



ADMINISTRATIVE COMPLIANCE AGREEMENT



This Administrative Compliance Agreement (Agreement) is made between the U.S. Army (Army) and Unity Logistics and Supply Services

A. PREAMBLE

1. Unity Logistics and Supply Services (ULSS) is a logistical and supply services company, headquartered in Kabul, Afghanistan. On December 13, 2013, the Army Suspension and Debarment Official (SDO) proposed ULSS for debarment pursuant to Section 9.406 of the Federal Acquisition Regulation ("FAR"), based on allegations that between 2009 and 2012, ULSS and certain named individuals participated jointly in a scheme to defraud the U.S. government through fraudulently obtaining or misappropriating over 1\$ million in no-cost U.S. government fuel and DFAC meal cards at Kandahar Airfield (KAF), Kandahar, Afghanistan.
2. On January 17, 2014 and February 7, 2014, ULSS, through its legal counsel, provided written submissions in response to the proposed debarment. In its written submissions, ULSS denied any involvement in an alleged scheme to defraud the U.S. government, described its investigation of the allegations, and outlined its Contractor Responsibility Program to demonstrate its present responsibility as a government contractor. In addition, on January 29, 2014, representatives from ULSS, including its legal counsel and the company's General Manager (Mr. Alan Waller) made an oral presentation before the SDO at Fort Belvoir, Virginia. At that meeting, ULSS representatives explained the company's operations and contractual responsibilities in theater, its cooperation with the U.S. government in its investigation into the company's fuel and meal card use, its independent investigation into the matter, and resulting preliminary findings and conclusions. In addition, they answered the SDO's questions, and agreed to provide him with a copy of its investigation documents.
3. Although ULSS denies any involvement in fraud, misconduct, or other wrongdoing in this matter, it concedes that it has no basis for disproving the government's calculation of fuel usage attributed to ULSS at Kandahar Air Field between 2009 to 2012, and that there was a difference of approximately 130,890 liters of fuel (valued at approximately \$253,414.04) between the amount attributed to ULSS, and the amount that ULSS could have stored or used for activities required by its customers at Kandahar Air Field. ULSS also explained that ULSS employees had suspected that two former employees, Mr. Marlon Wilson and Mr. Ronald Valdez, had stolen fuel at Kandahar Air Field, although there was no direct evidence to substantiate their suspicions. Mr. Wilson and Mr. Valdez are no longer employed by ULSS.
4. Notwithstanding the lack of direct evidence, in order to demonstrate its present responsibility as a government contractor, ULSS agrees to reimburse the U.S. government \$253,414.04, representing the value of approximately 130,890 liters of fuel. ULSS will address its offer of payment with the U.S. Army's Trial Attorney in a good faith effort to resolve the issues raised in

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connection with ULSS's appeal to the Armed Services Board of Contract Appeals (ASBCA) under docket number 59155.

5. Furthermore, to further demonstrate its present responsibility, ULSS agrees to take the actions specified in Section C, Contractor Responsibility Program, subject to the terms and conditions described in Section D, General Conditions, and Section E, Administration of Agreement.

6. The Army has determined that the terms and conditions of this Agreement provide adequate assurance that the interests of the Government will be sufficiently protected to preclude the necessity of Suspension or Debarment of ULSS, or the three ULSS representatives whose signatures appear at the end of this Agreement. Accordingly, upon execution of this agreement, the proposal for debarment of ULSS, Mr. Max Shaw, Mr. Nadir Hussain Junejo, and Ms. Jayme Harris, shall be terminated, and their proposed debarment status shall be removed from the System for Award Management ("SAM") List to reflect this termination.

7. This Agreement is effective for a period of two years commencing from the date of the Agreement, and is signed by the SDO. Upon the completion of the first year of this Agreement, ULSS may request a review of its performance under the Agreement, and request the SDO to determine if it has fulfilled its obligations under the Agreement.

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 Unity Logistics and Supply Services (ULSS), including its directors, officers, and employees, while acting in their capacities as such.
2. "Days" refers to "calendar days."
3. "Effective date" refers to the date on which the Army SDO signs this Administrative Compliance Agreement.
4. "FAR" refers to the Federal Acquisition Regulation.
5. "Government" refers to any department, agency, division, independent establishment, or wholly owned corporation of the U.S. Government.
6. "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.
7. "U.S.C." refers to United States Code.

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C. CONTRACTOR RESPONSIBILITY PROGRAM

1. Code of Conduct, Ethics, and Corporate Compliance: ULSS shall review existing company policies and procedures to assess the extent of their compliance with applicable requirements of the FAR, and will revise such policies and procedures to the extent reasonably necessary to implement an appropriate and effective Code of Conduct, Ethics, and Corporate Compliance.
2. Training: ULSS shall train those employees who are involved in government contracts or government procurement in the company's Code of Conduct, Ethics, and Corporate Compliance. This includes training in applicable provisions of the FAR and the Department of Defense ("DoD") FAR Supplement. The required training shall be completed within 180 days of the effective date of this Agreement. In addition, ULSS will publicize to all of its employees the FAR Mandatory Disclosure Rule, which requires U.S. government contractors to timely disclose to the contracting agency's Office of the Inspector General (providing a copy to the contracting officer) whenever, in connection with the award, performance, or closeout of a U.S. government contract, the contractor has credible evidence that a principal, employee, agent, or subcontractor has committed a violation of federal criminal law involving fraud, conflict of interest, bribery, or improper gratuity violations found in Title 18 of the United States Code, or a violation of the False Claims Act found at 31 U.S.C. §§ 3729-3733.
3. Reporting: Within 365 days of the effective date of this Agreement, ULSS shall provide the SDO with a written report, certifying completion of the above training and identifying the names and positions of the employees who completed the training. If requested by the SDO before termination or expiration of this Agreement, ULSS shall submit to the SDO, through the Army Procurement Fraud Branch (PFB), a further report that includes the following information related to this Agreement:
 - a. Any significant changes made to ULSS corporate ethics and compliance policies and procedures;
 - b. A list of any newly initiated federal or state government audits or investigations of ULSS or its affiliates, and a description of each such audit or investigation; and
 - c. A summary of all contacts made to the Hotline (see Section C.4. below), including the nature of the reported or suspected misconduct, actions taken by ULSS in response, the results of any internal investigation, and any corrective actions taken by ULSS. Subject to the attorney-client privilege and reporting party confidentiality, details regarding each case will be made available to the Army and the DOD OIG upon request.
4. Hotline: ULSS will maintain and continue to monitor its dedicated e-mail hotline (hotlinesupport@unitylss.com), which enables employees to report suspected misconduct relating to U.S. government procurements and contract or subcontract performance. ULSS will publicize to all employees the availability and purpose of this e-mail hotline, and will not permit retaliation

