise protected, as appropriate.

**6. 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.

**7. 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.

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**8. Survival of This Agreement.** If, during the term of this Agreement, Contractor establishes new companies or subsidiaries, or transfers all or substantially all of its assets to new owners, it shall notify the Army 30 days in advance of such action, or as soon as practicable, and shall provide the Army with copies of the corporate documents in substantially final form at least 7 days before the closing of any such transaction. 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.

**9. Truth and Accuracy of Submissions.** 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.

**10. 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, unless such violation cannot be corrected within 10 days, and Contractor presents 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. Contractor does not, by this Agreement or otherwise, waive 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 Agreement 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:

Col. Mark Rivest  
Chief, Procurement Fraud Branch  
U.S. Army Legal Services Agency  
ATTN: JALS-KFLD-PF ()  
9275 Gunston Road

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Fort Belvoir, Virginia 22060-5546

If to Contractor:

Joseph Armstrong, President  
Intelligent Decisions, Inc.  
21445 Beaumeade Circle  
Ashburn, VA 20147

**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, the Army Procurement Fraud Branch (PFB), or any agency or office of the Department of Defense designated by PFB 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, and all related books, records, documents and supporting material are considered by 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.

b. Additionally, PFB 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. PFB or its designee shall also have the opportunity to interview any Contractor employee or subcontractor 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 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

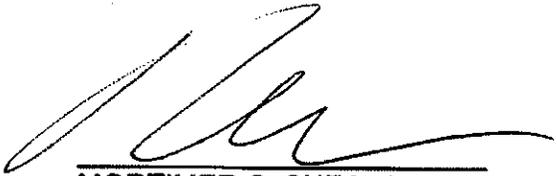
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and subcontractors available for an interview at their place of employment during normal business hours. The individual employee or subcontractor shall have the right to determine whether or not to submit to an interview. To the extent it is permitted 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. PFB or its designee shall not copy or remove Contractor's technical or other proprietary data without Contractor's permission.

**4. Corporate Officer List.** Within 30 days of the effective date of this Agreement, Contractor shall provide the Army with a list of its directors and officers and a copy of its organizational chart, which will be updated, as changes occur.

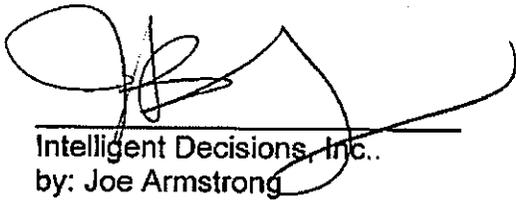
**5. Expiration.** This Agreement shall expire at midnight three years after the effective date of this Agreement.



MORTIMER C. SHEA, Jr.  
Army Suspension and Debarment Official

1 Dec. 2015  
DATE

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Intelligent Decisions, Inc.  
by: Joe Armstrong  
President

6/19/15  
DATE