

**HOW CONVICTS AND CON ARTISTS RECEIVE NEW  
FEDERAL CONTRACTS**

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**HEARING**

BEFORE THE

COMMITTEE ON OVERSIGHT  
AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

FEBRUARY 26, 2009

**Serial No. 111-14**

Printed for the use of the Committee on Oversight and Government Reform



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## HOW CONVICTS AND CON ARTISTS RECEIVE NEW FEDERAL CONTRACTS

THURSDAY, FEBRUARY 26, 2009

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:07 a.m., in room 2157, Rayburn House Office Building, Hon. Edolphus Towns (chairman of the committee) presiding.

Present: Representatives Towns, Issa, Kucinich, Tierney, Clay, Watson, Lynch, Connolly, Norton, Davis, Cuellar, Foster, Driehaus, Burton, McHenry, Bilbray, Jordan, Flake, Chaffetz, and Schock.

Staff present: Ronald Stroman, staff director; Michael McCarthy, deputy staff director; John Arlington, chief investigative counsel; Leah Perry, senior counsel; Kwane Drabo, investigator; Jason Powell, counsel; Katherine Graham, staff assistant; Carla Hultberg, chief clerk; Linda Good, deputy chief clerk; Jenny Rosenberg, communications director; Miriam Edelman, special assistant; Lawrence Brady, minority staff director; John Cuaderes, minority deputy staff director; Jennifer Safavian, minority chief counsel for oversight and investigations; Frederick Hill, minority director of communications; Dan Blankenburg, minority director of outreach and senior advisor; Adam Fromm, minority chief clerk and Member liaison; Tom Alexander and Stephen Castor, minority senior counsels; Ashley Callen, minority counsel; and Glenn Sanders, minority Defense fellow.

Chairman TOWNS. The first thing I would like to do this morning is welcome our new Members on both sides of the aisle, of course, and Mr. Issa, the new ranking member, as well.

Today's hearing will kick off what I expect will be an exciting and interesting 2 years for this committee as we carry out our oversight responsibilities.

This committee has a long history of conducting vigorous oversight and investigations, and we intend to renew and continue that tradition in the 11th Congress as we continue to work together to eliminate waste, fraud, and abuse.

Just a few days ago, Congress voted to approve billions of dollars in economic stimulus funding, much of which will be spent through government contracting. It will be a massive job to ensure that this money is spent effectively and wisely, and that Federal dollars do not go to the incompetent and the unproductive, the con artists and the frauds.

One of the ways the Federal Government prevents this from occurring is the suspension and debarment process to prohibit people

and companies with a poor record of integrity and business ethics from receiving Federal funds. After the Government has determined that a party is not a responsible business partner and is therefore ineligible for Government contracts, they are placed in a database called the Excluded Party List System [EPLS]. Government contracting officers are required to check the database to verify that a potential contractor is not on the list before they enter into a contract with the company.

Unfortunately, the Federal Government's attempts to prevent ineligible parties from receiving Government contracts have not always been successful.

Following an extensive investigation, the Government Accountability Office [GAO], found that businesses and individuals that have been excluded for the most serious offenses, ranging from national security violations to tax fraud, have improperly received Federal contracts and other funds.

The results are truly shocking. The Army continued to do business with a company even after they knew the company's president had been convicted of attempting to smuggle nuclear weapons equipment to North Korea. The Navy continued to do business with a company whose owner had fled the country to avoid prosecution for tax fraud. And the Navy gave new contracts to a company that had been suspended for replacing inspected fittings with low quality parts on an aircraft carrier, risking lethal burns to the crew.

This begs the question: What is the point of having suspension and debarment regulations if our own agencies disregard them?

I could go on and on and on, but let me stop here.

There appear to be numerous instances where Federal contracting agencies have failed to check the EPLS before entering into a contract, failed to enter exclusion information on a timely manner, and failed to terminate an existing contract with the excluded company.

Part of the problem seems to be that no single agency actively monitors the content and function of the database. Moreover, the EPLS database is not integrated with the main GSA Federal Supply schedule, making it impossible for a contracting officer to check a single database to verify the eligibility of a prospective contractor.

I think we can do better than that. We must do better than that.

As I begin my chairmanship of this committee, I must say that it is not enough for us to just identify the problems with the system; we need to fix them.

I am not against contracting. I am not against contractors. I am against weak management and poor contractor performance.

The flaws in the system are just as frustrating for responsible companies that do high quality work as they are for Congress and taxpayers.

I would like to thank the witnesses today who are here and, of course, I look forward to hearing your testimony. But, more important, I look forward to working with you to get a more effective system that really eliminates waste, fraud, and abuse.

[The prepared statement of Hon. Edolphus E. Towns follows:]

HOUSE COMMITTEE ON OVERSIGHT & GOVERNMENT REFORM

**OPENING STATEMENT OF**  
**CHAIRMAN EDOLPHUS TOWNS**

**“HOW CONVICTS AND CON ARTISTS RECEIVE NEW FEDERAL CONTRACTS”**

February 26, 2009

Good morning. The Committee will come to order. The first thing I want to do this morning is to welcome our new Members on both sides of the aisle, and Mr. Issa, the new Ranking Member.

Today’s hearing will kick off what I expect will be an exciting and interesting two years for this Committee as we carry out our oversight responsibilities.

This Committee has a long history of conducting vigorous oversight and investigations and we intend to renew and continue that tradition in the 111<sup>th</sup> Congress. I look forward to working with all of you.

Just a few days ago, Congress voted to approve billions of dollars in economic stimulus funding, much of which will be spent through government contracting. It will be a massive job to ensure that this money is spent effectively and wisely and that federal dollars do not go to the incompetent and the unproductive, the con men and the frauds.

One of the ways the federal government does that is the suspension and debarment process to prohibit people and companies with a poor record of integrity and business ethics from receiving federal funds. After the government has determined that a party is not a responsible business partner and is therefore ineligible for government contracts, they are placed in a database called the Excluded Parties List System

(EPLS). Government contracting officers are required to check the database to verify that a potential contractor is not on the list before they enter into a contract with that company.

Unfortunately, the federal government's attempts to prevent ineligible parties from receiving government contracts have not always been successful.

Following an extensive investigation, the Government Accountability Office (GAO) found that businesses and individuals that have been excluded for the most serious offenses, ranging from national security violations to tax fraud, have improperly received federal contracts and other funds.

The results are truly shocking. The Army continued to do business with a company even after it knew the company's president had been convicted of attempting to smuggle nuclear weapons equipment to North Korea. The Navy continued to do business with a company whose owner had fled the country to avoid prosecution for tax fraud. And the Navy gave new contracts to a company that had been suspended for replacing inspected fittings with low quality parts on an aircraft carrier, risking lethal burns to the crew.

This begs the question: what is the point of having suspension and debarment regulations, if our own agencies disregard them?

There appear to be numerous instances where Federal contracting agencies have failed to check the EPLS before entering into a contract; failed to enter exclusion information in a timely manner; and failed to terminate an existing contract with an excluded company.

Part of the problem seems to be that no single agency actively monitors the content and function of the database.



Moreover, the EPLS database is not integrated with the main GSA contractor schedule, making it impossible for a contracting officer to check a single database to verify the eligibility of a prospective contractor.

Worse, EPLS's search engine is so obsolete that queries performed for an excluded company with just one error in punctuation will fail to reveal a suspension or debarment altogether.

I think we can do better than that. We must do better than that.

As I take over this committee, it is not enough for us to just identify the problems with the system. We need to identify the solutions.

I am not against contracting, or contractors. I am against weak management and poor contractor performance. I know that responsible contractors and the witnesses today share this view.

The flaws in the system are just as frustrating for responsible companies that do high-quality work as they are for Congress and the taxpayers.

I would like to thank the witnesses who are here today and I look forward to hearing how we can make this system really work.

\*\*\*

Chairman TOWNS. At this time, I yield to the ranking member of the committee.

Mr. ISSA. Thank you, Mr. Chairman. I want to thank you, on behalf of all of us on the dais, for finding a way to facilitate the optimum way to address this hearing today.

As you and I have discussed, leading up to today's hearing, this is a new era for this committee. In the previous Congress, and one might say for many Congresses going back a decade, this committee has sometimes held high profile hearings in which "gotcha" politics occurred. I take the blame for the Republican side. I know the chairman feels that a new era implies that his side may have at times had the same problem. Those days are behind us.

Chairman Towns and I came to an agreement that the rules of the committee will change, the practices of the committee will change, because ultimately, for Government to change on this dais, we must work together. Our enemy is not the contractor; it is not the Federal work force. Our enemy is in fact not even the Senate in this case, but, in fact, a long history of politics getting in the way of consistent oversight and returning to issues until they are properly resolved.

Outgoing Chairman Waxman left us with a list of 13,000 unresolved issues by the Bush administration. Chairman Towns and I agreed that we are going to stay on top of that list until it has been exhausted by the new administration. But whether it is the 98,000 suggestions and findings in the last 8 years of the previous administration or the ones that will come, it is not enough simply to have an administration make a finding that they have done it, they haven't done it, they are working on it; we have to look at some systemic issues.

Today, looking at this exclusion list I think is a good start. It is not the finish; this is not a summit. This is in fact talking about an ongoing process in which we want to improve the accuracy of the list of who should be contacting and, by definition, who should not be. In viewing this list—and I think we will put just a pie chart up here—what we discovered is it is large, but it is not that large. A hundred-plus thousand records, even though some of them are lengthy, in this day and age, is not large.

What we did discover is there is very little linking between this database of 100,000-plus excluded parties and the ongoing entry process that our 1101 and 1102 procurement personnel use every day. That is, in fact, inexcusable. We need to facilitate the ease and speed with which somebody preparing a contract, large or small, can know that they have ticked off by contractor, by person, a check to see whether or not a red flag comes up.

However, no amount of good software and good interface between databases makes up for a skilled work force doing their job with diligence. Ultimately, we on the dais will be talking today and asking you about specific instances in which someone was known, or should have been known, to have serious doubt as to whether they should be allowed, or their company should be allowed, to participate in Government contracting on an ongoing basis.

We are going to hear from, in a unique way, all of the parties: the accusers and, in fact, those who have to live with these findings, make changes, work together to improve our procurement sys-

tem. I am also pleased, as the minority, to have Mr. Levy, who will talk about, from a contractor representative standpoint, if you have made a mistake, how do you move beyond that mistake; how do you proactively admit to the mistake, make the changes, and the like.

I think this is a good balance. I thank the chairman for his cooperation in starting off a new era in a new way. If this committee is to be successful, this hearing, and all of our hearings, and all of our staff on both sides will have to present a united front. I believe today all of you will see we are presenting a united front.

This committee is going after waste, fraud, and abuse. We are also going after systemic problems that have long lingered in which each Congress has faced with a finding that DOD can't seem to get it right, DOD can't get this, or we need more funds in order to accomplish something that we needed more funds in the past to accomplish.

Mr. Chairman, I am going to ask unanimous consent to put some anecdotal examples of downloads from this database for the Army with 675 active listings on their exclusion list, the Navy with 284, GSA with 266, and an excerpt from the Annual Workforce Report of 2007, which cites a 20-year history of 1101, 1102, and other members of the procurement work force.

Chairman TOWNS. Without objection.  
[The information referred to follows:]

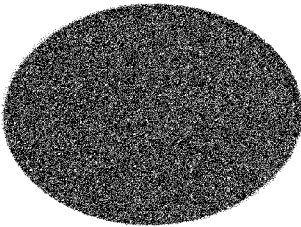
**Statistics**   **Reports**   **Agency Statistics - ALL**   **ALL** ▼

**Real-Time Information**   **Historical Information**

**Summary**  
The pie chart and table below both display real-time information for current and archived exclusions in the EPLS.

**Exclusion Totals**

■ **Current**  
■ **Archived**



**Exclusion Counts By Category - No Selection**

**Selected Category:** Select One ▼

Category	Count
Current	0
Archived	1



FAI Annual Workforce Report FY2007  
Summary Statistics

TABLE 7-S-1 HISTORY OF THE ACQUISITION WORKFORCE FY 1988 - FY 2007

Fiscal Year:	1988	1991	1992	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Business and Industry (GS-1101)</b>															
Total	15,006	16,625	17,159	20,427	20,048	20,298	20,955	21,225	22,132	22,865	23,008	23,514	23,937	24,533	26,846
Civilian Agencies	4,959	5,113	5,307	6,126	6,383	6,332	6,241	6,190	6,546	6,749	6,880	7,021	7,490	7,761	10,388
Average Grade	10.047	11.494	11.852	14.301	13.663	13.976	14.714	15.035	15.586	16,116	16,128	16,493	16,447	16,772	16,458
Average Age	8.92	9.08	9.43	10.06	10.22	10.35	10.51	10.6	10.66	10.56	10.6	10.59	10.57	11.01	10.01
Percent Female	NA	44.03	44.36	45.79	46.07	46.58	46.97	47.51	47.91	48.11	49.42	48.6	48.73	48.85	48.11
Eligible To Retire in That FY	7%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Eligible To Retire in FY+10	35%	26%	27%	31%	34%	39%	34%	42%	50%	57%	60%	58%	53%	54%	56%
College Graduates	34%	34%	34%	38%	40%	41%	39%	41%	41%	41%	41%	41%	41%	42%	40%
Members, Senior Executive Service	NA	101	94	112	109	96	106	105	95	110	105	102	108	103	103
<b>Contracting (GS-1102)</b>															
Total	30,263	31,456	31,794	28,684	28,003	27,400	26,775	26,751	26,608	27,294	26,849	26,936	27,589	27,944	28,434
Civilian Agencies	23,013	22,772	22,577	20,020	19,701	19,226	18,787	18,756	18,563	18,885	18,393	18,322	18,749	18,228	19,119
Average Grade	7.250	8,664	9,217	8,628	8,302	8,174	7,988	7,995	8,043	8,409	8,456	8,614	8,840	9,016	9,315
Average Age	10.78	11.11	11.2	11.38	11.36	11.31	11.17	11.16	11.2	11.17	11.14	11.09	11.09	10.94	11.68
Percent Female	NA	42.62	43.08	44.4	44.78	45.41	45.84	46.32	46.64	46.79	47.98	46.9	46.84	46.69	46.46
Eligible To Retire in That FY	54%	56%	56%	58%	59%	59%	60%	61%	61%	61%	61%	61%	60%	60%	60%
Eligible To Retire in FY+10	6%	5%	5%	5%	5%	5%	8%	8%	10%	12%	18%	15%	13%	12%	14%
College Graduates	30%	26%	27%	33%	34%	42%	50%	45%	52%	54%	61%	58%	54%	50%	54%
Members, Senior Executive Service	52%	53%	54%	58%	58%	58%	59%	59%	61%	63%	63%	67%	69%	71%	75%
<b>Purchasing (GS-1103)</b>															
Total	6,378	6,754	6,909	5,558	4,875	4,248	3,793	3,414	3,252	3,321	3,210	3,186	3,098	3,038	3,114
Civilian Agencies	3,521	3,490	3,426	2,833	2,494	2,071	1,638	1,363	1,230	1,193	1,097	1,069	989	961	995
Average Grade	2,857	3,264	3,383	2,725	2,381	2,177	2,155	2,051	2,032	2,128	2,113	2,117	2,109	2,077	2,119
Average Age	5.8	5.95	6.05	6.39	6.47	6.5	6.55	6.62	6.65	6.71	6.77	6.81	6.86	7.1	7.11
Percent Female	NA	41.76	42.22	44.05	44.8	45.38	46.29	46.86	47.26	47.73	49.11	48.61	48.79	49.25	49.1
Eligible To Retire in That FY	80%	80%	80%	80%	79%	79%	78%	77%	77%	77%	77%	76%	75%	74%	73%
Eligible To Retire in FY+10	5%	4%	4%	4%	4%	4%	5%	7%	6%	10%	13%	20%	18%	16%	20%
College Graduates	26%	21%	22%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
Members, Senior Executive Service	11%	10%	10%	11%	11%	11%	11%	11%	10%	11%	11%	12%	12%	12%	13%



**FAI Annual Workforce Report FY2007  
Summary Statistics**

Fiscal Year:	1988	1991	1992	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Total</b>	10,016	8,956	8,616	5,923	5,296	4,645	3,966	3,583	3,276	3,120	2,831	2,565	2,370	2,073	1,898
<b>Civilian Agencies</b>	8,397	7,363	7,005	4,812	4,331	3,777	3,175	2,863	2,582	2,380	2,116	1,904	1,748	1,540	1,351
<b>Average Grade</b>	1,619	1,593	1,611	1,111	965	868	791	720	694	740	715	661	622	533	547
<b>Average Age</b>	4.91	5.12	5.18	5.54	5.59	5.64	5.67	5.73	5.8	5.87	5.92	5.95	5.99	6.17	6.22
<b>Percent Female</b>	NA	39.88	40.63	43.16	43.8	44.81	45.64	46.44	47.27	47.66	49.01	48.49	49.21	49.58	49.89
<b>Eligible To Retire in FY+10<sup>1</sup></b>	90%	89%	89%	88%	88%	88%	87%	87%	87%	86%	86%	86%	85%	84%	83%
<b>Eligible To Retire in FY+10<sup>1</sup></b>	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
<b>College Graduates</b>	20%	18%	20%	23%	27%	36%	44%	44%	56%	59%	64%	64%	64%	63%	67%
<b>Members, Senior Executive Service</b>	6%	7%	8%	8%	8%	8%	8%	8%	7%	8%	8%	8%	8%	8%	12%
<b>Members, Senior Executive Service</b>	NA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Industrial Specialist (GS-1150)</b>															
<b>Total</b>	3,048	2,728	2,707	1,891	1,714	1,563	1,458	1,411	1,413	1,364	1,299	1,308	1,291	1,230	1,142
<b>Civilian Agencies</b>	2,818	2,202	2,442	1,685	1,514	1,381	1,290	1,249	1,281	1,238	1,181	1,202	1,171	1,106	1,023
<b>Average Grade</b>	230	526	265	206	200	182	168	162	132	126	118	106	120	124	119
<b>Average Age</b>	10.21	11.56	11.6	11.57	11.59	11.4	11.38	11.33	11.08	11.16	11.11	11.11	11.11	11.54	11.64
<b>Percent Female</b>	NA	47.6	48	48.79	49.07	49.68	50	50.34	50.76	51.23	52.63	51.51	51.57	52.1	52.37
<b>Eligible To Retire in That FY<sup>1</sup></b>	15%	17%	16%	19%	20%	21%	22%	24%	26%	27%	28%	29%	29%	28%	29%
<b>Eligible To Retire in FY+10<sup>1</sup></b>	13%	13%	14%	12%	14%	17%	18%	19%	24%	28%	36%	31%	34%	28%	34%
<b>College Graduates</b>	48%	43%	48%	52%	54%	66%	71%	71%	76%	79%	84%	82%	81%	72%	84%
<b>Members, Senior Executive Service</b>	32%	33%	32%	34%	35%	35	34%	33%	32%	33%	32%	32%	33%	32%	37%
<b>Members, Senior Executive Service</b>	NA	2	1	1	1	0	0	0	0	0	0	0	0	0	0
<b>Total, Contracting and Related Personnel</b>															
<b>Total</b>	64,711	66,499	67,085	62,483	59,936	58,154	56,947	56,384	56,681	57,964	57,197	57,509	58,285	58,818	61,424
<b>Civilian Agencies</b>	42,708	40,940	40,757	35,476	34,425	32,787	31,131	30,421	30,194	30,445	29,667	29,518	30,147	30,296	32,876
<b>Civilian Agencies</b>	22,003	25,541	26,328	26,971	25,511	25,377	25,816	25,963	26,487	27,519	27,530	27,991	28,138	28,522	28,538

<sup>1</sup>Based on CSRS retirement rules, includes both FERS and CSRS employees.

	A	B	C	D	E	F
1	Name	Address 1	Address 2	City	"State/Country", Zip	
2	1523 New Hampshire Ave., LLC	2412 Tracy Place, N.W.		Washington	DC	20008
3	18 Winterset, LLC	793 Stephanie Circle		Great Falls	VA	22066
4	9 Cotton Patch Hills, LLC	793 Stephanie Circle		Great Falls	VA	22066
5	A2 Computers, L.L.C.	50 Washington Street		Norwalk	CT	6854
6	Abdelmasih, Hanna			Woodbridge	VA	22191
7	Abdelmasih, Hanna Tadros			Woodbridge	VA	22191
8	Abdelmasih, Victor			Woodbridge	VA	22191
9	Abdelmasih, Victor Tadros			Woodbridge	VA	22191
10	Ability Unlimited, Inc.	1700 Kaborama Rd., NW.	No. 105	Washington	DC	20009
11	Abraham, Jesus			Olympia	WA	98513
12	Abrams, Linda L.			Fort Valley	GA	31030
13	Abramson, Ellis Aron			Freeport	NY	11520
14	ACS Environmental, Inc.	465 East Indian River Road		Norfolk	VA	23523
15	Adams, Eileen			Danbury	CT	6811
16	Adams, Elaine			Danbury	CT	6811
17	Adams, Ellen			Danbury	CT	6811
18	Adams, Helen			Danbury	CT	6811
19	Adams, M.			Danbury	CT	6811
20	ADCS International	13712 Paseo Valle Alto		Poway	CA	92064
21	ADCS, Inc.	13712 Paseo Valle Alto		Poway	CA	92064
22	ADCS, Inc. PAC	13712 Paseo Valle Alto		Poway	CA	92064
23	AEY, Inc.	975 Arthur Godfrey Road	Suite 211	Miami	FL	33140
24	AEY, Inc.	975 Arthur Godfrey Rd.	Suite 211	Miami	FL	33140
25	AI Dust Properties, Inc.	13712 Paseo Valle Alto		Poway	CA	92064
26	AI Ghanom and Nair General Trading Company	Mowash Tower, 9th Floor, AL Hallai Street	Opposite Mirqab	Safat Baghdad	KU	
27	AI Jabawi, Harith Naji "Harry"			Baghdad	IZ	9342
28	Al-Sawari General Trading and Contracting Company	64, Souk Al-Wataniya, Ground Floor	Murqab Kuwait C	Dasman 1323	KU	
29	Alam, Noor			Chicago	IL	60604
30	Aldrich, James			Lompoc	CO	93436
31	Ali Hijazi			Safat-13068	KU	

	A	B	C	D	E	F
32	All In The Family Moving and Storage, Inc.	4225 Franklin Street		Kensington	MD	20895
33	All-State Environmental Dredging, Inc.	1802 Highway 172		Shreds Ferry	NC	28460
34	Allied Arms Company, Ltd	Adli Kashoogi Building, Adli Kashoogi Building,	14th Floor, Dhath	Al Khoobar	SA	
35	Allied Arms Company, W.L.L.	14th Floor	Dhahran Street Al Khoobar		SA	
36	Allied Technology Group	3594 Finch Place		Fremont	CA	94555
37	Ambrozewicz, Jr., Joseph Edward			Bel Air	MD	21015
38	American Supply Company	39371 San Thomas Court		Murrieta	CA	92562
39	Ammworks, Inc.					
40	An, Byoung Choi	975 Arthur Godfrey Road	Suite 211	Miami Beach	FL	33140
41	Anjakos, Jennifer			Seoul, Korea	KS	
42	APEX Building	7146 Oak Lawn		Pasadena	CA	91103
43	Applied Construction Technology, Inc.	6233 Overhills Rd.		San Antonio	TX	78229
44	Applied Systems Research Incorporated	49 Meer Dr.		Spring Lake	NC	28390-823
45	Archer Defense	13712 Passo Valle Alto		Langhorne	PA	19047
46	Artis, Harrison			Poway	CA	92064
47	Artis, Jr, Edward Harrison			Norwalk	CT	6854
48	Ash Painting, Inc.	47-176A Hui Apeka Place		Norwalk	CT	6854
49	Ash, Charles F.			Kaneohe	HI	96744
50	Ash, Janice			Magnolia	KY	42757
51	ASIDI Corporation			Magnolia	KY	42757
52	ASR Industries Incorporated	5505 Tramore Ct. 49 Meer Dr.		Fairfax	VA	22032
53	Atallah, Maria			Langhorne	PA	19047
54	Atallah, Mike			Cypress	TX	77429-672
55	ATG Catalytics Group	3594 Finch Place		Cypress	TX	77429-672
56	Atlan, Ayfer			Fremont	CA	94555
57	Atlan, Metin			Las Vegas	NV	89110
58	Atwell, Douglas P.			Las Vegas	NV	89110
59	Auyang, Eric			Willards	MD	21874
60	AZ Kabul Corp	875 15th Street, N.W.		Mobile	AL	36696
61	Baek, Doo Yong			Washington	DC	20005
				Republic of Korea	KS	