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against those employees who report suspected misconduct. ULSS also will advise its employees of this policy.

D. GENERAL CONDITIONS

1. Costs. All costs incurred by or on behalf of ULSS in responding to the Army's Notice of Proposed Debarment, dated December 13, 2013, and in negotiating, implementing, and abiding by the terms of this Agreement, are the responsibility of ULSS.
2. Modifications of This Agreement. Any requirements imposed on ULSS by this Agreement may be discontinued by the SDO at his sole discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.
3. Approvals. Where this Agreement requires approval by the Army, or other action or response by the Army, the Chief, Procurement Fraud Branch or his/her designee, will normally provide such action. This does not restrict the ability of the SDO to take such action as he may elect.
4. Business Relationships with Suspended or Debarred Entities. ULSS shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity that is listed in the GSA's System for Award Management (SAM) as debarred, suspended, or proposed for debarment. In order to implement this provision, ULSS shall make reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of the SAM list. ULSS will disclose the list of all its subcontractors with the Government.
5. Public Document. This Agreement is a public document. It will be posted on the publicly assessable Army Fraud Fighter's Website¹.
6. Release of Liability. ULSS 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. Legal Proceedings. ULSS will provide within 30 days of the entry into force of this Agreement, a listing and status of all known ongoing criminal, civil and administrative investigations and proceedings conducted by any Government entity with regard to any allegation relating to the Contractor's violation of government contracts or export law or regulation.
8. 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

¹ Available at:

[https://www.jagcnet.army.mil/JAGCNETInternet/Homepages/AC/ArmyFraud.nsf/\(JAGCNetDocID\)/HOME?OpenDocument](https://www.jagcnet.army.mil/JAGCNETInternet/Homepages/AC/ArmyFraud.nsf/(JAGCNetDocID)/HOME?OpenDocument)

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other federal agency to consider, and if appropriate, institute suspension or debarment proceedings against ULSS based upon information constituting an Independent Cause for suspension or debarment, 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.

a. The Army reserves the right to require additional protective measures or modifications of this Agreement if an Independent Cause for suspension or debarment should arise. Failure to institute such proposed additional protective measures may constitute an Independent Cause for debarment of ULSS in accordance with FAR Subpart 9.4.

b. Suspension and/or debarment may be initiated at any time under the same facts and circumstances underlying this Agreement should new information become available that indicates such action is necessary to protect the Government's interests.

c. Upon reliable evidence that ULSS has misrepresented any aspect of its proffer in connection with this Agreement, the U.S. Army may take suspension or debarment action as appropriate. Any such misrepresentation or material breach of this Agreement will be regarded as cause for debarment.

9. Survival of This Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns. 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.

10. Truth and Accuracy of Submissions. By this agreement, ULSS commits that all written materials and other information supplied by its authorized representatives to the U.S. Army are in accordance to the terms of this agreement, true and accurate in all material respects, and to the best of ULSS's information and belief.

11. 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 U.S. Army may constitute an Independent Cause for debarment. If correction is not possible within ten days, ULSS 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 U.S. Army may in its sole discretion extend this Agreement for a period equal to the period of noncompliance. ULSS 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.

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12. Press Releases. The contractor will not unilaterally release any press release related to this Agreement without first obtaining Army approval, which the Army agrees to timely review and not to unreasonably withhold.

13. Entire Agreement. This Agreement constitutes the entire agreement between the Army and ULSS and supersedes all prior agreements or understandings, oral or written, with respect to the subject matter of this action.

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:
Procurement Fraud Branch
U.S. Army Legal Services Agency (USALSA)
9275 Gunston Road, Building 1450
ATTN: LTC Wayne S. Wallace
Fort Belvoir, Virginia 22060-5546

If to Unity Logistics and Supply Services (ULSS):
ATTN: Alan Waller
House #41, Street 13
Wazir Akbar Khan
Kabul, Afghanistan

2. Access to Books and Records. During the term of this Agreement, the Army Procurement Fraud Branch shall have the opportunity to interview ULSS and/its representative(s) or request written submissions 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. To the extent it is permitted to do so by law, regulation, or policy, the Army shall protect ULSS's confidential and proprietary business information from public disclosure.

3. Expiration. This Agreement shall expire at midnight not later than 2 years after the effective date of this Agreement, unless terminated by the SDO in accordance with the provisions of paragraph A7, above.

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Mr. Max Shaw
CEO
Unity Logistics and Supply Services (ULSS)



Michael J. Meisel
Suspension and Debarment Official
U.S. Army

DATE

10 APR 14

DATE



Mr. Nadir Hussain Junejo
For himself



Ms. Jayme Harris
For herself