	A	B	C	D	E	F
62	Baek, Kyung-Dong			Seoul, Korea	KS	
63	Bailey, John Bruce			Houston	TX	77068
64	Bakhshi, Abdul Qudoos			Chicago	IL	60604
65	Balis, Anthony Ocampo SSG			Killeen	TX	76549
66	Barbaulta, Allen Vincent			San Antonio	TX	78251
67	Barnes III, Thomas Nelson			Fort Worth	TX	76133-710
68	Barr, David J.			Lakeland	FL	33813
69	Barrett, Patricia A.			Fort Valley	GA	31030
70	Bassili, Akmal Y.			Woodbridge	VA	22191
71	Bassili, Yousef			Woodbridge	VA	22191
72	Baum, Sr., William E.			Great Falls	VA	22066
73	Beker, Mendel			Toronto, Ontario	CA	
74	Beker, Michael			Toronto, Ontario	CA	
75	Bell Construction Company, Inc.	2600 Sugarberry Lane		Midlothian	VA	23113
76	Bellinson, Sarah			Norwalk	CT	6854
77	Beitran's Security and Investigation, Inc.	9601 Katy Freeway		Houston	TX	77024
78	Benjamin, Gil			Neptune	NJ	7753
79	Benjamin, Gilbert D.			Neptune	NJ	7753
80	Benjamin, Sparky			Neptune	NJ	7753
81	Big G's	3723 192nd Street		East Tacoma	WA	98446
82	Binarsky, Craig			Long Grove	IL	60047
83	Blake, Carolyn			Sunnyvale	TX	75182
84	Bloom, Philip H.			Romania	RO	
85	Blue Sky Enterprises, Inc.	14 Cindy Lane		Neptune	NJ	7753
86	Blue Sky Enterprises, Inc.	14 Cindy Lane		Neptune	NJ	7753
87	Blue Sky Industries	14 Cindy Lane		Neptune	NJ	7753
88	Bluebridge International General Trading and Contracting Company, WLL	Dana Center, Salem Mubarak Street	Tower B, Floor 4	Salmiya	KU	22074
89	Bobbins Custom Upholstery	4020 South 56th Street		Tacoma	WA	98409-261
90	Bodine, Virginia			Corpus Christi	TX	78412
91	Bradford, John C.			Novi	MI	48377
92	Bradford, Steven C.			Farmington Hills	MI	48335

	A	B	C	D	E	F
93	Braga E. Asociados Poptento Mercantil	Rua Manoel Antonio Leitao	103 None Palos	Verdes Carapicuiba	BR	
94	Braga, Alexandre Castro			Verdes Carapicuiba	BR	
95	Bright Contractors, Inc.	8532 F Terminal Rd.		Lorton	VA	22079
96	Bright Electric Contractors	4500 Seminary Rd.		Alexandria	VA	22304
97	Bright Electric Contractors, Inc.	8532 F Terminal Rd.		Lorton	VA	22079
98	Bright Electric, Inc.	8532 F Terminal Rd.		Lorton	VA	22079
99	Bright Electronic Contractors, Inc.	8532 F Terminal Rd.		Lorton	VA	22079
100	Bruce, Richard			Killeen	TX	76542-394
101	Buil Corporation	279-19 Seongsu-2ka	Seongdong-ku	Seoul, Republic of Korea	KS	
102	Buil Heavy Industrial Ltd.	279-19 Seongsu-2ka	Seongdong-ku	Seoul Republic of Korea	KS	
103	Cahill, Christopher Joseph			Las Vegas	NV	89183
104	Cantrell, Michael Lee			Huntsville	AL	35802
105	Capital Data Products Limited Partnership	15030 Keswick Street		Van Nuys	CA	
106	Capital Data Products, LLC	15030 Keswick Street		Van Nuys	CA	91405
107	Capital Research Bureau, LLC	91 N. Pocono Road		Mountain Lakes	NJ	7046
108	Carey, Dennis	Bureau of Prisons, IRNo. 30034-018	Montgomery FPO	Taif	CA	93268
109	Caribbean Transport Group, Inc.		Montgomery FPO	Montgomery	AL	36112
110	Carlisle Consulting Company	3277 South Rileys Road		English	IN	47118
111	Carlisle, Ricard			English	IN	47118
112	Carlisle, Richard L.			English	IN	47142
113	Carlisle, Richard Lee, Jr.			English	IN	47118
114	Carter, Florita J.			Lawton	OK	7351
115	Chae, Su Min			Chonbuk	KS	
116	Chang, He Su			Kyungki-Do, Republic of Korea	KS	

	A	B	C	D	E	F
117	Chang, Kwang Su			Kyungki-Do, Republic of Korea	KS	
118	Chang, Yun Su			Seoul, Republic of Korea	KS	
119	Charles F. Ash Construction Company, Inc.	Rt. 1, Box 298-C		Magnolia	KY	42757
120	Charles, Finbar J.			Salmiya	KU	22074
121	Charles, Maria Rosario			Salmiya	KU	22074
122	Chase, James V.			Eugene	OR	97408
123	Chavez, Carlos L.			Pasadena	CA	91106
124	CHEMICO Enterprises (USA)	14340 Jefferson Davis Hwy.		Woodbridge	VA	22191
125	CHEMICO Enterprises, Inc.	14340 Jefferson Davis Hwy.		Woodbridge	VA	22191
126	Chi, Han II			Seoul, Korea	KS	
127	Chidiac, Elie Samir			Austin	TX	78747-260
128	Childree, William Curtis			Enterprise	AL	36330
129	China Star Buffet	FMC Lexington, Satellite Camp	P. O. Box 14525	Lexington	KY	40512
130	Chiu, Lawrence K.			San Francisco	CA	94132
131	Choi, Jae Song			Seoul	KS	
132	Choi, Kum Chon			Chonbuk	KS	
133	Choi, Min Song			Republic of Korea	KS	
134	Choi, Wan Keun			Chonbuk	KS	
135	Choi, Young Suk			Seoul, Korea	KS	
136	Chu, Kwan Kuk			Seoul, Korea	KS	
137	Chung, Kafu Stephen			New York	NY	10016
138	Cimino, Marie			Boston	MA	2108
139	Clark, Dave			Mountain Lakes	NJ	7046
140	Cleary, Michael P.			Bristol, Avon BS30 6EL	UK	

	A	B	C	D	E	F
141	CNI TEC	1607 H&T Plaza 439-23	Uijongnu-2dog	Uijongbu-city, Republic of Korea	KS	
142	Coastal Capital Corporation	1 Plaza Road		Greenvale	NY	22548
143	Cockerham, John (MAJ)			Ft. Sam Houston	TX	78234
144	Cockerham, Melissa			Fort Sam Houston	TX	78234
145	Collins and Associates of Texas, Inc.	5522 Vista Meadow Drive		Dallas	TX	75248
146	Collins, Scott Alan			Dallas	TX	75248
147	Coman, Stins			Toronto, Ontario	CA	
148	Commercial Properties Management Company	793 Stephanie Circle		Great Falls	VA	22066
149	Cooper, Mark G			Scranton	PA	18504
150	Corporate Data Source	113 Mcherry Dr.	No. 227	Buffalo Grove	IL	60089
151	Courtesy Carpets	3515 Pershing	Number 2	El Paso	TX	77903-273
152	Covington Logging and Tree Services	1195 Mott Road		Plain Dealing	LA	71064
153	Covington, Lamar Wade			Plain Dealing	LA	71064
154	CPM Venture Purple International, Inc.	2003 Stallion Road		Cantonment	FL	32533
155	Crenshaw, Joseph, CW2			New York	NY	10021
156	Crider, David Alvin			Spring Lake	NC	28390-823
157	Cruz, Francisco Quinata			San Antonio	TX	78239
158	Cruz, Luis			Tacoma	WA	98498
159	Cubic R&D Enterprise	814-4 Galhyun-Ri	Paju City	Kyungki-Do, Republic of Korea	KS	
160	Cullifer, James H.	Ranhyun-Myun		ATLANTA	GA	30315
161	Cunningham, Randall Harold			Butner	NC	27509
162	Cunningham, Randy Duke			Butner	NC	27509
163	Curo, Roland Geronimo			Helendale	CA	92342
164	Curran, Jr., Archibald A.			Fort Dix	NJ	8640
165	CWG Enterprises	329 Nina Street		New Windsor	NY	12553
166	D and J Trading Company	Laila Towers, 14th Floor	Offices A/B Asalmiya		KU	
167	Dae Kyng Commercial Company	21-1, 1-ga, Hangang-ro	Yongsan-gu	Seoul	KS	
168	Dae Kyung Commercial Compay	21-1, 1-ga, Hangang-ro	Yongsan-gu	Seoul, Korea	KS	

A	B	C	D	E	F
168 Daeha Sulbi			Taegu	KN	
170 Daeho Corporation	1462-7 Seocho-Dong	Seocho-Ku	Seoul, Korea	KS	
	50-1, Il Jin Building, 9th Floor				
171 Daham Ecat Company		Dowha-Dong, Ma	Seoul, Korea	KS	7701
172 Davidson, Connie Lynn			Red Bank	NJ	
173 Davidson, Kirsten Leah			Red Bank	NJ	7701
174 Davis, Kevin Arthis (COL)			Springdale	MD	20774
175 Defense Consulting and Contracting Group, L.L.C.	10940 Wilshire	Suite 1600	Los Angeles	CA	90024
176 Delgadillo, Lilia			El Paso	TX	79901
177 Development Resources, Inc.	1341 Highway 95 North		Bastrop	TX	78602
	Mowash Tower, 9th Floor, Al Hillai Street	Opposite Mirqab Safa		KU	
178 Dewa Europe					
	Mowash Tower, 9th Floor	Opposite Mirqab Safat		KU	
179 Dewa Projects (Private) Ltd	Al Hillai Street				
	Mowash Tower, 9th Floor	Opposite Mirqab Safat		KU	
180 Dewa Trading Establishment	Al Hillai Street				
181 Diaa Ahmed Abdul Latif Salem					
182 Diaa Ahmed Salem					
183 Diaz, Fidel			Lompoc	CA	93436
			Bobenheim-		
184 Dinkel, Hans Jurgen			Roxheim	GM	
185 Diveroli			Miami	FL	33140
186 Diveroli, Efraim			Miami Beach	FL	33140
187 Diveroli, Efraim			Miami	FL	33140
188 DME, Inc.	Rt. 1, Box 298-C		Magnolia	KY	42757
189 DNL Construction Company, Inc.	389 Crestlake Drive		San Francisco	CA	94132
190 Do-All Interior Company	399-2 Endchongdong	Yong Ssan-gu	Seoul	KS	
191 Dooson Corporation	Itaewon 1-Dong	Yongsan-Gu	Seoul	KS	
192 Doruk, Zeynep Gaye			Izmir	TU	
			Skopje,		
193 Dragon Group International	Mirce Acv 26/b 1000		Macedonia	MK	
194 Drimmer, Eric S.					
195 Dubois, Lee William			Mountain Lakes	NJ	7046
196 Dunbar Financial Services, LLC	5400 South Syracuse		Alexandria	VA	22314
			Englewood	CO	80111

	A	B	C	D	E	F
197	Dura Corporation	1901 Anam Tower Building	702-10 Yuksam-	Seoul, Korea	KS	
198	Eckrich, Lothar			Ludwigshafen 67059	GM	
199	Elite Logistics Transport, Inc.	Bureau of Prisons, IRNO, 30034-018	Montgomery FPO	Montgomery	AL	36112
200	Ellis, Dorothy			Killeen	TX	76549-241
201	Ennis, Douglas Harry			Athens	AL	35613
202	Enterprise Consulting Agency	1246 West Laurel	Suite 203	San Antonio	TX	78239
203	Environmental Technologies Group, Inc.	210 E. Broadway		Muskegon	MI	49444
204	EP Productions, Inc.	8351 Roswell Road NE	Suite 356	Atlanta	GA	30350-281
205	Ertugrul, Alpaslan			Atakent/Izmir	TU	
206	Executive Mobile Detailing	3379 Timberview	Apartment 2101	San Antonio	TX	78251
207	Falg, Alwan			Baghdad, Iraq	IZ	
208	Falah Al-Ajmi				KU	
209	Fast Cell	Rua Moncel Antonio		Verdes	BR	
210	Fateiger, William C.	Leitao	103 None Palos	Carapicuitaba	MA	1510
211	Father and Son's Platinum Contractors	4225 Franklin Street		Bolton	MA	01895
212	Fathers and Son's Home Improvement	4225 Franklin Street		Kensington	MD	20895
213	Fea, Tamilo			Kensington	MD	20895
214	Feola, Richard A.			APO AE 09114	GM	
				Omaha	NE	68116
215	First AIM Trading and Contracting	AL Salam Complex - Salmiya, First Floor	Post Office Box 4	Salmiya	KU	
216	Flores, Johnnie			San Antonio	TX	78247-165
217	Foggo, Dusty			Vienna	VA	22180
218	Foggo, Kyle Dustin			Vienna	VA	22180
219	Forza Maritime Corporation	c/o Bureau of Prisons, IRNO. 30337-018	Allenwood Low F	White Deer	PA	17887
220	Forza Trading Corporation	c/o Bureau of Prisons, IRNO. 30337-018	Allenwood Low F	White Deer	PA	17887
221	Freedom Consulting and Catering Company WLL	6946 Wood Creek Lane		Rex	GA	30273-245

	A	B	C	D	E	F
222	Future AIM United	Al Salam Complex-Salmiya, First Floor, Office Number 1 and 12	Post Office Box 4880	Patrick Air Force Base	KU	
223	Garcia, Jr., SSG Alvaro	Werner-von-Siemens-Strasse		69198 Schriesheim	FL	32925
224	Garten-Creativ			Killeen	GM	
225	Gayfield, Tina			Bucharest	TX	75549-241
226	GBG Holdings	SECTORUL 2	100 Dacia Boulei	Bucharest	RO	
227	GBG Logistics Division	SECTORUL 2	100 Dacia Boulei	Romania	RO	
228	GENMARQ IROSHA	1425 S. Eads Street	Number 1605	Arlington	VA	22202
229	Geohagan, Edward J.			Clearwater	FL	34624
230	Global Builders, Inc	47-176A hui Apeka Place		Kaneohe	HI	96744
231	Global Business Group	SECTORUL 2	100 Dacia Boulei	Romania	RO	
232	Global Business Group Logistics S.R.L.	SECTORUL 2	100 Dacia Boulei	Romania	RO	
233	Global Business Group, S.R.L.	SECTORUL 2	100 Dacia Boulei	Romania	RO	
234	Global Consultants & Coatings	156a Hamakua Street		Kailua	HI	96734
235	Global Engineering and Construction Joint Venture Partnership	3115 Buchanan Street		Wichita Falls	TX	76308
236	Global Engineering and Construction, Inc.	3115 Buchanan Street		Wichita Falls	TX	76308
237	Good, Timothy L.			Frankfurt am Main 60598	GM	
238	Government Systems Corporation	5400 South Syracuse		Englewood	CO	80111
239	Government Technical Services, LLC	2007 Poole Drive, NW	Suite A	Huntsville	AL	35810
240	Government Resource Group	P. O. Box 2067		Poulsbo	WA	98370-094
241	Granados, Saul			El Paso	TX	79907-143
242	Graphix Factory, Ltd	14-15 Londonderry Farm	Willsbridge	Briston Avon BS30 6EL	UK	
243	Grassmick, John Mack			Luray	VA	22835
244	Great Blue Aerospace Company	610 Hanseo Building	11-11 Yuluido-Dong	Seoul, Korea	KS	
245	Green Valley Company	Khaitan, Noora Complex, 4th Floor	Office No. 9, P. O. Box 85860		KU	
246	Griffin, Jack E.			Corpus Christi	TX	78419-526
247	Group W Advisors, Inc.	13712 Paseo Valle Alto		Poway	CA	92064

	A	B	C	D	E	F
248	Group W Events	13712 Paseo Valle Alto		Poway	CA	92064
249	Group W Holdings Inc.	13712 Paseo Valle Alto		Poway	CA	92064
250	Group W Media Productions, Inc.	13712 Paseo Valle Alto		Poway	CA	92064
251	Group W Outfitters	13712 Paseo Valle Alto		Poway	CA	92064
252	Group W Transportation Inc.	13712 Paseo Valle Alto		Poway	CA	92064
253	Guardex II, Inc.	9601 Katy Freeway	Suite 280	Houston	UT	77024
254	Guardex, Inc.	9601 Katy Freeway	Suite 280	Houston	TX	77024
255	Gus, Gloria			Danbury	CT	6811
256	Guyon, Stephen			Las Vegas	NV	89117-323
257	H.M. Systems, Inc.	52 Royal Victoria		Irvin	CA	92606
258	Haesung Enterprise Company	5-1304, Eun Ma Apartments	316 Dae Chi Dor	Seoul, Korea	KS	
259	Hale, Patrick M.			Thomaston	CT	06787-123
260	Hall, Terry			Rex	GA	30273-245
261	Halpin, Brett J.			Riverdale	NJ	7457
262	Han Kyung Enterprise Company	7th Floor, Kyongin Building	Unit 420-17 Togg	Seoul	KS	
263	Hardway Kitchens and Baths	14340 Jefferson Davis Hwy.		Woodbridge	VA	22191
264	Harrison, Debra M. (LTC)			Trenton	NJ	08618-441
265	Harvey, Kenneth N.			Rileville	VA	22650
266	Heard Security Services, Inc.	9601 Katy Freeway	Suite 280	Houston	TX	77024
267	Heard, Jack			Houston	TX	77002
268	Heard, John Fuellen			Houston	TX	77002
269	Heinrich, Durwanda Elizabeth Morgan Heinrich			New Orleans	LA	70130
270	Hc, Christine Chen Wee			Lexington	KY	40512
271	Hollier, Darryl			Los Angeles	CA	90012
272	Holzfachzentrum Gschwander GmbH			69198		
273	Home Sweet Home Moving and Storage, Inc.	Carl-Benz Strasse 2		Schriesheim	GM	
274	Honbo, David M.	4225 Franklin Street		Kensington	MD	20895
275	Hoon, Lee			Las Vegas	NV	
276	Hoon, Lee			Gaima Dong	GM	
277	Hopfengardner, Bruce D.			Gaima Dong	GM	
278	HSA Construction Company, Inc.			Fredericksburg	VA	22408
279	Huerta-Morales, Mario R.	Rt. 1, Box 298-C		Magnolia	KY	42757
				Bellingham	WA	98226



	A	B	C	D	E	F
280	Hur, Joon			Uijongu-city, Republic of Korea	KS	
281	Hur, Joseph Kang			Anaheim	CA	92807
282	Hwang, Mun Seob			Seoul Korea	KS	
283	Hyun Chin Service Co., Unlimited	1-9 Weonhyoro-2ka 15-2 Najin Building, Hangro-2ka	Yongsan-ku Yongsan-ku	Seoul, Korea	KS	
284	Hyun Myung System Co.			Seoul, Korea	KS	
285	Ishiba, Tomoaki			Seattle	WA	98101
286	Ikehara, William K.			Honolulu	HI	96816
287	Im, Hyun-Ja			Seoul, Korea	KS	
288	Industrial Property Management	170 North Plains Industrial Road		Wallingford	CT	06492-233
289	Inocentes, Mattias C.			Fort Lewis	WA	98433
290	Integrated Business Products, Corp.	1343 Barclay Rd.		Buffalo Grove	IL	60089-450
291	Integrated National Supply Network	1003 Butterfield Rd.		Vernon Hills	IL	60061
292	International Private Security, Inc.	9601 Katy Freeway	Suite 280	Houston	TX	77024
293	Interwoven Technology Corporation	1440 E. 357th Street		Willoughby	OH	44095
294	Investigation Protection and Security, Inc.	9601 Katy Freeway	Suite 280	Houston	TX	77024
295	J.G. Consulting, LLC	803 Hook Hill Road		Luray	VA	22835
296	Jackson, Derrick			Stafford	VA	22554-789
297	Jackson, Jeff			Norwalk	CT	6854
298	Jacob S. Company Limited		Mapo Gu	Seoul, Korea	KS	
299	Jain, Anjali Kumar	115-19 Yonggang-Dong		Flossmoor	IL	60422-107
300	Jasmine International Trading and Services Company,		Salem Mubarak	Salmiya	KU	22028
301	Jeffrey, Robert	Laila Towers 14th Floor		Baghdad	IZ	
302	Jei Ryung Construction Company	68-94, Bukgaja-Dong	SecDaemun Gu	Seoul, Korea	SD	
303	Jireh Springs General Trading and Contracting	Arraya Centre	28th Floor Sharq		KU	
304	Jireh Ventures USA	Arraya Centre	28th Floor Sharq		KU	
305	JLA Land Survey, Inc.	571 Wattaquack Hill Road		Bolton	MA	1510
306	Johnson, Douglas			APD AE 09114	GM	
307	Johnson, Robert E.			Woodbridge	VA	22193

	A	B	C	D	E	F
308	Jones, PVT Clifford Anthony			Chicago	IL	60628
309	Jones, Robert W.			Indian Rocks Beach	FL	34635
310	Joshua Construction	Camp Liberty	APO AE	Baghdad	IZ	9342
311	Jung, Jong-Jun			Seoul, Korea	KS	
312	K & S Jewelers	1105 Beltline Road		Decatur	AL	35601
313	K.V. Gopal				KU	
314	Kacar, Mezin			Las Vegas	NV	89110
315	Kacar, Ozgen			Las Vegas	NV	89110
316	Kadish, Ben-Ami			New York	NY	10020
317	Kaga, Aza H.			Langhorne	PA	19047
318	Kaga, Kamal A.			Ft. Dix	NJ	8640
319	Kawar, Issam F.			Aqaba	JO	
320	Kayeks General Services Company	5991 Desert Sun Drive		Las Vegas	NV	89110
321	Keener, Jimmie Edward			Franklin	PA	16323
322	Kendrix, Mitchell Glen			Banner	MS	38913
323	Keum, Chong Woong			Kyong-gi Do, Korea	KS	
324	Key, Austin (CPT)			Watertown	NY	13601-370
325	Kim, Chul Il			Seoul, Korea	KS	
326	Kim, Jih Chul			Seoul, Korea	KS	
327	Kim, Jung Soo			Seoul, Korea	KS	
328	Kim, Seok Kyum			Seoul, Korea	KS	
329	Kim, Seung Jun			Seoul, Korea	KS	
330	Kim, Son Pom			Chonbuk	KS	
331	Kim, Sung Sik			Seoul, Korea	KS	
332	Kim, Wan Taek			Seoul, Korea	KS	
333	Kirsch, Werner				GM	
334	Ko, Chae-Hyun			Seoul, Republic of Korea	KS	
335	Kokochoak, Nikol Francis			New Market	AL	35761
336	Konsol Concrete Company, Ltd.	Number 556-3, Tongkyo-Dong	Pochon-Si, Kyong	Republic of Korea	KS	
337	Krachynia, Jr., Leon L.			Rockville	MD	20850
338	Kronstein, Karla R.			Bentonville	VA	22610

	A	B	C	D	E	F
339	Kronstein, Michael G.			Bentonville	VA	
340	Kwon, Sung Bae			Seoul, Korea	KS	
341	Kwon, Swung Won			GaIna Dong	GM	
342	Kyong Won Industrial Company	Room 1408, Yongsan Biztel	314-1, 2-ga, Han	Seoul	KS	
343	Lambert, Gary Lee			Houston	UT	77002
344	Lament, Janusz			Santa Clara	CA	95050
345	Lane, Jr. Jesse D. (SFC)			Fort Lewis	WA	98433
346	Lane, Mike			Houston	TX	77002
347	Lane, William Michael			Houston	TX	77002
348	Langevin, Timothy Duane			Independence	MO	64052-354
349	Langston, Aaron Bridges			San Diego	CA	92101
350	Lanier, Rudy J.			Sneads Ferry	NC	28460
351	Lanmon, Cedar (CPT)			Tacoma	WA	98418
352	LaNouvelle General Trading & Contracting Company	P. O. Box 20744		Safat 13068	KU	
353	Lansing, Marie			Danbury	CT	6811
354	Leaker, Paul			Skopje		
355	LeChevallier, Laurie A.			Macedonia	MK	
356	Lee Defense Services Corporation	P. O. Box 7769		St. Augustine	FL	32092
357	Lee Dynamics International	P. O. Box 7769	Hawally 32098	Hawally 32098	KU	
358	Lee Dynamics International	Laila Tower, 15th Floor	Salem Al-Mubara	Salimya, Kuwait	KU	
359	Lee, Chan Hee			Republic of Korea	KS	
360	Lee, Cheon Geun			Seoul	KS	
361	Lee, George H.			Salimya, Kuwait	KU	
362	Lee, Hee Jeong			Chonbuk	KS	
363	Lee, Ho			Seoul, Korea	KS	
364	Lee, Justin			Salimya, Kuwait	KU	
365	Lee, Justin W.			Salimya	KU	
366	Lee, Oai			Salimya, Kuwait	KU	

	A	B	C	D	E	F
367	Lee-Baxton Associates, Inc.	3515 Pershing	Number 2	El Paso	TX	
368	Livingston, Ronald S.			Cherry Hill	NJ	8002
369	Loftus, Mykel IDenny			Graham	WA	98338
370	Loh, Hea Kyung			Seoul, Korea	KS	
371	Loh, Kyong Porn			Seoul, Koea	KS	
372	Loh, Pong Chun			Seoul, Korea	KS	
373	Long, Debre L.			St. Augustine	FL	32092
374	Long, Richard E.			St. Augustine	FL	32092
375	Lopez, Luis A.			Los Angeles	CA	90045
376	Lukasik, David William			Grand Haven	MI	49417
377	Lvovich, Mikhail			toronto, Ontario	CA	
378	Maalouf, Elias			Baghdad	IZ	
379	Macher, Renzo Francisco.			White Deer	PA	17887
380	Macklinger, Cynthia			Newcastle	CA	95658
381	Mailsafe, Inc.	13712 Paseo Valle Alto		Poway	CA	92064
382	Majumdar, Haresh			Irvine	CA	92606
383	Maldonado, Alejandra			Lacey	WA	98503
384	Maldonado, Claudia D.			Lacey	WA	98503
385	Maldonado, Ramon L.			Lacey	WA	98503
386	Manchester Property Corporation	975 Arthur Godfrey Road	Suite 211	Miami Beach	FL	33131
387	Mangiello, Ludwig			Pittsburg	PA	
388	Mansour, Bassam M.			Wilmington	VA	28412-737
389	Market Scope Enterprises, Inc.	455 East State Pkwy., Suite 105		Schaumburg	IL	60173
390	Marsala, Charles			Scranton	PA	18504
391	Martin, Anthony J.			Houston	TX	77002
392	Martinez, Jose Antonio			Montgomery	AL	36112
393	Martinez, Tony			Montgomery	AL	36112
394	Maverick Aviation, Inc.	112 Industrial Boulevard		Enterprise	AL	36330
395	Mazon, Jeff Alex			Norcross	GA	30092
396	McCarthy, James			Wallingford	CT	06492-2333
397	McCleod, Darnell E.			Detroit	MI	48221
398	McLeod, George C., Jr.			Columbia	SC	29229
399	McQueen, Alvan Vance			Waldron	IN	46182

	A	B	C	D	E	F
400	McQueen, Alvan Vance			Waldron	IN	46182
401	Medi Peth Medical Lab, Inc.	Rt. 37		Danbury	CT	6811
402	Medical Construction and Maintenance Joint Venture Partnership	3115 Buchanan Street		Wichita Falls	TX	76308
403	Merrill, Ralph			Miami	FL	33131
404	Mi Rae Industrial Company	201, 1480-12 Seocho Dong	Seochu Gu	Seoul	KS	
405	Michael, John Thomas			Greenvale	NY	22548
406	Military Service Support, LLC	289 Washington Street		Groveland	MA	1834
407	Miller, Andrea			Danbury	CT	6811
408	Miller, Angela			Danbury	CT	6811
409	Miller, Gina Cha			Downey	CA	90242
410	Miller, Jr., William Dennis			New Market	AL	35761
411	Miller, Kelly			Danbury	CT	6811
412	Miller, Mark			Mountain Lakes	NJ	7046
413	Miller, Mary			Danbury	CT	6811
414	Mills, Jack			Mountain Lakes	NJ	7046
415	Min, Son Sook			Seoul	KS	
416	Miranda, Raul Jorge			Spring	TX	77388
417	Mirror Labs, Inc.	13712 Paseo Valle Alto		Poway	CA	92064
418	Mitwally, Samiha			Danbury	CT	6811
419	Mobel-Kirsch GmbH		Postfach 1118	69125		
420	Momon, Jr., Major James	Beethovenstrasse 20		Dossenheim	GM	
421	Moore III, Oliver			Springfield	VA	22152
422	Moore, Keith SFC			Baton Rouge	LA	70805
423	Moran, Gina Cha			Killeen	TX	76544
424	Moran, Richard James			Downey	CA	90242
425	Moran, Tevfik			Taif	CA	93268
426	Murray, Christopher H. (MAJ)			Izmir	TU	
427	MZM, Inc.	2412 Tracy Place, N.W.		Catula	GA	31804-373
428	Naji, Monther Majeed "Mike"			Washington	DC	20008
429	NAS Federal Systems Corporation	5400 South Syracuse		Baghdad	IZ	9342
430	National Supply Network, Inc.	1003 Butterfield Rd.		Englewood	CO	80111
				Vernon Hills	IL	60061-136

	A	B	C	D	E	F
431	Native American Companies, Inc.	5400 South Syracuse		Englewood	CO	80111
432	Native American Company	5400 South Syracuse		Englewood	CO	80111
433	Native American Sales	5400 South Syracuse		Englewood	CO	80111
434	Native American Sales, Inc.	5400 South Syracuse		Englewood	CO	80111
435	Native American Systems, Inc.	5400 South Syracuse		Englewood	CO	80111
436	Naweed Bakshi Company	53 West Jackson Boulevard	Suite 1220	Chicago	IL	60604
437	Nelson, Paul Darrell			Lisbon	ME	4250
438	Newcon International, Ltd.	105 Sparks Avenue		Toronto	CA	
439	Newcon Optik	105 Sparks Avenue		Toronto	CA	
440	Newman Computer Products	14-15 Londonderry Farm	Willsbridge	BS30 6EL	UK	
441	Newtown Square Pharmacy, Inc.	4803 Kolbaha Street		Honolulu	HI	96816
442	Noori, Noor Alam			Chicago	IL	60604
443	Norman, Lawrence E.	1664 South Ivy Trail		Mine Hill	NJ	07803-303
444	North Winds Moving and Storage, Inc.	Number 133-9		Baldwinsville	NY	13607
445	Noy Jo Enterprise Company, Ltd.	Bongilchun-Ri, Jori-Eup	Paju-City, Kyong	Republic of Korea	KS	
446	Omega Construction and Support Services	7701 Solomon Seal Drive		Springfield	VA	22152
447	Osborn, Charles Dale			Odessa	MO	64076
448	Packouz, David			Miami	FL	33132
449	Pae, Chung Ton			Seoul, Korea	KS	
450	Pak, Sun 1			Seoul, Korea	KS	
451	Palmer, Jennifer Jones			Snellville	GA	30039
452	Palmer, Richard Shelby			Bradford	PA	16701
453	Pan, Chong Hun			Republic of Korea	KS	
454	Pappen, Gheevarghese			Richmond Hill	GA	31324
455	Park, Howard			White Deer	PA	17887
456	Park, Jae-Han			Seoul, Korea	KS	
457	Park, Kwonthwan			White Deer	PA	17887
458	Park, Tai Yong			Chongju-Shi	KS	
459	Parkinson, John			Denville	NJ	7834
460	Parrish, Ronald Adair			Torrington	CT	6790

	A	B	C	D	E	F
461	Patel, Hashmikhilal			Los Angeles	CA	90067
462	Patrick, Richard W.			Memphis	TN	38134
463	Patei, Jr., Peleti			Rock Island	IL	61201-875
464	Pennington, James R.			Fort Lewis	WA	98433
465	Perez, Mario			El Paso	TX	77903-273
466	Perfect Wave Technologies	13712 Paseo Valle Alto		Poway	CA	92064
467	Peruzzi, Giorgio Apostolo			36100 Vicenza	IT	
468	Phalin, Frederick T.			Williamsburg	VA	23185-652
469	Phelps, John Gordon			Kailua	HI	96734
470	Phelps, Susan Marie			Kaneohe	HI	96744
471	Phoenix Construction	Camp Liberty		Baghdad	IZ	9342
472	Pisani, Jr., Louis			Kensington	MD	20895
473	Platinum Contractors, Inc.	4225 Franklin Street		Kensington	MD	20895
474	Plum Resources, Inc.	455 East State Pkwy., Suite 105		Schaumburg	IL	60173
475	PMA Services Supply and Construction L.L.C.	5981 Desert Sun Drive		Las Vegas	NV	89110
476	Podrzi, Alexandria			Miami	FL	33131-330
477	Polex Precision Machining	446 Robert Avenue		Santa Clara	CA	05050-291
478	Polly, William C.			Williamsburg	KY	40769
479	Porter, Elizabeth			Atlanta	GA	30350-281
480	Postell, James E. (PVT)			Fort Lewis	WA	98433
481	Potoski, Steven G.			Schriesheim,		
482	Powell, Glenn Allen			Germany	GM	
483	Powers, Percy Lee			Cedar Park	TX	78613
484	Pressley, Eddie			Las Vegas	NV	89191
485	Price, Dennis			Madison	AL	35757
486	Prilik, Arie			Norwalk	CT	6854
487	PRO-ECA, Inc.	1246 West Laurel	Suite 203	Toronto	CA	
488	Probe Protection, Inc.	9601 Katy Freeway	Suite 280	San Antonio	TX	78239
489	Professional Coatings Corporation	46-167 Malina Pl, Suite 6		Houston	TX	77024
490	Program Contract Services, Inc.	2868 Stonewall Jackson Highway		Kaneohe	HI	96744
491	Public Productions	39371 San Thomas Court		Bentonville	VA	22610
				Murrieta	CA	92562

A	B	C	D	E	F
492 Pure Aqua Technologies	13712 Paseo Valle Alto		Poway, CA		92064
493 Purple International, Inc.	2003 Stallion Road		Cantonment, FL		32533
494 Pynes, Joshua Benjamin			Lompoc, CA		93436
495 Qudoos, Haji Abdul			Chicago, IL		60604
496 Qussay A. Hady Mechanical and Electric Works	Sabah Library, Adamiyah		Baghdad, Republic of Iraq	IZ	
497 Qussay, Abdulla Hady			Baghdad, Republic of Iraq	IZ	
498 R-ZED Engineering Services	1214 Barton Avenue		Point Pleasant Beach, NJ		8742
499 Raman Corporation	17423 Wild Rose Trail		Cypress, TX		77429-672
500 Raman International, Inc.	17423 Wild Rose Trail		Cypress, TX		77429-672
501 Ramin, Assad John			Washington, DC		20005
502 Ramin, Assadullah			Washington, DC		20005
503 Ramin, John			Washington, DC		20005
504 Ramin, Tahir			Chicago, IL		60606
505 Ramon's Flooring and Carpet Installations, Inc.	1220 Homann Road		Lacey, WA		98503
506 RAS Meeting Services	South East		Cherry Hill, NJ		8002
507 Rashwan, Muntaser "Monty"	120 Knollwood Drive		Salt Lake City, UT		84121
508 Restano, Francesca			36100 Viceriza, IT		
509 Ristevska, Daliborka			Skopje, MK		
510 Rivard, John Allen (MAJ)			Macedonia, MK		
511 Rivera, Alejandro			Royse City, TX		75189-307
512 Roach, Jack			Los Angeles, CA		90015
513 Roach, Kevin R.			Frisco, TX		75035-292
514 Robert's Contracting			Fredericksburg, VA		22407
515 Rodriguez, Jr., Gumersindo	1209 Sandpiper Drive		Corpus Christi, TX		78412
516 Rodriguez, Anibal T.			North East, MD		21901
517 Romstedt, Gary N.			Dallas, TX		75266
518 Rudy, Ally			Vienna, VA		22182
519 Ryan, Bobbie Cyana			Toronto, Ontario, CA		
			Newburgh, NY		



	A	B	C	D	E	F
520	Rzeplinski, Michael J.			Red Bank	NJ	7701
521	Salari, Faheem Mousa			Livonia	MI	48150
522	Salinas Tropical & Catering, Inc.	P.O. Box 34013		San Juan	PR	
523	Salinas Tropical Catering & Food Service, Inc.	P.O. Box 34013		San Juan	PR	
524	Salinas Tropical Catering & Food Service, Inc.	P.O. Box 34015		San Juan	PR	
525	Sam Shin Industrial Corporation			Seoul, Korea	KS	
526	Sampedro, Jose M.			Washington	DC	20009
527	Samuel, Terry O.			Bastrop	TX	78602
528	Sandhu, Bairaj S.			Fairfield	CA	94533
529	Sampedro, Jose M.			Washington	DC	20009
530	Sanz, Gerardo M.			Arlington	VA	22207
531	Sanz, Romstedt & Baum, LLC	793 Stephanie Circle		Great Falls	VA	22066
532	SC&A, Inc.	1800 North East Loop		San Antonio	TX	78247-165
533	Schaubach, James D.	410	Suite 411	Suffolk	VA	23436
534	Schlosserei & Metallbau Speicher	Talstrasse 16		Schriesheim	GM	
535	Schneider's, Anton			Schriesheim	GM	
536	Schwartz, Jr., William I.			West Milford	NJ	7480
537	SCIMCO Building Service, Inc.	7146 Oak Lawn		San Antonio	TX	78229
538	Seamans, Stephen Lowell			Mount Pleasant	SC	29466
539	Sellman, James N.			Alexandria	VA	22314
540	Selph, Levonda J.			Washington	DC	20004
541	Seo, Hyn Seok			Seoul, Korea	KS	
542	Seo, Hyo Sok			Seoul	KS	
543	Seo, Yu Kyong			Seoul	KS	
544	SER.MAN.SRL			36100 Vicenza	IT	
545	Sewon Comprehensive Company.,	Chungcheong Do	Daejeon SI	Galma Dong	GM	
546	Shahir Fawzi				SA	
547	Shamal Pamir Building and Road Construction Company	53 West Jackson Boulevard	Suite 1544	Chicago	IL	
548	Sharaba, Sam, Sr.			Cleveland	OH	44109
549	Sharif, Jackie			Danbury	CT	6811
550	Shewell, Robert Lee			Joppa	MD	21085
551	Shim, Sang Kwon			Chonbuk	KS	

A	B	C	D	E	F
552 Shim, Shrang Ho			Chonbuk	KS	
553 Shin, Geun Soo			Seoul, Korea	KS	
554 Shin, Sang Yun			Seoul	KS	
555 Shipper's Warehouse	120 West Golf Rd., Suite 101		Schaumburg	IL	60173
556 Shorb, Jr., Paul John			Olympia	WA	98513
557 Shrewtha, Bai Ram			Baghdad	IZ	
558 Sifersack, R. Wayne			Fork	MD	21051
559 Sibley, Corey Demond			Clarksville	TN	37043
560 Sierra Computer Products, Ltd.	14-15 Londonderry Farm	Willsbridge	Bristol, Avon BS30 6EL	UK	
561 Sin, Bong-Su			Seoul, Korea	KS	
562 Sinil Corporation, Ltd	531-1 Namnosong-Dong,	Chonju-Shi	Chonbuk	KS	
563 Smith, III, Arthur O.	Wansan-Gu		Fort Sill	OK	73503
564 Smoot, Kevin Andre			The Woodlands	TX	77382
565 Song, Chae Min			Galmi Dong	GM	
566 Song, Min Ho			Taegu	KN	
567 Song, Tae Sik			Republic of Korea	KS	
568 Sooner Defense of Florida, Inc.			Cleanwater	FL	34624
569 Spadaro, Robert J.	2116 Burnice Dr.		North Port	FL	34286-606
570 Sparks, Earl Jerry			McKee	KY	40447
571 Specker, Bernd			Hohenfels	GM	
572 Speicher, Hans			92366	GM	
573 Speicher, Michael			69198	GM	
574 Sphinx Consultant & Associates	1800 North East Loop 410	Suite 411	Schriesheim	GM	
575 Stanley, Albert Jackson			Schriesheim	GM	
576 Starcon Limited Company	4761 Darby Drive		San Antonio	TX	78247-165
577 Starcon Ltd. L.L.C.	4761 Darby Drive		Houston	TX	77002-270
578 Stayton, Jeffrey H.			Las Vegas	NV	89117-323
			Las Vegas	NV	89117-323
			Spotsylvania	VA	22553

	A	B	C	D	E	F
579	Stein, Robert J. Jr.			Fayetteville	NC	28314
580	Steinberg, Steven H.			Plant City	FL	33566
581	Stevens, Jr., Robert G.			Fort Lewis	WA	98443
582	Strout, Jr., William John			Poulsbo	WA	98370-094
583	Strout, Sr., William John			San Antonio	TX	78247-165
584	Stuart, Kenneth R.			Decatur	AL	35601
585	Stubbs, Rhonda Lynette			Coleman	FL	33521
586	Sung II San Up Industrial Company	106-1401 Hyundai Apartments	Dae Sang Town, Suite 280	Seoul, Korea	KS	
587	Superior Protection, Inc.	9601 Katy Freeway		Houston	TX	77024
588	Surlita, Gilbert Allen			Tacoma	WA	98406
589	Sutton, William Marshall			Ft. Campbell	KY	42223
590	Sward, David D.			Randolph	NJ	7869
591	Swenson, Brandon Bennett			Frisco	TX	75035
592	SynPep Corporation	6905 Sierra Court		Dublin	CA	94507
593	TADROS Incorporated	14418 Jefferson Davis Hwy.		Woodbridge	VA	22191
594	Tallone, Vincent A.			Trenton	NJ	8611
595	Taylor, John Willie			Washington	DC	20004
596	Terry, Aaron			McKinney	TX	75070
597	Terry, Joseph			Huntsville	AL	35810
598	The Game Room, Inc.	1623 Gall Dr.		Buffalo Grove	IL	60089
599	The Wilkes Foundation	13712 Paseo Valle Alto		Poway	CA	92064
600	Thomas, Timothy			Powder Springs	GA	30127
601	Thrower, Allen			Columbus	GA	31902
602	Thruput, Ltd			Bristol Avon	UK	
603	TJC Investments, Inc.	14-15 Londonderry Farm	Willsbridge	BS30 6EL	TX	78602
604	Top Gun Enterprises, Inc.	1341 Highway 95 North		Rancho Santa Fe	CA	92067
605	Torres Services Incorporated	7094 Via Del Charro		San Antonio	TX	78239
606	Torres, Ignacio Ruelas	1246 West Laurel	Suite 203	San Antonio	TX	78239
607	Total Government Allegiance	6946 Wood Creek Lane		Rex	GA	30273-245
608	Tran, Hieu			Scranton	PA	

	A	B	C	D	E	F
609	Trans Orient General Trading	AL Salam Complex-Salmiya, First Floor	Office Number 1	Salmiya South	KU	
610	Triad United Technologies, LLC	526 Sarazan Loop		Georgetown	TX	
611	Trimedpro Project Management	Dana Center, Salem Mubarak Street	Tower B, Floor 4	Salmiya	KU	22074
612	Truax, III, Charles G.			Lunenburg	MA	1462
613	TSI Telecommunications Services	1246 West Laurel	Suite 203	San Antonio	TX	78239
614	Tuttle, William A.			Lakeland	FL	3.38E+08
615	U, Chong-Hwan			Seoul, Republic of Korea	KS	
616	U.S. Eagles Services Corporation	6946 Wood Creek Lane		Rex	GA	30273-245
617	Uj, Bok Su			Seoul, Korea	KS	
618	Uj, Jong-Phil			Seoul, Korea	KS	
619	Universal Logistics Corporation	3243 West 33rd St.		Cleveland	OH	44109
620	Universal Promotion Company, Limited	316-3 2F BangHwa-3Dong	Gangseo-gu	Seoul, Republic of Korea	KS	
621	Universal Promotion Company, Limited	316-3 2F BangHwa-3Dong	Gangseo-gu	Seoul, Republic of Korea	KS	
622	Valle, Alberto			Southgate	CA	90280
623	Vasantha Nair			Safat	KU	
624	Vinarsky, Craig			Long Grove	IL	60047
625	Vinarsky, Craig M.			Long Grove	IL	60047
626	Vinarsky, Craig			Long Grove	IL	60047
627	Vinarsky, Greg M.			Long Grove	IL	60047
628	Wade, Mitchell John			Washington	DC	20008
629	Ward, Wallace A.			Woodbridge	VA	22192
630	Waring II, Andrew Delancey			San Antonio	TX	78217-474
631	Wassif, George S.			Fairfax	VA	22032
632	Waters, Michael Craig			Marietta	GA	30062
633	WBR Equities, LLC	13712 Paseo Valle Alto		Poway	CA	92064
634	West, Christopher P.			Chicago	IL	60604

	A	B	C	D	E	F
635	Wheeler, Michael Brian (LTC)			Annerst Junction	WI	54407-907
636	Whiteford, Curtis G. COL			Deweyville	UT	84309
637	Wicks, Hans J.			Falls Church	VA	22043-206
638	Wilkes Corporation	13712 Paseo Valle Alto		Poway	CA	92064
639	Wilkes PAC	13712 Paseo Valle Alto		Poway	CA	92064
640	Wilkes Technology Group, Inc.	13712 Paseo Valle Alto		Poway	CA	92064
641	Wilkes, Brent Roger			Poway	CA	92064
642	Williams, Theodore Q.			Las Vegas	NV	89110
643	Wilson, Kern Carver Bernard			New Orleans	LA	70113
644	Windham, Robert Wesley			North Charleston	SC	29418
645	Won, Hyang Jin			Gaitham Dong	GM	
646	Woodruff, James L.			Ravenna	OH	44226
647	Woolridge, David D.			Fort Lewis	WA	98433-953
648	Yang BioScience LLC	6905 Sierra Court		Dublin	CA	94568
649	Yang, Chi			Alamo	CA	94507
650	Yang, Chi Ching			Alamo	CA	94507
651	Yang, Chiching Ching			Alamo	CA	94507
652	Yassa, Hadia Y.			Alexandria	VA	22304
653	Yassa, Haida Y.			Alexandria	VA	22304
654	Yassa, Yassa Yoseph			Alexandria	VA	22304
655	Yassa, Youssef			Alexandria	VA	22304
656	Yasvetz, Leo J.			Hazleton	PA	18201
657	Yi, Chae Sji			Pusan City, Republic of Korea	KS	
658	Yi, Chang Sik			Seoul, Republic of Korea	KS	
659	Yi, Joon Sung			Seoul	KS	
660	Yi, Sun Cha			Downey	CA	90242
661	Yi, Yong Pae			Republic of Korea	KS	
662	Yim, Jun Mo			Chonbuk	KS	
663	Yim, Kui Hyon			Seoul, Korea	KS	

	A	B	C	D	E	F
664	Yoon, Jin Keun			Chonbuk	KS	
665	Yoon, Sok Han			Seoul, Korea	KS	
666	Young, Robert			Baghdad	IZ	
667	Yun, Hyun Seok			Seoul, Korea	KS	
668	Yursis, Gerard D.			Parkton	MD	21120
669	Zahed, Mohamed A.			Jersey City	NJ	7306
670	Zavala, Carlos J.			San Juan	PR	
671	Zeaith Enterprises, Ltd	Opposite Mirqab Post Office	Mowash Tower, Safat		KU	
672	Zeaith Enterprises, Ltd	Opposite Safat Post Office	AL Hilali Street, Kuwait City	Kuwait City	KU	
673	ZED Services	1214 Barton Avenue		Point Pleasant Beach	NJ	8742
674	Zenith Enterprises Ltd	Opposite Safat Post Office	AL Hilali Street, Kuwait City	Kuwait City	KU	
675	Zenith for General Trading and Contracting	Mowash Tower, 9th Floor, AL Hilali Street	Opposite Mirqab	Safat	KU	
676	Ziaheh, Joseph			Michlothian	VA	23113

	A	B	C	D	E
1	Name	Address 1	City	"State/Country" Zip	Zip
2	ADVANCED PAINTING SPECIALISTS, INC.	3760 HANCOCK ST STE H	SAN DIEGO	CA	92110-4326
3	Advanced Technical Solutions	9606 Grandhaven Avenue	San Diego	CA	92114
4	Aerospace Technologies		Upper Marlboro	MD	20772
5	Aldrich, Wayne R.		Auburn	NY	13201
6	Allen W. Cotten		Sacramento	CA	95814
7	Alliance Contracting, LLC	91-229 Kuhela St	Kapolei	HI	96707
8	Allison, Bryan			UK	
9	Americable International Massachusetts, Inc.	10735 S.W. 216th Street	Miami	FL	33170
10	Americable International Moffett, Inc.	10735 S.W. 216th Street, Suite 404	Miami	FL	33170
11	Americable International New York, Inc.	10735 S.W. 216th Street, Suite 404	Miami	FL	33170
12	Americable International San Diego, Inc.	10735 S.W. 216th Street	Miami	FL	33170
13	Americable International Vandenburg, Inc.	10735 S.W. 216th Street	Miami	FL	33170
14	Baroni, Keith		Kenner	LA	70065
15	Baroni, Nicholas		Kenner	LA	70065
16	BILLY YUI MAK		ALHAMBRA	CA	91803
17	Blatt, Lee N.		BECKET	MA	1223
18	Boyce, Gene B.		Elizabeth City	NC	23909
19	Braimmar, David			UK	
20	Broda, Allison R.		Suffolk	VA	23434
21	Brown, Mark		Seattle	WA	98115
22	Budenz, George Charles II		Escondido	CA	92026
23	Burger, Robert P.		Painesville	OH	44077
24	Byron, Cary Gordon		Gretna	LA	70053
25	C. E. Holden Co.	141 Foxx Lane	Knotts Island	NC	27950
26	C.M. Recycling, LLC	94-266 Olua Place	Waipahu	HI	96797
27	Cable Satellite of South Miami, Inc.	10735 S.W. 216th Street	Miami	FL	33170
28	Caleb E. Smith		Millersville	MO	63766

	A	B	C	D	E
29	Caleca, Christian			FR	
30	Carter, Michael T.		Charleston	SC	29414
31	Causey, Michael A.		Glenside	PA	19038
32	Central W. Godbolt		Greenbelt	MD	20770
33	Charles J. Gillespie		Cooper City	FL	33026
34	Chi Mak		Los Angeles	CA	90053
35	Chi Mak		Downey	CA	90240
36	Christopher R. Trotter		Chicago	IL	60612
37	Christopher W. Carvin		Warren	OH	44485
38	CIS Technology and Associates	9606 Grandhaven Avenue	Upper Marlboro	MD	20772
39	Citron, Steven Bruce		Whiting	NJ	8759
40	Cognard, Jacques			FR	
41	Conrad Morgan, Inc.	8939 S. Sepulveda Blvd.	Los Angeles	CA	90045-3604
42	Crutchfield, Anita F.		Virginia Beach	VA	23462
43	Cue International	6516 Ridge St	McLean	VA	22101
44	Cutler Ridge Properties, Inc.	10735 S.W. 216th Street	Miami	FL	33170
45	D&A Electronics Manufacturing Inc.	5303 Asbury Road	Farmingdale	NJ	7727
46	Dahong Mai			CA	
47	Daichi Mak			CA	
48	Daihong Mak			CA	
49	Daniel A. Acton		Bethesda	MD	20814-0000
50	Darnell K. Johnson		Honolulu	HI	96818
51	David G. McRitchie		Camp H. M. Smith	HI	96861
52	Dawson, Gregory		Five Forks	WV	26145
53	Dayton F. Ishimine		Kaneohe	HI	96744
54	Dazhi Mak			CA	
55	De Brea, Gabriela		Alta Loma	CA	91701
56	Dile Manufacturing, Inc.	P.O. Box 220	Grantsville	WV	26147
57	DiMattei, John J.		Ft. Lauderdale	FL	33308
58	Donald A. Yale		Warren	OH	44481
59	Dorfman, Michael S.		Richboro	PA	18954
60	Dorfman, Michael S.		Richboro	PA	18954



	A	B	C	D	E
61	Dunn, John		Mims	FL	32754
62	Durrani, Arif Ali		San Diego	CA	92101
63	Dyer, John A.		Virginia Beach	VA	23454
64	Edgell, Shannon M.		Fairfax	VA	22030
65	eGlobe Solutions, Inc.	1037 NE 65th Street	Seattle	WA	98115
66	Enchin Technologies, Inc.	501 West Broadway	San Diego	CA	92101
67	Expedited Cargo Services, Incorporated	1209 Baker Road, Suite 402	Virginia Beach	VA	23455
68	Finbar Technologies, Inc.	6847 N. 9th Ave., Ste. A361	Pensacola	FL	32504
69	Firstsource Worldwide, Incorporated	Freedom Business Center	King of Prussia	PA	19406
70	Flora		Alhambra	CA	91803
71	Flora Li		Alhambra	CA	91803
72	Flora Mak		Alhambra	CA	91803
73	Frederick, John		Honolulu	HI	96821
74	Freitas, Ralph W		Manchester	NJ	8759
75	Fuk Heung Li Mak		Alhambra	CA	91803
76	Fuk Li		Alhambra	CA	91803
77	Funiestas, Marvin		Camp		
78	Garrett, Van Robala		Pendleton	CA	92055
79	George J. Shurnay		Virginia Beach	VA	23462
80	George Michael Pilgrim		North Olmsted	OH	44070
81	Gerald Wayne McCoy		Los Angeles	CA	
82	Gerber, Patricia Ann		San Diego	CA	92119
83	Gloria A. Medina		Marlton	NJ	8053
	Government and Commercial Supply, Inc.		Jacksonville	NC	28546
84	Government Supply	8505-g Euclid Avenue 9606 Grandhaven Avenue	Manassas Park	VA	20111
85	Government Supply	3533 W Georgia Road	Upper Marlboro	MD	20772
86	Grace Blessings Corporation		Piedmont	SC	29673
87	Granizo, Ernesto "Frank"		Pompano Beach	FL	33062

	A	B	C	D	E
88	Greenway Supply	9606 Grandhaven Avenue	Upper Marlboro MD		20772
89	Gregg William Bergersen		Alexandria VA		22315
90	Hale, Arthur		Malibu CA		90265
91	Hancock, John A.		Clarksville TN		37043
92	Harris, Kathleen		Mt. Zion WV		26151
93	Hassan Abu Jihaad		San Bernardino CA		92411
94	Hassan Abu-Jihaad		San Bernardino CA		92411
95	Hassan Abujihaad		San Bernardino CA		92411
96	Head, Steven Lynwood		Carmel CA		93923
97	Hensley, Rickey		Columbus OH		43214
98	Hermanowski, Charles C.		Miami FL		33141
99	Hoke, Troy G.		Virginia Beach VA		23455
100	Holden, Carol A.		Knotts Island NC		27950
101	Holden, Charles E.		Knotts Island NC		27950
102	Hooker, Nadine B.		King George VA		22485
103	Innovative Concepts 2000 Incorporated	90 Garfield Street	Beverly NJ		8010
104	Institutional Advisors Limited LTD	5008 W. Bluebill Road	Champaign IL		61822
105	Interaero, Inc.	23440 Moonshadows Drive	Malibu CA		90265
106	International Cable Consultants, Inc.	10735 S.W. 216th Street	Miami FL		33170
107	Jack Mak		Miami CA		
108	Jacobi Industries	131 Middle Island Rd.	Medford NY		11763
109	Jacobi Tool & Die Mfg. Inc.	131 Middle Island Rd.	Medford NY		11763
110	Jacobi, Roger P.		Medford NY		11763
111	James Brian Glenn		Pace FL		32571
112	James Patrick Glenn		Pace FL		32571
113	Jeffery John Munson		Richmond VA		37211

	A	B	C	D	E
114	Jeffrey A. Bansberg		Youngstown	OH	44505
115	Jiles, Frederick		Richwood	WV	26261
116	Jodymarie A. Vasquez		Chula Vista	CA	91915
117	John J. Sorday		McEwen	TN	37101
118	Johnson, Solomon D.		Norfolk	VA	23523
119	Jones, Gary W.		Ashland	KY	41101
120	K & K Contractors, Inc.	141 Foxx Lane	Knotts Island	NC	27950
121	Kang Yu Xin		New Orleans	LA	
122	Katie		New Orleans	LA	
123	Kelly, Lawrence		Arlington	TN	38002-9507
124	Keola H. Pohina		Honolulu	HI	96812
125	KIM'S CONSTRUCTION	3760 HANCOCK ST STE H	SAN DIEGO	CA	92110-4326
126	Kim's Construction	3760 Hancock Street	San Diego	CA	92110
127	Kistler, Charles T.		Kaila	HI	21771
128	Kuo Tai Shen		New Orleans	LA	
129	Kusbel, Mark E.		Peoria	AZ	85382-4419
130	Kwame K. Mayson		Upper Marlboro	MD	20772
131	Laiwa Chu			CA	
132	Land and Property Management Corp.	10735 216th Street	Miami	FL	33170
133	Leslie E. Doggett, Jr.		Chesapeake	VA	23321
134	Lewis, Terry B.		Richwood	WV	26261
135	Liang, Xiuwen		Moorpark	CA	93021-2775
136	Lihua Zhao			CA	
137	Lili		Alhambra	CA	91803
138	Lilly		Alhambra	CA	91803
139	Lucas, Nadine B.		King George	VA	22486
140	Lumetta, John		San Diego	CA	92101
141	M&M International Aerospace Metals, Inc.	1382 WEST MCNAB ROAD	FORT LAUDERDALE	FL	33309
142	MAJ, Inc.	24701 Tandam Drive	Darmascus	MD	20872
143	Majumder, Bob		Poway	CA	92064-1044

	A	B	C	D	E
144	Majumder, Parthasarathi		Poway CA		92064-1044
145	MAKYUJ		ALHAMBRA CA		91803
146	Maliszewski, Alan M		Livonia MI		48150
147	Maliszewski, Andrew J.		Dearborn MI		48125
148	Management Control Systems	4465 Danube Drive King George	VA		22485
149	Matrix Engineers & Contractors, Inc.	801 Grand Ave., Ste 4	San Marcos CA		92078
150	MD LOCK DOC	1901 Ann Street	Portsmouth VA		23704
151	Meihua Zhao		CA		
152	Meistrom Manufacturing Co Inc	5303 Asbury Road	Farmingdale NJ		7727
153	Metanomat, Inc.	406 Lorenzo Lane	Irwin PA		15642
154	Mexpar International, Inc	532 W. Foothill Blvd	Azusa CA		91702
155	MIC Associates, Inc.	20852 Trinity Square	Sterling VA		20165
156	Michael H. Tanaka		Nanakuli HI		96792
157	Michigan And Indiana Cable Associates	10735 S.W. 216th Street	Miami FL		33170
158	MIDWEST METALS, INC.	25989 DETROIT RD	CLEVELAND OH		44145-2426
159	Mike's Repair & Equipment Rental	91-229 Kuhela St.	Kapolei HI		96707
160	Mitchell, David Scott		Portsmouth VA		23704
161	Mitchell, David Scott		Portsmouth VA		23704
162	Mohammad Salman Farooq Qureshi		Lafayette LA		70507
163	Mohawk Aviation	2700 Northwest 62nd St., Suite C109	Ft. Lauderdale FL		33309
164	Mohawk Aviation Corporation	2700 Northwest 62nd St., Suite C109	Ft. Lauderdale FL		33309
165	Mohawk Aviation Inc.	2700 Northwest 62nd St., Suite C109	Ft. Lauderdale FL		33309
166	Montauk Corporation		Ft. Lauderdale FL		33308
167	Morris, Billy David		Elizabeth WV		26143
168	Mossor, David		Smithville WV		26178
169	Motorcycle Transport Inc.	dba The Shipping Room	Toms River NJ		8753

	A	B	C	D	E
170	Muldoon, Timothy J.		Lighthouse Point	FL	33064
171	Muldoon, Tina		Lighthouse Point	FL	33064
172	Multiple Enterprises, Incorporated	11928 Sugarberry Drive	Riverview	FL	33569
173	Murray, Donald L.		DAGSBORO	DE	19939
174	Nahardani, Ahmad		Erincro	CA	91436
175	Nanomat, Inc.	406 Lorenzo Lane	Irwin	PA	15642
176	Navova, LLC	1061 Main Street	Irwin	PA	15642
177	Neilson, Scott		Seattle	WA	98115
178	Neisinger, Larry J.		Virginia Beach	VA	23471
179	Northcutt, Vai M.		Plantation	FL	33317
180	O C Incorporated		Mercersburg	PA	17236
181	Page, Reginald Wayne		Virginia Beach	VA	23455
182	Paisley Associates, Inc.	6516 Ridge St.	McLean	VA	22101
183	Pama K. Kanehailua		Honolulu	HI	96818
184	Pamela Banks		San Diego	CA	92114
185	Paper Perfect Reproductions, Inc	PMB 106-176	Washington	DC	20016
186	Paper Perfect Reproductions, Inc	PMB 106-176	Washington	DC	20016
187	Paul R. Hall		San Bernardino	CA	92411
188	Perry, Thomas A. Jr.			VA	
189	Pirchesky, Alice		Miramar	FL	33025
190	Pluto Industries Inc.	5303 Asbury Road	Farmingdale	NJ	7727
191	Poly-Pacific International, Inc.	8918 18 Street	Edmonton	CA	T6P 1K6
192	Poly-Pacific International, Inc.	4755 Zinfandel Ct, Ste A	Ontario	CA	91761-2330
193	QSystem Computers, Inc.	161 High Meadows Blvd.	Lafayette	LA	70507
194	QSystems Computers, Inc.	161 High Meadows Blvd.	LaFayette	LA	70507
195	Ragunathan, Srikanth		Irwin	PA	15642
196	Randall G. Craig		Highlands	TX	
197	Randolph, Robert		Lancaster	PA	17803
198	Rebecca Laiwah Chiu		Downey	CA	90240

	A	B	C	D	E
199	Rebecca Mak		CA		
200	Richard Curtin		Odessa	FL	33556
201	Roberts, Carl Graham		Honolulu	HI	96820
202	Rockwell Rhodes Associates, Inc	215 N. Neil Street	Champaign	IL	61820
203	Ronald Kowalski		St. Thomas	CA	N5P 3S6
204	Rotjarej Preekran		Bangkok	XX	10310
205	RPR Industries, Inc.	Old U.S. Highway 1, P.O. Box 158	Apex	NC	27502
206	Rubber Crafters, Inc.	P.O. Box 220	Grantsville	WV	26147
207	Salvail, Gary		Tucson	AZ	85715-3104
208	Sampathkumar, Padmashri		Irwin	PA	15642
209	Sapphire Systems	6516 Ridge St.	McLean	VA	22101
210	Satellite Company of America		Grantsville	PA	
211	Sav-A-Tool	P.O. Box 220	Grantsville	WV	26147
212	Scaglia, Francesco			IT	
213	Schauer, David		Fredericksburg	PA	17026
214	Schnurr, Robert L.		Apex	NC	27502
215	Schweitzer, Leo F.		Waymart	PA	18472
216	Science and Applied Technology, Inc.	13220 Highlands Road	Poway	CA	92064-1044
217	Scott, Aubrey Randolph	3470 MARTINSBURG PIKE	Germentown	MD	20876
218	Seaward International, Inc.		Clear Brook	VA	22624
219	Sicard, Edward A., Jr.		Damascus	MD	20872
220	Sicard, Edward A., Jr.		Damascus	MD	20872
221	Sigmon, Kennis L.		Norfolk	VA	23518
222	Sigmon, Linda S.		Norfolk	VA	23518
223	Sil, Inc.	3470 Martinsburg Pike	Clearbrook	VA	22624
224	Slicer, Dennis		Byron	GA	31008
225	Song, Mike Young		Seattle	WA	98115
226	Song, Scott		Seattle	WA	98115
227	Speller, Barbara Elaine		Chesapeake	VA	23320
228	Spice, Dennis D.		Champaign	IL	61822

	A	B	C	D	E
229	Stargate Enterprises, Inc.	1230 Kuula Street 941 South Second Street	Kaila	HI	21771
230	State Metal Industries, Inc.		Camden	NJ	8103
231	Stathoulis, Dennis		La Mesa	CA	91942
232	Stendeback, Linda		Stephens City	VA	22655
233	Stephen Starr		Fredericksburg	VA	22405
234	Sun Home Metal, Inc.	91-590 Farrington Highway	Kapolei	HI	96707
235	Susan Belliveau		Canterbury	CT	6331
236	Sylvestre, Richard F.		Attleboro	MA	2703
237	Tai Koo		New Orleans	LA	
238	Tai Koo		New Orleans	LA	
239	Tai Mak			CA	
240	Tai Shen Kuo		Houma	LA	
241	Tai Wang Mak		Alhambra	CA	91803
242	Taichi Mak			CA	
243	Taihong Mak			CA	
244	Tappen, James C.		Chesapeake	VA	23322
245	Taylor, Robert B.		Winchester	VA	22602
246	The SIGMON Group, LLC	5504 Club Head Road	Virginia Beach	VA	23455
247	Thomas Klocker		Westlake	OH	44145
248	Thomas Klocker		CLEVELAND	OH	44145-2426
249	Thomas Shumay		CLEVELAND	OH	44113
250	Thomas, Charles		Philadelphia	PA	19106
251	Thompson, Douglas Troy		Saucier	MS	39574
252	Thornton, Michael A.		Cuiperper	VA	22701
253	Tiffani T. Falu		Alderson	WV	24910
254	Timothy Brian Venable		FPO AP	XX	96373-5024
255	Tobey, Richard		Temecula	CA	92591
256	Todd A. Noble		Palmetto	FL	34221
257	Total Electric Sales, Inc.	4604 Bellamy Court 21144 CEDAR GROVE RD	Virginia Beach	VA	23462
258	Total Supply, Inc.		Cuiperper	VA	22701
259	Trelleborg Corporation	400 Aylworth Ave.	South Haven	MI	49090

	A	B	C	D	E
260	Trelleborg Engineered Products, Inc.	3470 Martinsburg Pike	Clearbrook	VA	22624
261	Tsiamis, Vasiliou		La Mesa	CA	91942
262	Tsoutsas, Demetrios		Farmingdale	NJ	7727
263	Ulysses Incorporated	5303 Asbury Road	Farmingdale	NJ	7727
264	Urban Planning & Innovations, Inc., (UPI)	2400 Vetrans Blvd.	Kenner	LA	70062
265	Vee Manufacturing Company	P.O. Box 220	Grantsville	WV	26147
266	Villarreal, Edward E.		Corpus Christi	TX	78418
267	Virginia Harbor Services, Inc.		Clearbrook	VA	22624
268	Virginia Lee Johnson		Honolulu	HI	96850
269	Walker, Christine B.		Virginia Beach	VA	23451
270	Washington Cable TV, Inc.	10735 S.W. 216th Street	Miami	FL	33170
271	Waterle Bottled Water Plant		Bangkok	XX	10310
272	Wayne Chin Y. Lu		Honolulu	HI	96707
273	Wayne De Young		Sheridan	OR	97378
274	Whittle, Peter			UK	
275	Wiley, Stephen D.		Chesapeake	VA	23321
276	Wilson Freire		Springfield	NJ	7081
277	Xiaodong Sheldon Meng		San Jose	CA	95132
278	Yokeia M. Gibbs		Columbia	SC	29229
279	Yu Xin Kang		Beijing	CH	
280	YUI BILLY MAK		ALHAMBRA	CA	91803
281	YUI BILLY MAK		ALHAMBRA	CA	91803
282	Yui Mak		Alhambra	CA	91803
283	Zannoni, Peter J.		Grantsville	WV	26147
284	Zhuang, Jinghua H.		Moorpark	CA	93201-2775
285	Zilles, Michael J.		Sterling	VA	20165



	A	B	C	D	E
1	Name	Address 1	City	"State/Country"	Zip
1	1700 Tomlinson Road Associates,				
2	LLC	380 Red Lion Rd.	Huntington Valley	PA	19006
3	65th South 4th St Realty Corp	1901 Steinway Street	Astoria	NY	11105
4	Adams, Cody		Haves	MT	59527
5	Albany Bulk Transport Inc	1901 Steinway Street	Astoria	NY	11105
6	Allen, Bill J.		Anchorage	AK	99501
7	Ames, Michael		Shrewsbury	MA	1545
8	Anchor Transit Corp	1901 Steinway Street	Astoria	NY	11105
9	Aquila Concrete Corp.		Brooklyn	NY	11234
10	Astoria Realty LLC.	1901 Steinway Street	Astoria	NY	11105
11	Auto Specialists, Inc.	401 Elm St.	West Haven	CT	6516
12	Auto Tech Collision Center, Inc.	350 South Governor Printz Blvd.	Lester	PA	19029
13	Babauta, Allen V.		Upper Marlboro	MD	20772
14	Baldari, Leonard		Astoria	NY	11105
15	Belvin, Robert		Stuart	FL	34997
16	Benjamin, Jonathan Burnham		Benwyn	PA	19312
17	Berringham, David John		Fulham, London SW6	UK	
18	Bio Scan Security Inc	PO Box 1873	San Leandro	CA	94577
19	Bio Scan Security Inc	PO Box 1873	San Leandro	CA	94577
20	Bolyoga, Ralph W.		Deale	MD	20751
21	Bruce's Auto Body	21 Hook Rd.	Sharon Hill	PA	19079
22	Buckman, Alfred V.		North Babylon	NY	11703
23	Bulk Carriers Leasing Corp	1901 Steinway Street	Astoria	NY	11105
24	Buntrock, Dean L.		Hinsdale	IL	60521
25	Burgos, Jorge Luis Matos		Catano	PR	962
26	Candido I. Castro Land Surveyors	P.O. Box 198	Hagatna	GQ	96932
27	Carter, William		Pasadena	MD	21122
28	Castro & Associates	PMB 377, Box 1000	Saipan	MP	96960
29	Castro, Candido I.		Saipan	MP	96950
30	Castro, Marcellino I.		Hagatna	GQ	96932
31	Causey, Richard A.		The Woodlands	TX	77381
32	Chad Jeremy Monaghan		Coulee Dam	WA	99116
33	Chawla, Hardeep		Ivyland	PA	18947
34	Chicas, Abelino		Houston	TX	77038

	A	B	C	D	E
35	Clare, Eston		Brooklyn	NY	11234
36	Coker, Natalie		Murfreesboro	TX	37219
37	Colon, Albith		Bayamon	PR	961
38	Comstok Norway	29 Nagle Lane	Central Islip	NY	11722
39	Connecticut Bulk Transport Inc.	1901 Stearnway Street	Astoria	NY	11105
40	Covini, Dennis J.		Berlin	CT	6037
41	CyberKey Solutions, Inc.	1071 East 100 South	St. George	UT	84770
42	D. A. Jones, Inc.	120 Spring Valley Dr.	Lexington Park	MD	20653
43	Dakin, Michael M.		Springfield	MA	1118
44	Dale H. White Buffalo Chief		Winner	SD	57580
45	Darby, Giles Robert Hugh		Langley, Bedfordshire	UK	
46	Darst, Brian Esq.		Fairfax	VA	22031
47	Davis, Bruce		Sharon Hill	PA	19079
48	Deal, Linda M.		Holmes	PA	19043
49	Delaney, David W.		Washington	DC	20036-1564
50	Devereaux, Joseph		San Leandro	CA	94577
51	Diglio, John J.		Lester	PA	19029
52	Dino & Sons Realty Corp.		Brooklyn	NY	11234
53	Dino Tomassetti d/b/a Troy Realty Co.		Brooklyn	NY	11234
54	DMG Workplace Solutions, Inc.	200-25 East 2nd St.	Huntington Station	NY	11746
55	DMM Apparel	380 Red Lion Rd.	Huntington Valley	PA	19006
56	Dodge, Scott		Elmira	NY	14905
57	Drazek, Alan A.		Morton Grove	IL	60053-1808
58	Drummond, Mary Ann		Chicago	IL	60652-2208
59	Dunbar Sales Company d/b/a Carolan Packaging	303 George St., Suite 110	New Brunswick	NJ	8901
60	East Bay Terminals Inc	1901 Stearnway Street	Astoria	NY	11105
61	Emanuele, Fredrick		Brooklyn	NY	11220
62	Energizer, Ltd.	8100 Rainer Rd.	Ft. Worth	TX	76137
63	Energtech	PMB 90 Ave., Bayamon Suite 318	Bayamon	PR	961
64	Energy and Engineering Technologies, Inc.	PMB 90 Ave., Bayamon Suite 318	Bayamon	PR	961
65	Energy Consulting Group	Marginal Street D-44, Ext Forest Hills	Bayamon	PR	959

	A	B	C	D	E
66	Every, Michael A.		Minnewaukan	ND	58351
67	Executive Mobile Detailing	8827 Heathermore Apt 101	Upper Marlboro	MD	20772
68	Fastow, Andrew S.		Houston	TX	77005
69	Federman, Edward		Delray Beach	FL	33483
70	Feehan, Lawrence J.		Greenwood Lake	NY	10925
71	Foster, Ronald L.		Springfield	MO	65801
72	Gate Engineering Corporation	Marginal St., D-44, Ext	Bayamon	PR	959
73	Georal International of California	Forest Hills	Carritos	CA	90703
74	Georal International of California	16637 Valley View Ave.	Whitestone	NY	11357
75	Georal International of New York	150-38 Twelfth Ave.	Whitestone	NY	11357
76	Georal International, Ltd.	150-38 Twelfth Ave.	Whitestone	NY	11357
76	Getz, Herbert A.		Naperville	IL	60563
77	Global Service Supply	8100 Rainer Rd.	Ft. Worth	TX	76137
78	GMF Transport	8100 Rainer Rd.	Ft. Worth	TX	76137
79	Gordon, Daniel L.		Old Lyme	CT	6371
80	Griffin, Dexter		Mount Vernon	NY	10550
81	H.D.S. Corporation	2448 West Larpenieur Ave.	Lauderdale	MN	55113
82	Hannon, Kevin		Houston	TX	77024
83	Harris, R. Clay		Fairburn	GA	30213
84	Harrison, Miles		Leesburg	VA	20175
85	Hartnett, Paul		Bayonne	NJ	7002
86	Hattabaugh, Matthew Michael		Oakland	CA	94606
87	Hau, Thomas C.		Crown Point	IN	46307
88	HB Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
89	HB Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
90	HBA Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
91	HBA Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
92	HBC Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
93	HBC Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
94	HBF Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
95	HBF Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
96	HBH Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
97	HBH Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
98	HBK Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006

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99	HBK Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
100	HBP Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
101	HBP Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
102	Heger, Richard J. "Skip"		Boca Raton	FL	33498
	Hever Environmental Engineering				
103	and Consulting, Inc.	15866 West Seventh Ave.	Golden	CO	80401
104	Heyer, William J.		Golden	CO	80401
105	Heyman, David		Olisville	NY	10963
106	Hilger, Walter T.		Natick	MA	1760
107	Hillier, Michael D.		Astoria	NY	11105
108	Hirko, Joseph		Portland	OR	97229
109	Holiday, Michael Bernard		Silver Spring	MD	20904
110	Hoskins, William		Cincinnati	OH	45208
111	Householder, Sherrie		Nixa	MO	65714
112	Howard, Kevin		Houston	TX	77025
113	Hudec, Lisa D.		Naples	FL	34105
114	Hudec, Richard S. Jr.		Naples	FL	34105
115	I/CO Systems North America		Houston	TX	77040
116	Industrial Supply Company	5011 Manuel Dr.	Nashville	TN	37211-4321
117	Jones, Dante A.		Lexington Park	MD	20653
118	Jones, Debra L.		Weatherford	TX	76087
119	Jones, Michael J.		Weatherford	TX	76087
120	Kaiser, Mark P.		Ellicott City	MD	21402
121	Kaloo, Shaffick		South Ozone Park	NY	11420
122	Kanahak, Sheila A.		Houston	TX	77089
123	Kazeleski, Glenn B.		Manville	NJ	8835
124	Kempfort, Inc.	7002 Ridge Blvd., No. 4E	Brooklyn	NY	11209
125	Keup, Wayne A. PLLC			DC	
126	Koenig, James E.		Wheaton	IL	60187
127	Koenig, Mark E.		Washington	DC	20004-1225
128	Kozlowski, Dennis L.		Marcy	NY	13403
129	L&M Group, Inc.	12618 Trotwood Ct.	Beltsville	MD	20705
130	Lagerstrom, Eric		Clifton	NJ	7013
131	Lancer Construction Corporation	8100 Rainer Rd.	Ft. Worth	TX	76137
132	Lane, Ruth		Hildale	UT	84784
133	Laquila Construction, Inc.		Brooklyn	NY	11234

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	Laquila Contracting, Inc. d/b/a		Brooklyn	NY	11234
134	Laquila Contracting Co. Inc.		Brooklyn	NY	11234
135	Laquila Industries, Inc.		Dalton	PA	18414
136	Lee, Timothy J.				11749
137	Logix Construction Services, Inc.	803 Town House Village	Hauppauge	NY	11749
138	Lohse, Ronald W.		Hastlet	TX	76062-2872
139	Long Island Bulk Transport Inc.	1901 Steinway Street	Astoria	NY	11105
140	Lumactod, Epitacio L.		Saipan	MP	96950
	LVP Pacific Development Corporation	P.O. Box 503800, Koblerville	Saipan	MP	96950
141	Corporation		Burlington	NJ	8016
142	Lyons, Jack R.		Morris Plains	NJ	7950
143	Medley, Leo F., Jr.		Fort Myers	FL	33966
144	Messinger, John R.		New York	NY	10110
145	Meurs, A. Michiel		Astoria	NY	11105
146	Michael Leasing Corp	1901 Steinway Street			11105
147	Mid-State Maintenance	5011 Manuel Dr.	Nashville	TN	37211-4321
148	Milestone Transportation	8100 Rainer Rd.	Ft. Worth	TX	76137
149	Mitten, Gayle L.		LaCenter	WA	98629
150	Mitten, William R.		LaCenter	WA	98629
151	Monroe, Gary L.		Morgantown	WV	26507
152	Mulgrew, Gary Steven		Sible Hedington, Essex	UK	
153	Myers, David F.		Madison	MS	39110
154	Mystic Bulk Carriers N.E. LLC	1901 Steinway Street	Astoria	NY	11105
155	Mystic Bulk Carriers, Inc	1901 Steinway Street	Astoria	NY	11105
156	Mystic Investments, Inc.	1901 Steinway Street	Astoria	NY	11105
157	Mystic Leasing Corp.	1901 Steinway Street	Astoria	NY	11105
158	Mystic Petroleum Products Corp	1901 Steinway Street	Astoria	NY	11105
159	Mystic Realty of New Jersey LLC		Astoria	NY	11105
160	Mystic Tank Lines Corporation	1901 Steinway Street	Astoria	NY	11105
161	Mystic Transportation Inc.	1901 Steinway Street	Astoria	NY	11105
162	Nacchio, Joseph		Minersville	PA	17954
163	Nanjundappa, Renuka		Central Islip	NY	11722
	National Machinery and Supply Company, Inc.	2448 West Larpenteur Ave.	Lauderdale	MN	55113
164	Company, Inc.		Bayamon	PR	961
165	Negron, Ablieth Colon		Oakland	CA	94606
166	Nelson, Dessie Ruth				

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167	New England Bulk Transport, LLC	1901 Steinway Street	Astoria	NY	11105
168	New Jersey Bulk Transport, Inc	1901 Steinway Street	Astoria	NY	11105
169	New York Truck Leasing Corp		Astoria	NY	11105
170	Nicholas, Mitchell		Bellsville	MD	20705
171	Nicholson, Donald M.		Bedford	MA	1730
172	Nickerson, Edith June Collums		Anaheim	CA	92801
173	Nickerson, Keith Raye		Anaheim	CA	92801
174	NL Construction	P.O. Box 424	Cheltenham	MD	20623
175	Olympia Construction, Inc.	225 65th St.	Brooklyn	NY	11209
176	Overland Park Merchandise Mart Partnership L.P.	7101 College Blvd., Suite 1100	Overland Park	KS	66212
177	Pacific American Capital Corporation	90 Athol Ave., Suite 3E	Oakland	CA	94606
178	Pacific American Capital Holding, Inc.	90 Athol Ave., Suite 3E	Oakland	CA	94606
179	Park Auto Body, Inc., d/b/a A-Park	6940 Norwitch Dr.	Philadelphia	PA	19153
180	Park, Ann M.		Holmes	PA	19043
181	Park, Thomas a/k/a Park,		Holmes	PA	19043
182	Pavounis, Peter		Searingtown	NY	11507
183	Peppel, Michael E.		Dayton	OH	45458
184	Plant, James E.		St. George	UT	84790
185	Poor Bear, MacArthur		Pine Ridge	SD	57770
186	PSS Trading Group Inc	6325 Thunder Ridge Road	Rimrock	AZ	86335
187	R. J. Guerrero, Inc	1901 Steinway Street	Astoria	NY	11105
188	Raised Floor Installation, Inc.	19 Sebago St.	Clifton	NJ	7013
189	Ramirez, Eugenio A. Guardiola		San Juan	PR	00936-2122
190	Rashid, Mahmud		Stafford	VA	22554
191	Rauwerdink, William J.		Morgantown	WV	26507
192	Ray, Gary Dean		Sumter	SC	29164
193	Red Hook Crusher, Inc.		Brooklyn	NY	11234
194	Resnick, Michael		Sykesville	MD	21784
195	Rice, Kenneth		Bellaire	TX	77401
196	Richard B Spring	P. O. Box 8185	New Fairfield	CT	6812

	A	B	C	D	E
197	Richter, Jeffery S.		Vancouver	WA	98683
198	Rieker, Paula H.		Spring Branch	TX	78070
199	Risi, Alan J.		Beechhurst	NY	11357
200	River Road Realty, LLC.		Astoria	NY	11105
201	RK Electric, Inc.	8100 Rainer Rd.	Ft. Worth	TX	76137
202	Rodriguez, Bryant		Brooklyn	NY	11208
203	Rodriguez, Rubin		Brooklyn	NY	11208
204	Rodriguez, Salvador		Brooklyn	NY	11208
205	Rogers, Jacquelyn		Fort Washington	MD	20744
206	Rogers, Winters C.		Fort Washington	MD	20744
207	Rollins, J.R.		San Leandro	CA	94577
208	Rollins, Jay		San Leandro	CA	94577
209	Rooney, Phillip B.		Hobe Sound	FL	33455
210	Rosenthal, Amir		Otisville	NY	10963
211	Rosenthal, Ayal		Tenafly	NJ	7670
212	Rosenthal, Zvi		Otisville	NY	10963
213	Rubenstein, William		New Brunswick	NJ	8901
214	Sacks, Phillip S.		Rimrock	AZ	86335
215	Salzano, Dario		Middleberg	NY	12122
216	Sant Investments, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
217	Sant Properties, Inc.	380 Red Lion Rd.	Huntington Valley	PA	19006
218	Sant Properties, LP	380 Red Lion Rd.	Huntington Valley	PA	19006
219	Sant Residential Properties, LLC	380 Red Lion Rd.	Huntington Valley	PA	19006
220	Scott, Arthur R.		Montgomery	AL	36112
221	Scott, Evelyn M.		Coleman	FL	33521
222	Second Chance Body Armor, Inc.	7915 Cameron St., P.O. Box 578	Central Lake	MI	49622-0578
223	Second Chance International, Inc.	7919 Cameron St., P.O. Box 578	Central Lake	MI	49622
224	Second Chance Shield, Inc.	7919 Cameron St., P.O. Box 578	Central Lake	MI	49622
225	Sheaffer, Dorothy		Lauderdale	MIN	55113
226	Sheaffer, Heiga Dorothea	2448 West Larpenteur Ave.	Lauderdale	MIN	55113
227	Shelby, Rex		Houston	TX	77030

	A	B	C	D	E
228	Side Bar & Associates	7700 Edgewater Drive, Suite 527	Oakland	CA	94621
229	Skilling, Jeffrey K.		Houston	TX	77019-5802
230	Smith, Richard L.		Anchorage	AK	99517
231	Solimine, Tonino		Runsom	NJ	7760
232	Stanley, Ira H.		Dayton	OH	45459
233	Steven Industries, Inc.	39 Ave C	Bayonne	NJ	7002
234	Sullivan, Mark E.		Bridgewater	MA	2324
235	Swartz, Mark H.		Rome	NY	13442
236	T & S Trucking Corporation	53 2nd Avenue	Brooklyn	NY	11215
237	Thacker Gibbs, Inc.		Atlanta	GA	30096
238	Thacker Operating Company, Inc.		Atlanta	GA	30096
239	Thacker, Floyd Gary		Stone Mountain	GA	30083
240	Thetalia Construction, Inc.	235 91st St.	Brooklyn	NY	11361
241	Thill, Crystal A.		Denver	CO	80211
242	Thimmappa, Srinivas		Great Neck	NY	11024
243	Tobacksen, Bruce D.		Spring	TX	77381
244	Tomasello, Mark V.		East Northport	NY	11746
245	Tomassetti, Dino		Brooklyn	NY	11234
246	Toyobo America, Inc.	40 East 52nd St., 20th Floor	New York	NY	10022
247	Toyobo Company, Ltd.	2-8 Dojima Hama 2-chome	Osaka	JA	530-8230
248	Trompin Productions, Inc.	8100 Rainer Rd.	Ft. Worth	TX	76137
249	Trupower Electric, LP	8100 Rainer Rd.	Ft. Worth	TX	76137
250	Tsimitras, Vasilios a.k.a. William		Whitestone	NY	11361
251	Tsimitras a.k.a. Bill Tsimitras		Anaheim	CA	92801
252	Unique Computer Solutions	1195 N. Ventura St.	Alameda	CA	94501
253	USProtect Corporation	801 Roeder Rd, Suite 100	Silver Spring	MD	20910-4458
254	USProtect Services Corporation	801 Roeder Road, Suite 1000	Silver Spring	MD	20910
255	van der Hoeven, Cees		Rochester	NY	14604
256	Verba Business Solutions, Inc.	P. O. Box 8185	New Fairfield	CT	6812
257	Wakefield, David B.		North Haven	CT	6473



	A	B	C	D	E
258	Walsh, Robert Michael		Nashville	TN	37211-4321
259	Wehausen, Charles Tony		Waldorf	MD	20603
260	Western Nassau Terminals, Inc	1901 Steinway Street	Astoria	NY	11105
261	Western Suffolk Terminal Corp	1901 Steinway Street	Astoria	NY	11105
262	Whitt, Michael Danny		Littleton	CO	80120
263	Wilson, Joseph A.		Burlington	MA	1803
264	World Class Collision Center	338 South Governor Printz Blvd.	Lester	PA	19029
265	Yates, Rickey A.		Ft. Worth	TX	76137
266	Yeager, Scott		Sugarland	TX	77479
267	Yellowhawk, Phillip C.		Ogjala	SD	57764

Mr. ISSA. Thank you, Mr. Chairman. At this time, I look forward to a good bipartisan effort to reform our procurement process and yield back.

[The prepared statement of Hon. Darrell E. Issa follows:]

EDOLPHUS TOWNS, NEW YORK  
CHAIRMAN

DARRELL E. ISSA, CALIFORNIA  
RANKING MINORITY MEMBER

ONE HUNDRED ELEVENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
2157 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6143

Majority (202) 225-5251  
Minority (202) 225-6074

Statement of Rep. Darrell Issa  
Ranking Republican Member  
Committee on Oversight and Government Reform  
*"How Con Artists and Convicts Get Government Contracts"*  
February 26, 2009

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Thank you, Chairman Towns, for holding this hearing.

In the past six months, this Congress has approved a \$700 billion bailout of Wall Street, an \$800 billion economic stimulus and, just yesterday, a \$410 billion omnibus that significantly increases spending.

With increased government spending comes increased waste, fraud, and abuse – by political appointees, grant recipients, career government employees, and Federal contractors.

Today's hearing looking at instances where contractors who have not played by the rules continue to be trusted with taxpayer dollars is a good place for this committee to begin a bipartisan effort to identify and fix the waste of taxpayer dollars so that government waste doesn't grow at, or even exceed, the pace of spending.

Statement of Rep. Darrell Issa  
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Government acquisition policy is a topic where, I believe, we will have extensive opportunities to collaborate in bipartisan fashion. Indeed, the issues that affect the government's procurement community are and should be non-partisan.

Contractors offer the Federal government unique flexibility and are invaluable avenues for bringing private sector innovations into government, which ultimately saves taxpayers money. Reprehensible examples of abuses by disreputable contractors and the failure to exclude these already known bad actors from getting new Federal contracts is a call for reform.

I look forward to being an active partner in rooting out abuses in the contracting process while preserving its key benefits for taxpayers.

I am pleased that today's hearing features witnesses from the Government Accountability Office, the General Services Administration, the Department of Defense – including both the Army and the Navy – as well as a distinguished outside expert in the field of government contracting. No comprehensive discussion of government-wide acquisition policy can be had without the input of GAO, GSA, or the Defense Department.

Mr. Chairman, considering the state of our economy and as leaders of the Oversight and Government Reform Committee, we have a singular obligation to ensure that all spending is necessary and done in a cost-effective manner that doesn't tolerate waste.

We must be proactive in our oversight, and be sure to look for ways to help our agencies get the best value for the taxpayer's dollar.

We must seek to continue to diversify our supply base – not with set asides and other non-competitive programs – but with innovative

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arrangements that allow the most competitive suppliers access to our acquisition system.

We must focus on ways to achieve the goal of a motivated, well-trained and professional workforce.

Today's hearing examines the Excluded Parties List System, a government-wide database maintained by GSA that collects information about contractors that have been suspended, debarred, or otherwise excluded from assuming new contract obligations with the federal government. Although the database is funded jointly by 24 federal agencies, 65 percent of EPLS's annual funds come from DOD.

According to the GAO Report, as a modern information portal, EPLS is behind-the-times. The excluded parties database suffers from fundamental flaws, such as missing corporate identification numbers, inadequate search functionality, and obsolete contact information. If EPLS's shortcomings are as bad as GAO's description of them, we must figure out a better way to organize this important information.

This hearing will explore how we got to where we are with the EPLS system. The GAO Report discusses several case studies showing egregious examples of just how flawed this system is. We are eager to hear from today's witnesses to better understand the full scope of the problem. What can be done to make it work? Who owns this problem, and what does it take to fix it?

If there is a better way for us to maintain and use information about excluded contractors, and I think there definitely is, we need to pursue that route.

Thank you again. We look forward to today's testimony.

Chairman TOWNS. In order to move things along, what I would like to do is have one person on this side of the aisle do a 5 minute statement and then one person on the other side provide a 5 minute statement. So I will just move on this side for 5 minutes, if anyone would like; and we can split it up.

Yes, the gentleman from Ohio, Congressman Kucinich.

Mr. KUCINICH. I want to thank you for calling this hearing, Mr. Chairman. And I am thankful that the Government Accountability Office investigation has led to concrete steps that our Government can take to ensure that criminal contractors or contractors who engage in serious violations of their contracts are not able to receive additional Federal contracts. I regret that the U.S. Government continues to expend precious tax dollars on companies that lack integrity and should be, but are not currently, on the list of excluded parties.

As we get into this oversight, I just want to call one thing to your attention; it is a specific question about the standards for disbarment. Listen to this case, Mr. Chairman. The Kuwait and Gulf Link [KGL] Transport Co., is a Kuwaiti company that provides contract transportation services to our military in Iraq. They are required by contracts with the Department of Defense to maintain liability insurance coverage. As far as I can tell, they have never provided the Department of Defense with evidence that complied with this requirement.

Here is why this is significant. On May 19, 2003, an employee of KGL negligently jackknifed a tractor trailer, causing a collision with a Humvee of one of our service members, Lieutenant Colonel Dominic Rocco Baragona, and it cost Lieutenant Colonel Baragona's life. He was a 1982 graduate of the U.S. Military Academy, served our country for 21 years.

The Baragona family has been trying unsuccessfully for years to get KGL to accept responsibility for the death. The family's attorney made three separate efforts to serve KGL with process; the company refused. The family's attorney sent a representative to Kuwait to meet with KGL officials. Here was their response, Mr. Chairman: we are a Kuwaiti company; we are untouchable. This is what they say to the family of a dead GI.

Now, if these rules for debarment can't protect our military, then who can they protect? I am going to be interested to hear what this panel has to say, because if these hearings mean anything, they ought to be able to at least protect one person.

Thank you.

Chairman TOWNS. Thank you very much. Does the gentleman yield back?

Mr. KUCINICH. Yield back.

Chairman TOWNS. Mr. Flake, the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, I appreciate this hearing being called. This is a matter that should be of great concern to all of us. We are going to be spending a boat load of money here with the stimulus, with the omnibus that we just passed, and we need to make sure that it is spent wisely. I think a lot of us are concerned that there simply aren't enough qualified contractors out there to carry on this work.

A lot of us feel that there is simply too much Government money being pushed out at any one time, so it is extremely important that we have good oversight here, and that is why this committee is going to be important moving forward on this front. So I commend the chairman for holding the hearing.

I look forward to the testimony and also learning what your feeling is. Are there enough qualified contractors out there? I am glad that we are looking to make sure that those who have committed fraud and whatever in the past are not going to be eligible and aren't going to be getting these contracts, but I am concerned that pushing this much money out there this fast is going to be very difficult without lowering our standards considerably as to who gets these contracts. So I look forward to the hearing and thank the chairman for calling it.

Chairman TOWNS. Thank you.

The gentleman from Ohio yielded back 2 minutes, so if someone else on that side would like to. Yes, the gentleman from Illinois, Congressman Davis.

Mr. DAVIS. Thank you very much, Mr. Chairman. Let me just thank you for calling this hearing. Also, I welcome your comments and those of the ranking member. It is amazing to me that we could be wasting and allowing so much money to go to waste without the kind of followup and follow-through that is necessary to prevent it. I am glad that you have opened our hearing process this year, and I look forward to getting to the depths of what is taking place with procurement, what is going on, why it is happening, and, again, I thank you for calling this hearing and look forward to working with this committee for the next 2 years. I yield back.

Chairman TOWNS. Thank you very much.

Mr. Chaffetz has 2 minutes.

Mr. CHAFFETZ. Thank you. I appreciate the chairman for calling this. This is of vital importance as we start to talk about spending literally trillions and trillions of dollars. Of particular concern, and one of the things I would appreciate that your address at some point, was our President's call to end no bid contracts. We just saw that Congress, yesterday, passed 9,000 earmarks in one of the most egregious and overspending bills I have ever seen, and I have only been here a few days as a freshman.

Chairman TOWNS. That explains it. [Laughter.]

Mr. ISSA. Wait until you have been here a while, Jason.

Mr. CHAFFETZ. For some of you, this is not as critical an issue, but how are we going to deal with the call from the President to end no bid contracts? How are we going to deal with this with a lack of competition perhaps in some space, and balance that out with the needs to get the job done in areas that we need to get done? But please know how much the American people are counting on you to address their issues and spend their money wisely, and I appreciate hearing from you and participating in the panel today.

Thank you, Mr. Chairman.

Chairman TOWNS. Thank you.

We will turn now to our first panel. It is committee policy that all witnesses are sworn in, so if you would all stand and raise your right hands.

[Witnesses sworn.]

Chairman TOWNS. Let the record show that all of the witnesses have answered in the affirmative.

You may be seated.

Today we have appearing before us Mr. Gregory Kutz, Managing Director of Forensic Audits and Special Investigations, FSI, in the Government Accountability Office. The mission of FSI is to provide Congress with high-quality forensic audits and investigation of fraud, waste, and abuse, and evaluations of security, vulnerabilities, and other requested investigative services. Mr. Kutz and his team have accomplished this mission today by providing our committee with the report before us, and we want to welcome you as well.

We also have Mr. James Williams, the Commissioner of Federal Acquisition Services within the General Services Administration, which includes management and oversight of the agency's Federal supply schedule. Previously, Mr. Williams was the designated acting administrator of GSA from August 30, 2008, until January 20, 2009. Welcome.

Mr. David Drabkin is the Deputy Chief Acquisition Officer and Senior Procurement Executive within the Office of the Chief Acquisition Officer of GSA. In this capacity, Mr. Drabkin oversees the agency's Excluded Parties List System [EPLS], amongst other programs. Welcome.

Mr. Ed Harrington, is the Deputy Assistant Secretary of the Army for Procurement as of December 8, 2008. Mr. Harrington is a retired senior U.S. Army officer, having achieved the rank of Brigadier General. Mr. Harrington has 28-plus years of experience in weapons and information systems life cycle acquisition, contracting management, and military logistics operations. Welcome.

Mr. Michael Jaggard is Chief of Staff and Policy within the Office of the Assistant Secretary of the Navy's Acquisition Management. Prior to his retirement from the Navy in October 2001, Mr. Jaggard held the rank of Captain and served 30-plus years to our Nation. Welcome.

Mr. Frederic Levy is a partner with McKenna Long & Aldridge. Mr. Levy has represented and advised numerous corporations concerning government contract negotiations, award performance, and contract terminations. Mr. Levy's specialty is the resolution of complex compliance and ethics issues. That is really good. Welcome.

Your entire statements are in the record for all of you, and let me just say that you all have 5 minutes to provide an opening statement, and of course, thereafter Members have an opportunity to raise questions.

So why don't we start with you, Mr. Kutz.



**STATEMENTS OF GREGORY KUTZ, MANAGING DIRECTOR FOR FORENSIC AUDITS AND SPECIAL INVESTIGATIONS, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; JAMES WILLIAMS, COMMISSIONER, FEDERAL ACQUISITION SERVICE, U.S. GENERAL SERVICES ADMINISTRATION; DAVID DRABKIN, ACTING CHIEF ACQUISITION OFFICER AND SENIOR PROCUREMENT EXECUTIVE, U.S. GENERAL SERVICES ADMINISTRATION; BRIGADIER GENERAL EDWARD HARRINGTON, U.S. ARMY, RETIRED, DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR PROCUREMENT; CAPTAIN MICHAEL JAGGARD, U.S. NAVY, RETIRED, CHIEF OF STAFF/POLICY FOR THE DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR ACQUISITION AND LOGISTICS MANAGEMENT; FREDERIC M. LEVY, MCKENNA LONG & ALDRIDGE LLP; AND SCOTT AMEY, GENERAL COUNSEL, PROJECT ON GOVERNMENT OVERSIGHT**

**STATEMENT OF GREGORY KUTZ**

Mr. KUTZ. Thank you. Mr. Chairman and members of the committee, thank you for the opportunity to discuss the Excluded Parties List System. Today's testimony highlights the results of our investigation into whether excluded parties were improperly paid. My testimony today has two parts. First, I will discuss the problems that we identified and, second, I will discuss the key causes of these problems.

First, our testimony highlights 25 cases of individuals and businesses that received millions of dollars improperly after being suspended or debarred. As shown by the slides on the monitors, our 25 cases include companies whose owners illegally shipped parts to North Korea for its nuclear weapons program, substituted inferior parts on an aircraft carrier, illegally dumped chemicals into city sewers, made fraudulent purchases using stolen Government credit cards, and falsified records for required SEC filings. Additional activity for these 25 cases includes: mail fraud, wire fraud, tax fraud, false statements, money laundering, bribes, kickbacks, and bid rigging.

The individuals and businesses responsible for these acts were supposed to be prohibited from continuing to receive Government contracts and other payments. However, in these, and likely many other cases, the system failed. Let me briefly discuss two of these cases for you.

First, in July 2005, the Army debarred a German company and its owner for attempting to smuggle 22 tons of ultra strong aluminum pipes to North Korea. These pipes could have been used to make weapons-grade uranium sufficient for several bombs in a year. The monitor shows excerpts from the Army's debarment memorandum, which states: "The United States has a compelling interest to discontinue any business with this morally bankrupt individual, as continuing to do so would be irresponsible."

Unfortunately, one Army command paid this company over \$4 million for work ordered after this debarment. In total, the Army paid this company \$20 million after the owner was convicted of violating German law.

You might be thinking that this command was unaware of this debarment or, as they say, didn't get the memo. You would be

wrong. According to the Army, this command was aware of this debarment, but, contrary to the memo you see on the monitors, chose to continue doing business with this company.

Second, in April 2006, the Navy suspended a company for product substitution. Specifically, a company employee intentionally substituted non-conforming fasteners for steam pipes on an aircraft carrier. According to the Navy, these fraudulent acts endangered the lives of 3,117 Navy sailors aboard the USS John F. Kennedy. Despite the suspension, within a month, the Navy made three awards to this company for over \$100,000.

I am sure that by now you are wondering why the Federal Government continued doing business with these fraudsters and criminals, which leads to the second part of my statement, the key causes of these problems. Overall, we found a broken system and, in several cases, acts of deception by company owners.

Examples of the breakdowns include: missing data and errors in the system, inadequate system search functions, agencies not entering exclusions into the system in a timely manner, and contracting officers not properly checking the system. Although GSA and many agencies are involved, nobody appears to be responsible for making sure that exclusions are properly enforced.

As I mentioned, we also found acts of deception by several owners. For example, one owner simply set up a new company with a slightly different name and a new identifying number. In another case, the owner's wife operated the company during the debarment period using her maiden name. Given the lack of effective oversight, just about any scheme could be used to beat this system.

Finally, you are probably wondering why we have set this Dragon skid body armor at the table. Let me explain. We bought this body armor on the Federal Supply Schedule from a debarred Government contractor. This company was debarred by the Air Force for falsely labeling 590 of these vests as having been tested, when in fact they were not. However, rather than removing the company from the supply schedule, GSA listed it as an approved vendor, with no warning that the company was debarred.

In conclusion, I believe that the 25 cases I have described for you here today are in fact the tip of the iceberg. Further investigation would reveal dozens, and perhaps hundreds, of similar cases. The last time I was before you, Mr. Chairman, I testified that thousands of Government contractors, with billions of dollars of unpaid Federal taxes, continued to receive billions of dollars of new Government contracts.

Unfortunately, today's story is just as bad, or maybe it is even worse. Stories like this cause taxpayers to lose faith in their Government. How can we explain to taxpayers that millions of their hard-earned dollars are being paid to known fraudsters and criminals, including those that have violated our national security interests?

Mr. Chairman, I want to commend you and the ranking member for shining a spotlight on this important issue today. I look forward to continuing to work with this committee on matters related to fraud, waste, and abuse. I look forward to your questions.

[The prepared statement of Mr. Kutz follows:]

United States Government Accountability Office

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**GAO**

Testimony  
Before the Committee on Oversight and  
Government Reform, House of  
Representatives

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For Release on Delivery  
Expected at 10:00 a.m. EST  
Thursday, February 26, 2009

## EXCLUDED PARTIES LIST SYSTEM

### Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds

Statement of Gregory D. Kutz, Managing Director  
Forensic Audits and Special Investigations



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Mr. Chairman and Members of the Committee:

Thank you for the opportunity to discuss the results of our investigation of the Excluded Parties List System (EPLS), a Web-based system maintained by the General Services Administration (GSA).<sup>1</sup> To protect the government's interests, any agency can exclude, i.e., suspend or debar, businesses or individuals from receiving contracts or assistance<sup>2</sup> for various reasons, such as a conviction of or indictment for a criminal or civil offense or a serious failure to perform to the terms of a contract.<sup>3</sup> Agencies must report all excluded parties to EPLS within 5 business days after a suspension or debarment becomes effective. Before awarding funds, contracting officers and other agency officials are required to check EPLS to ensure that a prospective vendor is not an excluded party.

In July 2005, GAO reported that the data in EPLS were insufficient to enable agencies to determine with confidence that a prospective vendor was not currently excluded.<sup>4</sup> In response, GSA agreed to modify EPLS's data requirements to include a mandatory provision that agencies enter a Data Universal Numbering System (DUNS) number to facilitate the identification of excluded parties.<sup>5</sup> Despite such modifications, recent allegations indicate that businesses or individuals that have been excluded for egregious offenses have been able to "resurface" under the same or a different business name or identity in order to continue to receive federal contracts and other funds. We described the results of our investigation confirming these allegations in our recently issued report.<sup>6</sup> This testimony

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<sup>1</sup> The database can be accessed at [www.epls.gov](http://www.epls.gov).

<sup>2</sup> Parties can be excluded from receiving a wide range of federal funds including, but not limited to, Medicare and Medicaid provider payments, cooperative agreements, scholarships, fellowships, loan guarantees, subsidies, insurance, payments for specified uses, donation agreements, or contracts of assistance.

<sup>3</sup> A suspension is a temporary exclusion of a party pending the completion of an investigation, while a debarment is a fixed-term exclusion. Generally, the period of debarment does not exceed 3 years, though some are indefinite.

<sup>4</sup> GAO, *Federal Procurement: Additional Data Reporting Could Improve the Suspension and Debarment Process*, GAO-05-479 (Washington, D.C.: July 29, 2005).

<sup>5</sup> A DUNS number is a unique nine-digit identification number assigned to firms by Dun & Bradstreet, Inc.

<sup>6</sup> GAO, *Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds*, GAO-09-174 (Washington, D.C.: Feb. 25, 2009).

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will summarize our overall findings and will also describe the key causes of the improper awards and other payments we detected.

To conduct our work we first compared DUNS numbers appearing in EPLS with those appearing in the Federal Procurement Data System-Next Generation (FPDS-NG) for fiscal years 2006 and 2007. The FPDS-NG is the central repository for capturing information on federal procurement actions. Because not all records within EPLS contained DUNS numbers, we also compared vendor addresses available in EPLS with those in FPDS-NG. From the matches we identified, we selected for further investigation parties that (1) were excluded governmentwide for egregious offenses such as fraud, false statements, theft, and violations of selected federal statutes and (2) received new awards in excess of \$1,000 during the period of suspension or debarment. We did not examine any federal award databases other than FPDS-NG, nor did we examine whether excluded parties continued to receive federal funds under subcontract arrangements or from grants, loans, or subsidies. GAO's objective was not to determine, and GAO did not have data to determine, the number of businesses and individuals in EPLS that received new federal awards during their exclusions.

We conducted our audit work and investigative work from December 2007 through November 2008. We conducted our audit work in accordance with U.S. generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives. We performed our investigative work in accordance with standards prescribed by the President's Council on Integrity and Efficiency.

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### **Excluded Parties Continue to Do Business with the Government**

We confirmed the allegations that businesses and individuals that were excluded for egregious offenses were continuing to receive federal contracts. Specifically, we developed case studies on businesses and individuals that were awarded funds despite being suspended or debarred for a variety of offenses, ranging from national security violations to illegal dumping of chemicals to tax fraud. These excluded parties received funding in part because agency officials failed to search EPLS or because their searches did not reveal the exclusions as a result of system deficiencies. We also identified additional cases involving businesses and individuals that were able to fraudulently circumvent the terms of their

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exclusions by operating under different identities and one case where the Army chose to continue doing business with an excluded party despite its debarment. Examples of our cases include the following:

- In July 2005, the Department of the Army debarred a German company and its president after the president violated German law and attempted to ship dual use aluminum tubes, which can be used to develop nuclear weapons, to North Korea. In the debarment decision, the Army stated that because the president “sold potential nuclear bomb making materials to a well-known enemy of the United States,” there was a “compelling interest to discontinue any business with this morally bankrupt individual.” Despite this debarment, the Army chose to continue to award the company task orders and paid it over \$4 million during fiscal year 2006. Although the Army told us that it was legally obligated to continue the contract with the company, in fact several options were available for termination. It is not clear if the Army considered these options because the officials we spoke with were not sure of the exact circumstances surrounding the decision and there was no contemporaneous documentation related to the case.
- In April 2006, the Department of the Navy suspended a company after one of its employees sabotaged repairs on an aircraft carrier by using nonconforming parts to replace fasteners on steam pipes. If these pipes had ruptured as a result of faulty fasteners, those aboard the carrier could have suffered lethal burns. However, less than a month after the suspension, the Navy awarded the same company three new contracts because a contracting officer failed to check EPLS to verify the company’s eligibility.
- GSA suspended a construction company in September 2006 after its president opened fraudulent GSA surplus-property-auction accounts using fictitious social security numbers so that he could continue to do business with GSA while his original account was in default for nonpayment. The Department of the Interior attempted to check the contractor’s eligibility in EPLS prior to making several awards to the company, but the exclusion was not revealed because GSA did not enter the company into EPLS until October 2006, more than a month after the suspension began.
- The Department of Health and Human Services (HHS) debarred an individual in April 2003 for 5 years after he pleaded guilty to Medicare fraud. Because HHS did not debar the individual’s company, he transferred ownership of the company to his wife in an attempt to continue receiving Medicare reimbursements. After HHS objected to

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this arrangement, he then sold the company to a neighbor. Two years later, citing financial difficulties, the neighbor sold the business back to the original owner's wife. The wife admitted to our investigators that she then legally changed her last name to her maiden name to avoid "difficulties" in using her husband's name. Using this scheme, the couple received Medicare payments for the remaining 3 years of the husband's debarment.

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### **Ineffective EPLS Management or Agency Control Weaknesses Lead to Improper Awards and Other Payments**

Most of the improper contracts and payments we identified can be attributed to ineffective management of the EPLS database or to control weaknesses at both excluding and procuring agencies. Our cases and analyses of EPLS data demonstrate that no single agency is proactively monitoring the content or function of the database and that agencies are not consistently inputting timely or accurate data related to the parties they exclude. Specifically, our work shows that EPLS entries may contain incomplete information, the database has insufficient search capabilities, and the listed points of contact for further information about exclusions are incorrect. With regard to agency control weaknesses, our investigation shows that (1) excluding agencies ignored the DUNS number requirement, (2) agencies did not enter exclusions within the required time frame, (3) contracting officers failed to check EPLS prior to making awards or adding new work or extensions to existing contracts, (4) agencies used automated purchasing systems that do not interface with EPLS, and (5) agencies made purchases from excluded parties that are listed on GSA's Federal Supply Schedule. Although agencies are still required to check EPLS prior to purchasing items through this program, the fact that excluded parties are listed on the GSA Schedule can result in agencies' purchasing from unscrupulous companies that continue to pursue business with the government notwithstanding their exclusions. To verify that no warnings exist to alert agencies that they are making purchases from excluded parties, we used our own GAO purchase card to buy body armor worth over \$3,000 through the supply schedule from a company that had been debarred by the Department of the Air Force in September 2007 for falsifying tests related to the safety of its products.

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### **Recommendations for Executive Action**

At the close of our investigation, we referred all the cases we identified to the appropriate agency officials for further action. We also made recommendations to GSA to improve the effectiveness of the suspension and debarment process. Specifically, we recommended that the Administrator of General Services take the following five actions:

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- issue guidance to procurement officials on the requirement to check EPLS prior to awarding contracts and to suspension and debarment officials on the 5-day entry and contractor identification number requirements;
  - ensure that the EPLS database requires contractor identification numbers for all actions entered into the system;
  - strengthen EPLS search capabilities to include common search operators, such as AND, NOT, and OR;
  - take steps to ensure that the EPLS points of contact list is updated; and
  - place a warning on the Federal Supply Schedule Web site indicating that prospective purchasers need to check EPLS to determine whether vendors are excluded and explore the feasibility of removing or identifying excluded entities that are listed on the GSA Schedule.

In written comments on a draft of this report, GSA agreed with all five of our recommendations. As part of its response, GSA outlined actions it plans to take or has taken that are designed to address our recommendations. However, most of the actions described do not achieve the intent of these recommendations. In several instances, GSA simply restated its current policies and procedures instead of agreeing to take steps to oversee the completeness of EPLS and ensure that exclusions are properly enforced. For example, in response to our recommendation to issue guidance to procurement officials on the requirement to check EPLS prior to awarding contracts and to suspension and debarment officials on the 5-day entry and contractor identification number requirements, GSA did not plan to take any new actions and instead pointed to Federal Acquisition Regulation requirements and GSA policies that were already in place before we conducted our investigation. Similarly, GSA did not plan to take any new actions to ensure that the EPLS database requires contractor identification numbers for all actions entered into the system, nor did it plan to take additional steps to update the EPLS agency contact list. Based on our investigation, if GSA is not more proactive in its management of EPLS system, suspended and debarred companies will continue to improperly receive millions of taxpayer dollars. More detailed information on GSA's comments and our response can be found in our report.



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Mr. Chairman and Members of the Committee, this concludes my statement. I would be pleased to answer any questions that you or other members of the committee may have at this time.

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### **Contacts and Acknowledgments**

For further information about this testimony, please contact Gregory D. Kutz at (202) 512-6722 or [kutzg@gao.gov](mailto:kutzg@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. In addition to the individual named above, the individuals who made major contributions to this testimony were Gary Bianchi, Cindy Brown Barnes, Shafee Carnegie, Bruce Causseaux, Jennifer Costello, Craig Fischer, Georgeann Higgins, Betsy Isom, Leslie Kirsch, Robert Lowthian, Andrew McIntosh, and Kim Perteet.

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Chairman TOWNS. Thank you very much, Mr. Kutz.  
At this time we will hear from you, Mr. Williams.

#### STATEMENT OF JAMES WILLIAMS

Mr. WILLIAMS. Good morning, Chairman Towns, Ranking Member Issa, and members of the committee. I would like to thank the committee for the opportunity to discuss the U.S. General Services Administration's Excluded Parties List System [EPLS]. With me today is Mr. David Drabkin, the Acting Chief Acquisition Officer for GSA, who will detail specific actions GSA has taken to address issues raised by the GAO report regarding the EPLS.

The EPLS is a valuable tool that helps protect the Government's interest. Given the vast number of contract actions that take place each year in which the EPLS is used in accordance with the Federal Acquisition Regulation, the system works today. However, we take all isolated incidents seriously regarding EPLS and we have made, and will continue to make, improvements to ensure the system works to continue to protect the Government's interest.

In this regard, we appreciate the work of the GAO in looking at the system and identifying the incidents set out in the report and their causes. On December 12, 2008, GSA received the GAO draft report setting out GAO's findings with regard to EPLS. The draft report identified a range of deficiencies in the maintenance, use, and operation of the EPLS. I am pleased to report that Acting Administrator Prouty signed GSA's response to the GAO draft report and agreed with the findings and recommendations of the report. In fact, GSA has already implemented many of the report's recommendations and GSA will use the report's findings to enhance the use of the EPLS.

As part of our agency role of providing the Government's centralized acquisition delivery systems, the Office of Management and Budget designated GSA as the lead agency to manage the Integrated Acquisition Environment [IAE]. The IAE is an e-Government initiative to help streamline and improve the Federal acquisition process. The IAE is composed of 10 acquisition systems that facilitate every phase of the acquisition life cycle, from market research to contract administration. Through the IAE, acquisition functions common to all agencies are now managed centrally as shared systems.

The EPLS is one of the 10 IAE systems. It is an electronic Web-based system that identifies parties excluded from receiving Federal contracts and certain types of Federal assistance and benefits. The EPLS keeps the Federal acquisition community aware of agency suspensions and debarments across the entire Government. While EPLS users are currently able to search, view, and download both current and archived exclusions, we intend to make the EPLS easier for them to use and with more reliable results.

GSA's Federal Acquisition Service understands how important our role is in the interagency contracting system. To that end, we regularly refine our systems and guidance to agencies when we become aware of issues, such as GAO's findings in its report regarding our Multiple Award Schedules Program. As a result, the Federal Acquisition Service is taking the following actions: No. 1, adding reminders to our customer-facing e-tools to ensure our prospec-

tive customers are aware of potential excluded parties prior to placing scheduled orders; No. 2, establishing and placing messages within our e-tools to remind purchasers to check the EPLS prior to placing a task order; and, No. 3, providing direct access links to the EPLS Web site within our system's GSA Advantage, eBuy, and eLibrary to allow for easy access to suspension and debarment information.

Moreover, the Federal Acquisition Service is currently evaluating all of our training and will ensure that our guidance directs the review of EPLS data at all appropriate times in the acquisition process. The guidance will also describe the steps necessary for removal of excluded entities from the Schedules Program, where appropriate.

Mr. Chairman, Ranking Member Issa, and members of the committee, GSA looks forward to working with this committee, the GAO, and our Federal agency customers to make the EPLS a more user-friendly and reliable Web-based tool so that it remains a valuable acquisition tool. We thank the GAO and this committee for helping promote awareness of the EPLS system and its continued value as a tool that protects the Government's interest.

That concludes my statement. I would be happy to answer any of your questions. Thank you.

[The prepared statement of Mr. Williams follows:]

**STATEMENT OF  
JAMES A. WILLIAMS  
COMMISSIONER  
FEDERAL ACQUISITION SERVICE  
U.S. GENERAL SERVICES ADMINISTRATION  
BEFORE THE  
COMMITTEE ON OVERSIGHT  
AND GOVERNMENT REFORM  
U.S. HOUSE OF REPRESENTATIVES  
FEBRUARY 26, 2009**



Chairman Towns, Ranking Member Issa, and Members of the Committee, I would like to thank the House Committee on Oversight and Government Reform for inviting me here today to discuss the U.S. General Services Administration's Excluded Parties List System (EPLS). GSA takes its role as the central management agency and the leader in interagency procurement very seriously. My testimony will discuss GSA's commitment to transparency and fairness in acquisition processes, the EPLS report issued by the Government Accountability Office (GAO), and actions we are taking as a result of GAO's recommendations.

As Commissioner of GSA's Federal Acquisition Service (FAS), I oversee an organization that is a catalyst for over \$50 billion in federal spending including an interagency fleet of 200,000 vehicles, and commercial products and services ranging from office supplies to complex network systems costing more than \$100 million. The GSA Multiple Award Schedules program is one of the Federal government's best known and most popular contracting vehicles for customers to use in fulfilling their missions. Through GSA Schedules we offer 18 million commercial products and services available from over 17,000 contractors at a volume of approximately \$38 billion.

We see our role as providing a centralized delivery system for federal agencies to obtain commonly used goods and services from the private sector in a timely and efficient manner. In this role, we provide an interface allowing the private sector to have low-cost and effective market entry into the government marketplace. We offer e-systems to help companies obtain GSA contracts, manage procurement transactions, and publicize business opportunities. These e-systems allow for faster and easier procurement and ordering processes, increase accessibility and transparency into the acquisition process, and minimize costs to businesses wanting to sell to the government.

As part of that role, the Office of Management and Budget (OMB) designated the GSA as the lead agency managing the Integrated Acquisition Environment (IAE). The IAE is an e-Gov initiative streamlining the federal acquisition process, composed of ten acquisition systems facilitating every phase of the acquisition lifecycle, from market research to contract administration. Through the IAE, acquisition functions common to all agencies are now centrally managed as shared systems. Additionally, the IAE business structure provides a secure business environment that facilitates and supports acquisitions critical to all agency mission performance.

The EPLS, as part of the IAE, is an electronic, web-based system identifying parties excluded from receiving federal contracts, certain subcontracts, and certain types of federal financial and non-financial assistance and benefits. The EPLS keeps the federal acquisition community aware of administrative and statutory exclusions across the executive branch. Users are able to search, view, and download both current and archived exclusions.

Recently the GAO completed a report "Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds" (GAO 09-174). In that report, GAO found that, due to a number of different reasons, businesses and individuals excluded from government contracting through suspension or debarment had been able to receive federal funds after their exclusion. Some of the reasons include officials failing to search EPLS as required by the FAR, the failure of searches to reveal the exclusions due to EPLS system limitations or user error, or, in some cases, unscrupulous contractors who were able to circumvent the terms of their exclusions by operating under different identities. GAO also found that some excluded parties were listed on GSA's Multiple Award Schedules.

GAO made five recommendations to GSA to strengthen controls over EPLS, including issuing guidance to agency officials on EPLS requirements, ensuring that the system requires the entry of contractor identification numbers, strengthening the search capabilities of the system, updating the EPLS points of contacts and adding warnings to GSA e-tools reminding users to check EPLS when making a Schedules purchase. Mr. David Drabkin, the Acting Chief Acquisition Officer for GSA, is here with me today and will detail specific actions GSA has taken to address issues raised by the GAO report regarding the EPLS.

The GAO report noted that there were instances where excluded parties were still listed on GSA's Multiple Award Schedules, potentially resulting in agencies making purchases from excluded parties if they did not check the EPLS. In fact, the GAO did make such a purchase and did not find adequate warnings in our systems to check EPLS.

FAS understands how important its role is in the interagency contracting system. To that end we regularly refine our systems and guidance to agencies when we become aware of issues such as those raised in the GAO report. In a letter to the GAO on behalf of GSA, we committed to take actions to mitigate against customers placing orders with Multiple Award Schedules vendors appearing on the EPLS. Specifically, FAS is taking the following actions: (1) add reminders to customer-facing e-tools ensuring prospective customers are aware of potential excluded parties prior to placing task orders; (2) establish and place messages within e-tools reminding purchasers to check the EPLS website prior to placing a task order; and (3) provide direct access links to the EPLS website within GSA Advantage, eBuy, and eLibrary to allow for easy access to suspension and debarment information.

Also included in the report was the recommendation to explore the feasibility of removing or identifying excluded entities listed on the Multiple Award Schedules. In accordance with FAR 9.405-1, "Continuation of current contracts," a GSA Contracting Officer may take such action as terminating a contractor's Schedules contract only after consulting with legal counsel and others. The appropriate GSA Contracting Officer works with GSA's Office of General Counsel on a case-by-case basis to determine what type of contractual action may be appropriate.

Finally, pursuant to FAR 9.405-1(b), unless an agency head determines that there are compelling reasons to order from a debarred, suspended, or proposed for debarment vendor, ordering activities should not take place. FAS is also reviewing the potential for marking excluded parties in its e-systems.

One of my initiatives as Commissioner of FAS was the establishment of the Program Office to provide management and support for the GSA Multiple Award Schedules Program. The Program Office is currently evaluating all internal and external training and will ensure that internal guidance directs the review of EPLS at all appropriate times in the procurement process. The guidance will also describe steps for potential cancellation of schedule contracts held by excluded entities. For all external training, the office will include reminders to review the EPLS prior to award of task orders by all ordering entities under the Schedules Program.

In closing, I have a strong commitment to ensuring transparency, fairness and accountability in our processes and ensuring that the Federal Government acts as a good steward of taxpayer dollars. Enabling customer mission success, while ensuring compliance with laws and regulations, is critical to achieving our vision of providing excellence in the business of government. Our ongoing ability to deliver great service, great value, and continuous innovation to help our customers better meet their missions is the core of GSA's and FAS' own mission.

I want to thank the Committee for its attention and would like to introduce Mr. David Drabkin, GSA's Acting Chief Acquisition Officer.



Chairman TOWNS. Thank you very much, Mr. Williams.  
At this time, Mr. Drabkin, we will hear from you.

#### STATEMENT OF DAVID DRABKIN

Mr. DRABKIN. Chairman Towns, Ranking Member Issa, members of the committee, thank you for inviting me to share with the committee information concerning the Excluded Parties List System [EPLS]; the rules governing suspension and debarment in the Federal Government; GSA's administration of its suspension and debarment program; and its leadership as managing partner for the Integrated Acquisition Environment [IAE], of which the EPLS is a part.

Mr. Chairman, Ranking Member Issa, in addition to serving as GSA's Acquisition Chief Acquisition Officer and a member of the FAR Council, I have held numerous positions within the Federal Government and have served on a detail to the Senate Homeland Security and Government Affairs Committee, all focused on Government acquisition.

As is more fully described in my prepared statement, I have devoted much of my professional life to procurement policy, including serving as the head of a contracting activity, a trainer, as an agency debarment official. I have also advised contracting officers as a member of the Judge Advocate General's Corps, then as a civilian attorney with the Army's Judge Advocate General's Corps, a civilian attorney of the Office of General Counsel in the Defense Logistics Agency, and I was one of the Army's first fraud counsels and ran numerous fraud counsel program within the Department of Defense. Nobody is more committed to seeking out and reducing fraud in Federal contracting.

I was also part of the DOD organization when we worked with this committee in 1994 to write and pass the Federal Acquisition Streamlining Act [FASA], and then I led the implementation of FASA in the Federal Acquisition Regulation. And all of that has bearing on some of the issues that are raised in this report on suspension and debarment.

Suspension and debarment are not tools for imposing punishment on contractors or individuals who have violated Federal procurement rules or, for that matter, any other rule or norm that reflects on the company or the individual's present responsibility. Punishment is left to those departments and agencies who oversee or regulate various aspects of commerce or who are responsible for the enforcement of the Nation's laws. Suspension and debarment are prophylactic measures designed to protect the Government from doing business with companies or individuals who are not presently responsible. Presently responsible is measured by many factors, which are all set forth in FAR Part 9.

We have developed tools over time to disseminate information about those companies or individuals who have been suspended or debarred. Those tools have evolved from written publications to on-line interactive tools. We continue to evolve those tools, making them more accurate and useful to Government contracting personnel, and ensuring that the Government does not do business with companies or individuals who have been suspended or debarred.

As Jim mentioned, we are pleased to say that EPLS and the suspension and debarment processes are working. And while the GAO report does identify several instances where mistakes were made, we do not believe the report demonstrates that any of these mistakes were the result of deliberate attempts by Federal contracting personnel to circumvent the rules or systemic failures in EPLS. The system itself, sir, is not broken.

Still, it gives those of us who devote our lives to purchasing on behalf of this great Government, no pleasure to learn that we make even one mistake. As GAO is aware, we have training for our contracting officers on the requirements to check EPLS before awarding a contract. We have changed the EPLS so that now we require the use of the DUNS number, a unique identifier to identify companies or individuals who are suspended or debarred; and we have added the DUNS number to all but 150 of our over 56,117 active records, and we are trying to address the 150 records which don't include DUNS numbers now.

When we suspend or debar a company, we tell that company what the consequences of suspension and debarment are in a letter suspending or debarring the company. And had the GAO representative shown you the full letter, it would have told them that they are not eligible for awards of contracts, tasks, or delivery orders in the base in the body of that letter.

We require contractors to certify, prior to submitting offers, that they are not suspended or debarred. We conduct reviews of our contracting offices to make sure that they are following our guidance, and when we find that they are not, we determine the reason and we correct it. And as you just heard from Jim, GSA's Federal Acquisition Service will add features to help make sure that our Schedule customers know that a contractor has been suspended or debarred.

Last year, our contracting officers across the Federal Government awarded over 11 million contracting actions. The year before, almost the same number. There were a little more than 28,700 of those individuals in the Government last year, and they awarded \$456 billion worth of contracts. In 1991, we had over 33,000 contracting specialists who awarded over \$190 billion. Last year, we did three times as much work with one-sixth less people. It is not an excuse for making mistakes, but it may well explain why, on occasion, mistakes are made.

Mr. Chairman, Ranking Member Issa, the EPLS is not broken. Our rules are clear. Our contracting colleagues are trained. We review our work and we are committed to improving our process, and we do so regularly.

I am prepared to answer any questions the committee may have.  
[The prepared statement of Mr. Drabkin follows.]

**STATEMENT OF**  
**DAVID A. DRABKIN**  
**ACTING CHIEF ACQUISITION OFFICER**  
**U.S. GENERAL SERVICES ADMINISTRATION**  
**BEFORE THE**  
**COMMITTEE ON OVERSIGHT**  
**AND GOVERNMENT REFORM**  
**U.S. HOUSE OF REPRESENTATIVES**  
**FEBRUARY 26, 2009**



Chairman Towns, Ranking Member Issa, thank you for this opportunity to appear before the Committee to discuss both the General Services Administration's (GSA's) Suspension and Debarment Program and GSA's management of the Excluded Parties List System (EPLS).

I assumed the position of GSA Senior Procurement Executive in June of 2000 after having served as the DoD Deputy Program Manager for the Pentagon Renovation. At that time my title was Deputy Associate Administrator for Acquisition and I was part of the Office of Governmentwide Policy in GSA. The Acquisition Office had both internal responsibility for managing GSA's Suspension and Debarment Program and external responsibility for managing the EPLS. Following the passage of the Services Acquisition Reform Act of 2003 (SARA), authored by this Committee, GSA established, in June 2004, the Office of the Chief Acquisition Officer (OCAO) and I assumed the duties of Deputy Chief Acquisition Officer and Senior Procurement Executive. All of the functions of the Acquisition Office transferred to the new OCAO. Because the Chief Acquisition Officer must be a political appointee under SARA, GSA's Chief of Staff was also designated GSA's first Chief Acquisition Officer. In February 2005, Ms. Emily Murphy was appointed by the President to serve as GSA's first Chief Acquisition Officer. In September 2005 I had the opportunity to assist Ms. Deidra Lee in developing and setting up the Information Technology Service in the newly created Federal Acquisition Service. In January 2008 I returned to the Office of the Chief Acquisition Officer following a 6 month detail to the Senate Homeland Security Committee.

We note that the Government Accountability Office (GAO) Draft Report<sup>1</sup> covers a multi-year time period. The database of GSA's EPLS records that GAO reviewed apparently extended from October 2001 to January 2008. See Draft Report, App. I Scope and Methodology. In its Report GAO cites only 15 instances where mistakes appear to have been made. In a number of cases the errors were the direct result of Contracting Officers not complying with existing explicit guidance to check EPLS prior to making awards. In several other cases, the identities of the companies were entered incorrectly and in one case the company in question failed to comply with the terms of their administrative agreement. Any mistakes are very serious but given that the Government, during that seven year period, awarded over 70 million contract actions, the failure rate was extremely low. But we will continue to strive to do better.

Suspension and Debarment is not a punishment. Instead, suspension and debarment is a prophylactic measure intended to prevent the Government from doing business with companies or individuals who demonstrate a lack of present "responsibility," a term of art in use in the government since at least the 1950s under

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<sup>1</sup> Government Accountability Office Report to the Chairman of the Committee on Oversight and Government Reform, House of Representatives, entitled: *Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds*, (GAO-09-174), February 2009, ("Draft Report").

the Armed Services Procurement Regulation (ASPR) and the Federal Procurement Regulation (FPR), the forerunners of today's Federal Acquisition Regulation (FAR). We have, over time, expanded the definition of responsibility to include what a company does corporately, not just on government contracts. We have also adopted a government-wide policy prohibiting the placement of orders against contracts where the contractor has been suspended or debarred. We do not require the termination of existing contracts because a company has been suspended or debarred unless a proper determination is made under the FAR.<sup>2</sup>

The present responsibility of a company seeking to do business with the Government is determined prior to award.<sup>3</sup> A contracting officer is required, among other things to check EPLS to determine whether a company has been suspended or debarred, one of a number of elements that make-up a responsibility determination. In addition, as a second check within the system, a company is required to certify that it is not suspended or debarred when submitting its offer to the government.

The methods by which we track and share information concerning the suspension or debarment status of a company have evolved over time. The EPLS was initially managed by GSA as a paper-based system. GSA then managed EPLS as an in-house electronic system within GSA's network and entered data on behalf of other agencies. EPLS is now a part of an interactive website managed as part of the Integrated Acquisition Environment (IAE), with GSA as the managing partner for its customer agencies. To reiterate, GSA does not manage EPLS or IAE by itself. GSA manages these programs on behalf of all federal agencies and has an interagency group that decides what changes are to be made and what the budget for managing EPLS and IAE will be. The budget is then paid for by each agency out of its existing funds based on a *pro-rata* usage basis. This process ensures that both EPLS and IAE are responsive to the needs of its customer agencies.

Today, agencies enter data directly into EPLS concerning the companies they suspend or debar, and they are responsible for updating that information as appropriate. There remain a number of concerns about how to make the data more accurate. For example, companies can be identified in a number of ways: by name, address, taxpayer identification number, social security number, DUNS number, CAGE code, trading name, etc. As you can see, there are a number of ways a company or individual can be identified, and each poses its own limitations and difficulties. In order to address these concerns we did agree to use the DUNS number as a required means to identify companies. However, using a DUNS

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<sup>2</sup> FAR 9.405-1 makes the termination of existing contracts a matter of agency discretion. For instance, from a policy perspective, the basis for terminating a contract as a result of a suspension or debarment is if the action taken involved the specific contract in question and the contract is void *ab initio*, or it would otherwise serve the interests of the Government to terminate the contract.

<sup>3</sup> Pursuant to FAR 9.405(d) the Contracting Officer checks the EPLS twice – once after opening of bids or receipts of proposals and then again immediately before award.

number, does not present a universal solution because there will be situations where DUNS do not apply.

In 2002 IAE developed the Online Representative and Certification Application (ORCA), as an online database to ensure more accurate data in this area and others. IAE mandated the use of ORCA on or after January 1, 2005. As its name implies, ORCA stores certifications and representations by contractors seeking to do business with the Government as well as those currently doing business with the Government. One of the required certifications is that the contractor is not currently suspended or debarred. Contractors are required to update the information in ORCA at least annually or as the contractor's information changes, whichever comes first. Contracting Officers are required to check ORCA in all cases where they are awarding a contract. Contracting Officers are not required to check ORCA before placing orders against Indefinite Delivery Indefinite Quantity contracts or Blanket Purchase Agreements.<sup>4</sup> A contractor's failure to keep the certifications and representations current is a basis for finding that a contractor is not responsible and may also lead to a prosecution for making false statements to the Government.

FAR 9.105-2, requires a contracting officer to make a responsibility determination prior to making an award. Checking the EPLS is part of making that responsibility determination. FAR 9.105-1(c)(1).

When entering data into EPLS, existing guidance in *EPLS Debar Manual Version 3.7*, dated December 19, 2008, is linked to the online Debar Entry Form, which requires that certain information, including the name, address and DUNS number of the individual or company be entered into EPLS.

Federal procurement officials clearly have the responsibility to ensure that contractors and individuals suspended or debarred are not awarded any new business in accordance with the FAR, when those entities are suspended, debarred, or proposed for debarment. Individuals or entities that are the subject(s) of administrative action are provided clear written instructions. For example, the letters from the agency Suspension and Debarment Official tell them that when their name is placed on EPLS they: 1) may not submit offers on Federal contracts, 2) may not be awarded any Federal contracts, 3) may not conduct business with the Federal Government as an agent or representative of a Federal contractor, and 4) may not receive a subcontract from a Federal contractor equal to or in excess of \$30,000. Among other things, they are also told any affiliation or relationship to any organization doing business with the Federal Government will be carefully examined. This is clear and not subject to interpretation. If they violate these terms,

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<sup>4</sup> In a Federal Register Notice, dated February 27, 1995, concerning a Federal Information Resources Management Regulation amendment, it states "GAO has also previously suggested that the ordering procedures for low dollar value items be less stringent than the procedures which apply to high dollar value orders." (60 FR 10508-01, Feb. 27, 1995). As an example, a micro purchase threshold of \$2,500 was incorporated into the guiding principles to alleviate this concern.

that is additional grounds for further independent administrative action by the Suspension and Debarment Official.

EPLS is scheduled to transition in 2010 to a new contract called Architecture and Operations Contract Support (AOCS). It is GSA's intent that AOCS will be awarded this year and will replace the individual contracts that currently exist for each program under the Integrated Acquisition Environment. AOCS will greatly simplify the information technology supporting these programs, which will make it significantly easier to share information between them and to provide automated alerts when a suspended or debarred contractor is being considered for a contract.

Mr. Chairman, Ranking Member Issa, I wish I could tell you that in the future there will never be another instance where a company that is suspended or debarred will receive a contract or order during the period of suspension or debarment. I cannot. We are working with GAO to expeditiously implement their recommendations. However, it is worth noting that GAO did not find any systemic errors or problems.

We provide policy that is clear on the requirements both for entering the data and then on checking the EPLS before making contract awards. We provide training to all Contracting Officers on the requirements on a number of occasions during their training to be Contracting Officers. Many agencies conduct post award reviews where they check to make sure that applicable procedures, including checking the EPLS, were followed. In GSA, for example, we instituted Procurement Management Reviews in 2004 to sample our contracting offices to ensure compliance.

The system is not foolproof and there is no way to make it foolproof without stopping the contracting process altogether. For example, were we to have a government-wide contract writing solution (including orders), such a system could be programmed to ensure that the check was made with EPLS before award. However, even this solution would not preclude an award to an individual or company who was suspended and debarred, if the data was not entered correctly, or if the individuals or company did not have a DUNS number at the time of its suspension or debarment, a contract might still be awarded to an individual or company that was suspended or debarred. In those cases where a company or individual is determined to "beat the system" by either not complying with the terms of an administrative agreement, by falsely certifying its status or by changing its name, etc., there is not much we can do except to catch them after the fact and institute appropriate action.

Mr. Chairman, Ranking Member Issa, that concludes my prepared remarks, The work of the GAO and of this Committee in this area have helped raise awareness of the problems and will in turn promote the implementation of the Report's recommendations and future program enhancements. I and my GSA colleagues would be pleased to answer any questions the Committee may have.

Chairman TOWNS. Thank you very much, Mr. Drabkin.  
General Harrington.

**STATEMENT OF BRIGADIER GENERAL EDWARD HARRINGTON**

General HARRINGTON. Chairman Towns, Congressman Issa, distinguished members of the Committee on Oversight and Government Reform, thank you for this opportunity to testify on the Excluded Parties List System and the report on it by the Government Accountability Office. I have a written statement that I respectfully request be made a part of the record for today's hearing.

Chairman TOWNS. Without objection.

General HARRINGTON. I appreciate the efforts of Congress and this committee to address this effective use of EPLS, and I thank the Government Accountability Office for alerting the U.S. Army to this very important issue.

Mr. Chairman, the Excluded Parties List System [EPLS], is an essential tool for our contracting teams. As a result of the GAO's findings, I released a policy alert to contracting officers Army-wide to re-emphasize the requirement for contracting officers to use EPLS. I reviewed the actions covered by the GAO report, and it is clear that mistakes were made. Contracting officers awarded contracts or orders to suspended or debarred firms because EPLS was not checked.

Upon learning of these errors, the Army took immediate action to retrain these contracting officers and implement changes and local procedures. I am pleased to report to you today that Department of the Army level procurement management reviews this fiscal year show a significant improvement over previous years in evaluating and awarding contracts to responsible firms. Mr. Chairman, I am also pleased to report that the Army is taking lasting and significant actions to improve contracting in expeditionary operations, as well as our institutional contracting functions. We are working to enable a contracting mission that is agile and responsive to our war fighters, while ensuring proper fiscal stewardship of taxpayer dollars.

A critical important issue for us is the size, structure, and training of the military and civilian acquisition work force. From 1998 to 2006, the contracting work force declined by 20 percent, while the workload and the number of dollars associated with that workload experienced a fivefold increase. The Army, with the help of Congress and the Secretary of Defense, is making steady forward progress in addressing these workload work force issues. As a result, the Army has added more than 850 contracting professionals over the last 2 years. This holistic focus on Army contracting will ensure that we attract and retain additional military and civilian contracting professionals who are trained to meet the increasingly complex demands placed on them.

Mr. Chairman, Army contracting makes up 65 percent of total Army expenditures. As stewards of the taxpayers' dollars, the Army is doing a better job of managing and documenting contractor performance, and I agree that greater emphasis is rightfully placed on their management and oversight. We appreciate the efforts of this committee to address the effectiveness of the Excluded Parties List System.



This concludes my opening remarks, Mr. Chairman. I look forward to your questions.

[The prepared statement of General Harrington follows:]

STATEMENT BY

MR. EDWARD M. HARRINGTON  
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
(ACQUISITION, LOGISTICS AND TECHNOLOGY)

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
UNITED STATES HOUSE OF REPRESENTATIVES

ON HOW CONVICTS AND CON ARTISTS RECEIVE  
NEW FEDERAL CONTRACTS

FEBRUARY 26, 2009

NOT FOR PUBLICATION  
UNTIL RELEASED  
BY THE COMMITTEE ON OVERSIGHT  
AND GOVERNMENT REFORM

**Introduction**

Chairman Towns, Congressman Issa, and distinguished members of the Committee on Oversight and Government Reform: Thank you for this opportunity to appear before you to discuss the report by the Government Accountability Office (GAO) on the Excluded Parties List System. It is my privilege to represent senior Army leadership, the military and civilian members of the Army acquisition workforce, and, most importantly, our warfighters who rely on us to provide them with weapon systems, equipment, training, and essential services to enable mission success.

Army contracting makes up some 40 percent of total Army budget expenditures. Since assuming my duties and responsibilities in December 2008, I have looked carefully at the size, structure, and training of the Army's contracting workforce. My concern is that the acquisition workforce, of which contracting officers are a critical part, has declined significantly in the last decade while the number of dollars that we are executing from a contract perspective has more than doubled. The number of large-dollar contracting actions in the Army has increased by more than 80 percent. The Army, with the help of Members of Congress and the Office of the Secretary of Defense, is making steady and significant forward progress to address these workforce/workload issues for "expeditionary" contracting operations, highlighted by a special commission chartered by Secretary of the Army Pete Geren in August 2007. These actions are based on recommendations contained in the report, *"Urgent Reform Required: Army*

*Expeditionary Contracting*," dated October 31, 2007, by Dr. Jacques Gansler and Members of the Commission on Army Acquisition and Program Management in Expeditionary Operations.

While taking actions to improve contracting in "expeditionary" operations, the Army is also improving our "institutional" contracting functions. This holistic focus on Army contracting across the board is ensuring we attract and retain additional military and civilian contracting professionals, as well as provide them with career development opportunities and the proper training and tools required to meet the increasingly complex demands being placed on them. The appropriation of funds under Section 852 of the Fiscal Year 2008 National Defense Authorization Act has enabled the Army to begin hiring 260 additional contracting interns to foster improvements in contract execution and management, and we thank Congress for this action.

#### **Excluded Parties List System**

The Excluded Parties List System (EPLS) is an essential tool for our contracting teams. EPLS provides a single comprehensive list of individuals and firms excluded from receiving Federal contracts or federally approved subcontracts (and from certain types of Federal financial and nonfinancial assistance and benefits). The Federal Acquisition Regulation (FAR) requires contracting officers to review EPLS after the opening of bids or receipt of proposals and again immediately prior to award to ensure that no award is made to a listed contractor. As a result of the findings by GAO, I released a policy alert to contracting offices Army-wide that re-emphasizes the requirement to use EPLS.

Regarding Army usage of EPLS, it is clear that mistakes were made in the 2006-2007 period reviewed by the GAO. Contracting officers have awarded contracts or orders to a suspended or debarred firm because EPLS was not checked. Upon learning of these errors, the U.S. Army took immediate action to retrain these contracting officers and implement changes in local procedures. A recent Headquarters, Department of the Army-level Procurement Management Review – in which a random sample of contract files are examined for completeness and regulatory compliance – showed a significant improvement in Fiscal Year 2009 (96 percent) over a similar period in Fiscal Year 2008 (53 percent). We find this very encouraging yet will continue to assess compliance and emphasize the requirement to use EPLS. The Army is committed to continuously improving contracting practices in expeditionary operations and across the force.

The U.S. Army is concerned about the efficiency and effectiveness of EPLS. Our contracting professionals experience difficulty using EPLS; contracting officers cannot be completely confident that they have adequately searched for the people, firms, and subsidiaries to which they award contracts. With regard to automated purchasing and contract writing, we have no systems that interact with EPLS to prevent award of a contract to a suspended or debarred firm.

We have initiated a proposal for development of an automated function establishing connectivity between EPLS and the DoD's contract writing system – the Standard Procurement System (SPS). Additionally, in March 2010, the Central Contractor Registration (CCR) System will electronically interface with EPLS which will provide an added safeguard. Firms registered in CCR, a requirement for all DoD

contractors, will be flagged if listed in EPLS. Contracting specialists will see this flag in CCR without having to search ELPS for it.

Other improvements worthy of action include:

- (1) Expanded access to Dun and Bradstreet (D&B) financial reports, with web linkage in EPLS to a suspended firm's D&B financial reports and listing of all of a firm's subsidiaries and affiliates by the D&B Data Universal Numbering System (DUNS) numbers;
- (2) Better definition of and linkage between a firm's corporate structure, DUNS numbers, and Contractor and Government Entity (CAGE) codes with the CAGE codes being carefully maintained; and
- (3) Electronic linkage to the U.S. Department of Treasury's Office of Foreign Assets Control "Specially Designated Nationals" list and the U.S. Department of Commerce's Bureau of Industry and Security "entity list," with full integration in EPLS for access to both at a single web location.

### **Conclusion**

Our Nation fields the best led, best trained, and best equipped Army in our history. Our Army will remain ever vigilant to meet the needs of our warfighters, with the urgency demanded by the life and death situations they face every day and around the clock. As they superbly execute the Global War on Terror, our Warfighters' success is linked directly to the success of our contracting workforce.

As stewards of the taxpayers' dollars, the Army is doing a better job of managing and documenting contractor performance. With contracts, whether in Iraq, Afghanistan,

the United States, or elsewhere in the world, representing an ever-increasing percentage of our overall contract dollars, greater emphasis is rightfully being placed on their management and oversight. This includes documenting the contractor's performance in accordance with policy.

I look forward to your questions and thank you for the opportunity to address the Members of this Committee.

Chairman TOWNS. Thank you very much, General Harrington.  
Captain Jaggard.

**STATEMENT OF CAPTAIN MICHAEL JAGGARD**

Captain JAGGARD. Mr. Chairman, Congressman Issa, distinguished members of the committee, thank you for the opportunity to discuss the Department of the Navy's use, regulations, guidance, and training concerning the Government's Excluded Parties List System. The Navy and Marine Corps are absolutely committed to conducting our business dealings only with responsible, ethical business partners.

The Federal Acquisition Regulation requires that purchases and contracts be awarded only to responsible prospective contractors, and it prohibits making a purchase or awarding a contract unless the contracting officer makes an affirmative determination of responsibility. One of the explicit elements of this responsibility determination is having a satisfactory record of integrity and business ethics. The FAR goes on to say that contracting officers should use the EPLS in making this determination of responsibility.

As a general rule, the FAR does allow the continuation of contracts or subcontracts in existence at the time the contractor was debarred, suspended, or proposed for debarment, unless the agency head directs otherwise. However, unless the agency head makes a written determination of compelling reasons for doing so, the FAR explicitly prohibits placing orders or exceeding guaranteed minimum under indefinite quantity contracts, or placing orders under the Federal Supply Schedule contracts or basic ordering agreements, or adding new work, exercising options, or otherwise extending the duration of current contracts or orders with listed contractors.

In May of last year, in response to GAO's preliminary findings that some contracting officers may have been making awards without first verifying whether or not the prospective contractor was on the EPLS, our Department of the Navy Acquisition Integrity Office investigated and found out that, in some cases, what the GAO found was true. The circumstances varied, but in a few cases the EPLS search function required an exact match, so unless the firm's precise name was entered in its entirety, a negative report would result. We understand this has since been corrected.

Immediately upon learning of these errors, the AIO, in conjunction with my office, issued a fraud alert titled Required EPLS Verification Prior to Contract Award, and this fraud alert was distributed to all of the Department's contracting officers last year. Additionally, in order to ensure contracting personnel stayed aware and vigilant on this important matter, we followed up the fraud alert by disseminating a training package on EPLS to all of our Navy and Marine Corps contracting officers. The briefing contains a concise, but thorough, articulation of the regulatory requirements regarding EPLS, and it is an invaluable reference tool for our contracting officers today.

Mr. Chairman, Congressman Issa, the GAO clearly identified a few transactions that slipped through the cracks. However, rest assured that the Department of the Navy does not condone any violation as being acceptable. Through our fraud alert issued last May,



our targeted training initiatives and improvements to the EPLS software, we believe the weaknesses that allowed these actions to occur have been effectively addressed.

I thank you for the opportunity to work with this issue with this committee, and I welcome your questions, sir.

[The prepared statement of Captain Jaggard follows:]

NOT FOR PUBLICATION UNTIL RELEASED BY THE  
HOUSE OVERSIGHT AND GOVERNMENT REFORM  
COMMITTEE

STATEMENT OF

MR. MICHAEL F. JAGGARD  
CHIEF OF STAFF/POLICY  
FOR THE DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION & LOGISTICS MANAGEMENT)

BEFORE THE

HOUSE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

ON

THE EXCLUDED PARTIES LIST SYSTEM

FEBRUARY 26, 2009

NOT FOR PUBLICATION UNTIL RELEASED BY THE  
HOUSE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

Mr. Chairman, distinguished members of the committee, I am Mike Jaggard, Chief of Staff/Policy for the Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management. Thank you for this opportunity to discuss the Department of the Navy's usage, regulations, guidance and training concerning the Government-wide Excluded Parties List System (EPLS).

The Navy and Marine Corps are absolutely committed to conducting our business dealings only with responsible, ethical business partners. The Federal Acquisition Regulation (FAR) requires that purchases and contracts be awarded only to "responsible" prospective contractors, and it prohibits making a purchase or awarding a contract unless the contracting officer makes an affirmative determination of responsibility. One of the explicit elements of being a responsible prospective contractor is having a satisfactory record of integrity and business ethics. The FAR goes on to say that contracting officers should use the EPLS in making the determination of responsibility. In addition, the FAR requires that after the opening of bids or receipt of proposals, the contracting officer shall review the EPLS. Any bids received from any listed companies in response to an invitation for bids shall be rejected, unless the agency head determines in writing that there is a compelling reason to consider the bid. Similarly, proposals, quotations or offers received from any listed contractor shall not be evaluated for award or included in the competitive range, nor shall discussions be conducted with the listed offeror during the period of ineligibility, unless the agency head determines, in writing, that there is a compelling reason to do so. Finally, the FAR requires that immediately prior to award, the contracting officer shall again review the EPLS to ensure that no award is made to a listed contractor.

Notwithstanding the requirement to review the EPLS prior to award, as a general rule, the FAR allows the continuation of contracts or subcontracts in existence at the time the contractor was debarred, suspended, or proposed for debarment, unless the agency head directs otherwise. However, for those contractors who are debarred, suspended, or proposed for debarment, unless the agency head makes a written determination of the compelling reasons for doing so, the FAR explicitly prohibits the placing of orders exceeding the guaranteed minimum under indefinite quantity contracts; placing of orders under Federal Supply Schedule contracts, blanket purchase agreements, or basic ordering agreements; or adding new work, exercising options, or otherwise extending the duration of current contracts or orders.

On May 22, 2008, in response to perceived concerns that some contracting officers may have been making awards without first verifying whether or not the prospective contractor was on the EPLS, the Department of the Navy's Acquisition Integrity Office (AIO), in conjunction with my office, issued a Fraud Alert titled, "Required EPLS Verification Prior to Contract Award". In that alert, we reiterated the regulatory requirement that listed parties are excluded from receiving contracts, and agencies shall not solicit offers from, award contracts to, or consent to subcontracts with these contractors, unless the agency head determines that there is a compelling reason for such action. In addition, as a "best practice", the Fraud Alert recommended that the EPLS computer screen, confirming that a prospective contractor is not listed on EPLS, be printed out and made part of the official contract file.

In order to address the general consensus that additional training is necessary to educate and periodically remind contracting personnel of the regulatory requirements and prohibitions associated with awarding contracts to contractors listed on EPLS, recently a training brief on EPLS was developed by one of our Department of the Navy contracting offices and disseminated to all of our Navy and Marine Corps contracting activities. The briefing contained a concise consolidation of the regulatory requirements regarding EPLS and is an invaluable reference tool for our contracting officers.

#### **SUMMARY**

Mr. Chairman, the GAO has clearly identified a few transactions that slipped through and were awarded to firms who should not have received them. I firmly believe this was due, in every Department of the Navy case, to administrative oversight on small dollar transactions and misunderstanding among some on which transactions require EPLS verification prior to award. Through our fraud alert issued last May and our targeted training initiatives, we believe these weaknesses have been effectively addressed.

Chairman TOWNS. Thank you very much, Captain Jaggard.  
Mr. Levy.

**STATEMENT OF FREDERIC M. LEVY**

Mr. LEVY. Chairman Towns, Ranking Member Issa, members of the committee, thank you for inviting me to testify today on this very important topic. My name is Fred Levy. I am a partner with the law firm of McKenna Long & Aldridge, where I have practiced Federal procurement law for more than 30 years, specializing in ethics and compliance issues, and particularly in the area of suspension and debarment.

While I am here today to testify on my own behalf, I note that for the past 3 years I have also served as co-chair of the American Bar Association Public Contract Law Section's Debarment and Suspension Committee; and in that capacity I have worked closely with a number of agencies, suspension and debarment officials, and Department of Justice representatives to review, analyze, and comment upon legislative and regulatory developments related to suspension and debarment.

Debarment and suspension from Federal contracts is an important tool that enables the Government to ensure that its contractors are presently responsible, and by that I mean that they have in place the requisite corporate culture, as well as the processes, procedures, and controls that are required to perform contracts in an ethical and compliant manner.

A contractor that is debarred or suspended by any agency is ineligible to receive not only new contracts, but any new work, including new orders, throughout the executive branch, unless an agency head determines in writing that there are compelling circumstances to make such an award. That is the only exception. Debarment and suspension also applies to subcontracts in excess of \$30,000.

The grounds for debarment or suspension are specified in the Federal Acquisition Regulation [FAR]. They are broad and provide agency suspension and debarment officials with wide latitude. The grounds include conviction or civil judgment for commission of a fraud in connection with obtaining or performing a contract, including misrepresentation of eligibility for award; commission of offenses involving theft, falsification of documents, bribery or false statements; and "any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor or subcontractor."

It is important to remember, as Mr. Drabkin said, that debarment and suspension are not punitive measures. The Government has criminal and civil remedies by which it can recover damages and punish offenders. Their purpose is to assure present responsibility and compliant contracts performance going forward.

For that reason, the FAR requires that even if grounds for debarment exist, that is not the end of the inquiry. The suspension/debarment official must also consider 10 other factors to assess whether the Government is protected from similar wrongdoing in the future. Those factors include, for example, the disciplinary measures taken by the contractor, the corrective and remedial measures implemented, implementation of revised controls and

ethics programs, cooperation with the Government's investigations, and whether the Government has paid all liability and made restitution.

The suspension/debarment official's discretion in deciding whether to debar provides the Government with substantial leverage and it allows the suspension/debarment official to play a role in shaping a company's ethics and compliance culture. As a condition for continuing to do business, the suspension/debarment official can require the contractor to enter into an administrative compliance agreement that influences the contractor's disciplinary actions; requires the contractor to implement specific training processes, procedures, and controls; and may also impose reporting requirements and outside oversight. Such an agreement has significant benefits for the Government: it prevents innocent employees from losing their jobs because a company has to shut down or cut its work force to do the reduced work; it maintains competition, reducing no-bid contracting; and it maintains the industrial base.

The EPLS is the tool used by the Government to ensure that its acquisition personnel and other Government contractors know who is ineligible. It is publicly available. I have it earmarked as one of my favorites. The FAR requires contracting officers to check it twice, to check it after receiving bids or offers, and then again to check it before award. Today, it is easy to use; it is like performing a Google search, and it does allow use of some common search tools like "and" or "or."

I also note that the FAR places responsibility on contractors as well to identify whether they are suspended or debarred. All contracts in excess of \$100,000 require the contractor to certify whether it or its principals are suspended, debarred, or proposed for debarment. If, as GAO points out, there are situations where a listed contractor received an award and the proper procedure for making that exception was not followed, that is not appropriate, but it is also not due to lack of law or regulation.

Rather, in my experience, it would appear to be principally due to human error either in the listing process or because someone failed to check the list. In my view, that stems from a lack of training and an inexperienced and understaffed Federal acquisition work force. And if a contractor intentionally misrepresented their eligibility, there are numerous laws and regulations to address that situation.

I do believe, however, that there are ways to improve the suspension and debarment system. The ABA Committee on Suspension/Debarment, which I co-chair, undertook a study last year and identified a series of recommendations. They include: strengthening the role of the Government's interagency suspension and debarment committee; combining the different rules governing suspension and debarment of contractors, and suspension and debarment from non-procurement transactions such as grants into one common set of rules; formalizing the ability of suspension/debarment officials to enter into administrative compliance agreements, that is now done on an ad hoc basis, and making those agreements public; providing for a lead agency when multiple agencies have an interest in a contractor, and making a determination of responsibility, just like a determination of non-responsibility, binding.

I would be glad to share a complete set of our recommendations with the committee and to work with the committee. With that, I will conclude my remarks, and I would be pleased to answer any questions.

[The prepared statement of Mr. Levy follows:]



**STATEMENT BY**

**FREDERIC M LEVY  
PARTNER  
MCKENNA LONG & ALDRIDGE LLP  
WASHINGTON, DC**

**BEFORE THE  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
UNITED STATES HOUSE OF REPRESENTATIVES**

**HEARING ON**

**“HOW CONVICTS AND CON ARTISTS  
RECEIVE NEW FEDERAL CONTRACTS”**

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Chairman Towns, Ranking Member Issa, distinguished members of the Committee, thank you for the opportunity to appear today to discuss the effectiveness of the Excluded Parties List System (“EPLS”) and of the federal suspension and debarment process. I am a partner with the law firm of McKenna Long & Aldridge LLP, where I have practiced federal procurement law for more than thirty years, specializing in ethics and compliance issues, and in particular suspension and debarment. I also have served for the past three years as the Co-Chair of the Debarment and Suspension Committee of the American Bar Association Public Contract Law Section. In that capacity, I have worked closely with the government community, including agency suspension and debarment officials and Department of Justice attorneys, to review, analyze and comment upon legislative and regulatory developments related to suspension and debarment. In fact, in a collaborative effort involving Committee members from both the government and private sectors, our Committee developed and published a set of draft recommendations to improve the suspension and debarment process that are further discussed below.<sup>1</sup>

### **BACKGROUND**

The federal government may only purchase goods or services from, and award contracts to, “responsible contractors.”<sup>2</sup> Suspension and debarment are discretionary actions available to the government to protect it from entering into business relationships with persons that are dishonest, unethical or otherwise not “presently responsible.” A company or person that is suspended or debarred generally is ineligible to compete for or receive federal contracts, grants or assistance throughout the federal executive branch. The effect upon a company that does a significant volume of government contracting, including state and local contracting, and upon that company’s employees, can be devastating.<sup>3</sup>

Different regulatory schemes govern suspension and debarment, depending upon the nature of the underlying business relationship. The rules applicable to suspension and debarment from federal procurement transactions, *i.e.*, federal contracts, are set forth in the Federal Acquisition Regulation (“FAR”).<sup>4</sup> Non-procurement transactions, such as grants, loan guarantees, loans, insurance or

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<sup>1</sup> The draft recommendations are available at <http://meetings.abanet.org/webupload/commupload/PC403500/newsletterpubs/ABAREPORT.PDF>.

<sup>2</sup> 48 C.F.R. § 9.103.

<sup>3</sup> Many state and local government regulatory schemes provide that suspension or debarment by the federal government is grounds for debarment from local contracting.

<sup>4</sup> 48 C.F.R. § 9.4.

federal assistance, are governed by the so-called Common Rule.<sup>5</sup> While these rules are similar, they differ in certain respects. As the subject of this hearing is federal contracting, my statement will focus on the FAR rules.<sup>6</sup>

The FAR sets forth the grounds for suspension and debarment and provides agency suspension and debarment officials (“SDOs”) with great latitude. The grounds include, among other things: conviction or civil judgment for commission of a fraud in connection with obtaining or performing a public contract; anti-trust violations; commission of offenses involving theft, falsification of documents, bribery or false statements; a history of failure satisfactorily to perform contracts, or “any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor or subcontractor.”<sup>7</sup>

A debarment is imposed upon the completion of legal proceedings for a fixed period, generally not to exceed three years. The SDO is given discretion to extend that period under certain circumstances, or to reduce the period if the SDO deems appropriate.<sup>8</sup> A suspension is a temporary measure that the government may employ to protect its business interests pending the completion of an investigation or legal proceedings, if the SDO finds “adequate evidence” of grounds for suspension or debarment and also determines “that immediate action is necessary to protect the Government’s interest.”<sup>9</sup>

**DISCRETIONARY DEBARMENT AND SUSPENSION ARE AN EFFECTIVE TOOL TO PROTECT THE GOVERNMENT’S BUSINESS INTERESTS**

Significantly, suspension or debarment are not to be used as punishment. The criminal and civil justice systems are designed to seek compensation for the harm to the government caused by contractor wrongdoing and to punish those responsible. The FAR expressly provides that these serious sanctions be imposed

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<sup>5</sup> 2 C.F.R. § 180.

<sup>6</sup> Certain federal statutes mandate ineligibility for those convicted of violation of certain provisions of that statute. *See, e.g.*, the Clean Water Act. My testimony does not address such statutory debarments.

<sup>7</sup> 48 C.F.R. § 9.406-2.

<sup>8</sup> 48 C.F.R. § 9.406-4.

<sup>9</sup> 48 C.F.R. § 9.407-1. Due to the consequences a suspension can have upon a contractor and its employees, it is critical that an SDO establish both the adequate evidence and immediate need elements before suspending. There have been a number of instances where contractors have incurred significant damage due to suspensions stemming from erroneous allegations or improper suspensions.

only when necessary to protect the government “and not for purposes of punishment.”<sup>10</sup>

In fact, the existence of a cause for debarment or suspension does not require that the contractor be debarred or suspended. Rather, the issue is one of “present responsibility.” The FAR identifies ten factors that an SDO should consider when determining whether a contractor is presently responsible to perform current and future government contracts. These include:

- Whether the contractor had effective standards of conduct and controls in place;
- Whether the contractor self-disclosed the activity to the government;
- Whether the contractor has investigated the conduct and shared its findings;
- Whether the contractor cooperated fully with the government’s investigation;
- Whether the contractor has agreed to pay all liability and made restitution for the conduct;
- Whether the contractor has taken appropriate disciplinary action;
- Whether the contractor has agreed to implement remedial measures;
- Whether the contractor has agreed to implement revised controls and ethics programs;
- Whether adequate time has elapsed to eliminate the causes for the improper conduct; and
- Whether management recognizes the seriousness of the misconduct and had implemented preventative programs.<sup>11</sup>

These factors task the SDOs with assessing contractor corrective and remedial measures and compliance programs in light of the wrongful conduct to determine whether they are sufficient to protect the government from similar wrongful conduct in the future. The SDOs’ authority to exercise their business judgment whether to debar or suspend a contractor provides the government with a

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<sup>10</sup> 48 C.F.R. § 9.402.

<sup>11</sup> 48 C.F.R. § 9.406-1.

great deal of leverage. An SDO can play a significant role in reforming a contractor's ethics and compliance culture. As a condition for avoiding or retracting a debarment or suspension, the SDO can require the contractor to enter into an administrative compliance agreement that, among other things, influences the contractor's disciplinary actions, requires implementation of specific processes, procedures or controls, requires periodic reporting to the agency and may impose outside oversight of the contractor's ethics and compliance program.

This process has a number of significant benefits. It prevents innocent employees from losing their jobs as a result of a debarment stemming from the conduct of a misguided few. No matter how sophisticated and comprehensive a contractor's compliance program, there inevitably are employees who for personal reasons, a flawed perception of business goals, or a plain lack of understanding will circumvent or violate company policies and federal requirements.

Working with contractors to establish present responsibility, rather than mandating debarment, also enables the government to preserve the nation's industrial base and to enhance competition. The government thereby both preserves its sources and increases the likelihood it can obtain the lower pricing likely to result from more competitive purchasing.

#### EFFECT OF LISTING ON THE EPLS

##### *Future Contracts and Work*

A contractor that is suspended, proposed for debarment<sup>12</sup>, or debarred under the FAR is listed on the EPLS and is ineligible for the award of future federal contracts and work. That restriction extends to:

- Issuing new orders under indefinite quantity contracts;
- Placing orders under Federal Supply Schedule contracts, blanket purchase agreements or basic ordering agreements; and
- Adding new work, exercising options or otherwise extending the duration of existing contracts.<sup>13</sup>

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<sup>12</sup> Under the FAR, a contractor that is proposed for debarment is ineligible upon issuance of the notice. This is one of the key differences with the Common Rule. Under that Rule, a contractor or grantee that receives a notice of proposed debarment is not ineligible until a determination of debarment is made. In the interim, if there is an immediate need to protect the government's interest, the agency can suspend the entity.

<sup>13</sup> 48 C.F.R. § 9.405.

A suspended, debarred or proposed for debarment contractor also may not be awarded first tier subcontracts in excess of \$30,000 under a federal prime contract.

The listing on the EPLS is effective throughout the federal Executive Branch. If one agency suspends, proposes for debarment, or debars a contractor, no other agency may award that contractor work.<sup>14</sup> The suspension or debarment extends to all divisions of the contractor, unless otherwise limited.

The SDO has the discretion to extend the suspension or debarment to affiliated entities. An affiliated entity includes a company that controls or is controlled by the contractor or is under common control, as evidenced by interlocking management or ownership, or shared use of equipment, facilities and employees. An affiliate also includes a business entity organized after the suspension, proposed debarment or debarment that has the same or similar management, ownership or principal employees as the contractor.<sup>15</sup> Therefore, a contractor should not be able to evade a suspension or debarment by creating a new business entity to contract with the government.

***Compelling Circumstances  
Exceptions to Suspension or Debarment***

The FAR recognizes that there may be circumstances where it is in the government's best interests to award work to a debarred or suspended contractor. It provides the agency with the discretion to do so if the appropriate procedures are followed. In order to award a contract or other work to an entity on the EPLS, the agency head must find that there are "compelling circumstances" justifying the award of the work. The determination should be in writing and set forth the basis for the determination.<sup>16</sup> Similarly, a prime contractor can make a compelling circumstances exception to award a first tier subcontract to a suspended or debarred contractor.

Several circumstances could justify such a determination. If there were no other source to satisfy the government's requirements, a compelling circumstances exception may be warranted. Alternatively, there may not be another source that could timely perform the required work; the need to avoid delay and the associated program impact could justify a compelling circumstances exception. However, in

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<sup>14</sup> The EPLS includes entities that have been declared ineligible for particular programs under certain statutes or regulations. In some cases the ineligibility is not reciprocal, *i.e.*, it is limited to the particular program and does not extend to other programs or agencies.

<sup>15</sup> 48 C.F.R. § 9.403.

<sup>16</sup> 48 C.F.R. § 9.405.

either event, the determination should be in writing and the explanation of the compelling circumstances documented.

If an agency deems it appropriate to award work to a suspended or debarred contractor, it can contact the listing agency to determine the basis for that listing. If appropriate, the agency can then impose special conditions on the contractor or take other precautions to protect against the type of conduct that gave rise to the debarment or suspension.

#### *Continuation of Current Contracts*

Termination of an existing contract could have both programmatic and cost consequences for the government. The government may not have an alternative source capable of providing the particular product or service, or of providing it within the time frame the government requires. Additional time and effort would be required to conduct a new procurement, and perhaps also for the existing contractor to wind down its efforts and for the new contractor to mobilize.

Further, in many instances the conduct underlying the debarment or suspension may be unrelated to the terminated contract, and any termination legally would be one for "convenience" and not for default. Under a termination for convenience, the government is obligated to pay the contractor the contract price for all completed goods or services, the costs incurred by the contractor plus a reasonable profit on the terminated portion of the contract, and the costs it incurs to wind down the contract.<sup>17</sup> In the event of a termination for convenience, the government would be responsible for all of these costs in addition to the cost of any reprocurement.

The FAR recognizes this likelihood and provides agencies the discretion to continue existing contracts when the contractor is suspended or debarred, subject to the limitations on adding new work described above. In fact, there is a presumption that such contracts will be continued unless determined otherwise by the agency head, and no decision to terminate may be made until after a review by agency contracting and technical personnel and by counsel to ensure the propriety of the action.<sup>18</sup> Factors the agency should consider are its ability to reprocure the goods or services, the impact of a termination on the agency's mission, how far along the contractor is in performance, whether the termination would be for default or convenience, and the potential cost impact of a termination.

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<sup>17</sup> 48 C.F.R. § 49.2.

<sup>18</sup> 48 C.F.R. § 9.405-1.

Federal Supply Schedule (FSS) contracts present a somewhat different situation. Such contracts typically are awarded for a five year term. While new orders cannot be placed under an FSS contract held by a listed contractor absent a compelling circumstances determination, there is no need to terminate the contract. In all likelihood, the term of a suspension or debarment would expire or the contractor would enter into an administrative compliance agreement before the contract expires. There is no reason then to require the contractor to submit a new contract proposal, and the government to incur the effort and cost of evaluating and negotiating a new contract. The government's interests can be adequately protected if government acquisition personnel check the EPLS before issuing new orders under a schedule contract, as they are required to do before making any contract award.

#### **THE EPLS AND AWARDS TO LISTED CONTRACTORS**

The EPLS is an on-line compilation of all entities and persons suspended, debarred or otherwise ineligible for participation in federal programs. It identifies the listing agency, the basis for the listing, the duration of the listing, the scope of the person or entity's ineligibility and all other persons or entities that are listed arising out of the same transaction. The EPLS also contains an archive feature that lists all persons and entities that previously had been listed. It is available to the general public as well as to the government, and can be found at [www.epls.gov](http://www.epls.gov).

Federal contracting officers are required to review the EPLS both after receiving bids, proposals or quotations from contractors and again before issuing any contract awards to determine if the contractor is listed.<sup>19</sup> The EPLS today is simple to use. It allows one to enter a name or combination of letters and, like a "Google" search, will identify all listings containing that name or combination of letters. One need not know the exact name of an individual or entity, for example the first name of a person or whether an entity is a "Co." or "Company," to identify a listed party.<sup>20</sup>

During my thirty years of practice, I am unaware of any situations in which a suspended or debarred contractor I represented was not listed on the EPLS, and of few instances where a listed contractor received an award without the agency first making a compelling circumstances determination. To the extent that the Government Accountability Office has identified such events, they stem primarily from human rather than system failure. Such error may include failure timely to

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<sup>19</sup> Similarly, federal contractors review the EPLS before awarding subcontracts under federal contracts.

<sup>20</sup> This might become an issue only if a user selects the "exact name" search rather than the general search feature on the EPLS.



enter a listed entity on the EPLS, or failure on the part of a contracting officer to check the list before making an award. Recent studies have revealed that the federal acquisition work force today is inexperienced and understaffed, and would benefit from both additional training and increased support. Exigency contracting to support ongoing military operations may have further contributed to the urgency of certain procurements and the failure of procurement personnel properly to check the EPLS.

In addition, the EPLS is not the only basis for determining whether a contractor is suspended, debarred or otherwise ineligible. Contractors share in the responsibility of identifying whether they are listed. In conjunction with the award of any contract in excess of \$100,000 a contractor is required to certify, among other things, whether it or any of its "principals" are presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency, whether they have been convicted of or had a civil judgment rendered against them for certain enumerated violations within the past three years, and whether they currently are criminally or civilly charged by a governmental entity with commission of any such offenses.<sup>21</sup> Review of this certification enables a government acquisition official to determine whether the contractor properly may receive a contract award.

Neither checking the EPLS nor reviewing the debarment certification will enable a government contracting officer to identify a listed contractor that fraudulently creates a new entity so as to avoid the consequences of a debarment or suspension. Neither, however, are any changes to the EPLS system likely to address this issue. Rather, detecting such conduct will stem from a combination of SDOs making sure that they list culpable individuals as well as the corporate entities, and government acquisition personnel making an effort to ensure that they know the companies with whom they are dealing, particularly in the case of small, recently established businesses.

#### **RECOMMENDED CHANGES TO THE SUSPENSION AND DEBARMENT SYSTEM**

For the reasons set forth above, it is my view that the EPLS system is an effective and simple tool that readily enables contracting personnel to identify suspended, debarred or ineligible contractors. Any improper awards to ineligible contractors stem primarily from the failure of government personnel properly or timely to enter listed entities into the system, or failure of government acquisition personnel to use the EPLS as required.

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<sup>21</sup> 48 C.F.R. § 52.209-5.

However, I do believe that certain reforms would enhance the suspension and debarment process. As noted in my introduction, during 2008 the Debarment and Suspension Committee of the ABA Public Contract Law Section undertook a study of the suspension and debarment process to identify recommended improvements. The Committee, comprised of both government suspension and debarment personnel and private practitioners in the field, made ten recommendations. Changes recommended by the Committee include the following.

- Because a debarment or suspension by any agency is effective throughout the Executive Branch, any agency can have a substantial impact on the rest of the government's ability to fulfill its mission. Accordingly, there should be a comprehensive process by which all interested agencies have an opportunity to express their interests in the eligibility of a contractor, and there should be a process for the selection of a lead agency to act on behalf of the government. The determination of the lead agency not to debar or suspend should be given government-wide effect, as would its determination to debar or suspend.
- The FAR does not acknowledge the use of administrative compliance agreements and such agreements are now implemented by different agencies on an *ad hoc* basis. The FAR should adopt general terms and conditions for such agreements while preserving SDO discretion and flexibility. Such agreements should be publicly available and should be binding on all agencies.
- Whereas a finding of non-responsibility by a debarring official is binding upon all agencies, a determination that a contractor is presently responsible is not. The Committee recommended that the FAR define "presently responsible" and a "finding of present responsibility," and provide that a finding by a debarring/suspending official that a contractor is presently responsible be binding upon contracting officers and grants officials.
- Some agencies have adopted an informal process of issuing "show cause" letters to contractors about whom it may have some concerns that do not rise to the level of issuing a suspension or debarment. Those letters invite the contractor to address the agency's concerns. The Committee recommended that the FAR implement this practice.
- The FAR provides that issuance of a Notice of Proposed Debarment immediately renders the recipient ineligible, while the Common Rule provides that such a Notice does not result in exclusion until after a determination has been made by the SDO. The Committee recommended that the Common Rule approach be uniformly adopted.

- The Committee recommended that the separate debarment and suspension regulations for procurement and non-procurement programs be combined into one program. The differences between the types of programs can be accommodated in one rule and there are significant advantages to be gained by creating a single, uniformly applicable rule.

The Committee's complete recommendations are available online at [http://meetings.abanet.org/webupload/commupload/PC403500/newsletterpubs/ABA\\_REPORT.PDF](http://meetings.abanet.org/webupload/commupload/PC403500/newsletterpubs/ABA_REPORT.PDF).

### CONCLUSION

In conclusion, as the federal government embarks on a cycle of increased acquisition activity and contracting in connection with the "stimulus" package, I do not believe that regulatory or system changes are needed to protect it from awarding contracts to non-responsible contractors. However, it will be critical that the federal acquisition workforce be properly trained regarding the need to check the EPLS, the significance of doing so, and the proper procedures for obtaining an exception permitting the award of a contract or other work to a listed contractor. It also will be important that the acquisition work force be properly sized to handle the impending increase in acquisition activity with the attention and care required to avoid procurement miscues.

Chairman TOWNS. Thank you very much, Mr. Levy.

At this time, we will start with the questions period, and, of course, I will start.

I think it was Mr. Chaffetz who mentioned the stimulus package, and it made me really think about it, and I want to ask you, Mr. Kutz, I want to know are there guarantees to ensure right now that none of the economic stimulus will go to excluded corporations. Just 2 weeks ago we passed a \$787 billion stimulus package, nearly a week ago, really, and a lot of people and a lot of companies want a piece of that action. In your opinion, are the loopholes in the system so big that they need immediate attention to make sure that stimulus funds aren't going to convicts or to con artists? And how do we ensure that they are going to where they are supposed to go?

Mr. KUTZ. I believe on the contract side there still is a risk that this would happen, but probably the bigger vulnerability of GSA is moving forward with some of the proactive things is on the health care side. We are aware of Medicaid providers in the system right now that are suspended or debarred. So, for example, some of the stimulus money is going to Medicaid. It would appear pretty clear that they are going to get some of this money.

And I expect you also have other vulnerabilities we haven't talked about today. You have the whole subcontracting community. We didn't look at subcontracts. Subcontracts are another risk. But hopefully some of the efforts that GSA has taken over the last several years will pay fruit and there will be less vulnerability to this happening. But I think the bigger risk is on the part we haven't looked at yet.

Chairman TOWNS. Right. This question I would like to ask all of you except Mr. Levy. Time and time again, GAO's report highlights that taxpayer dollars have fallen in the hands of companies and business owners that should not have ever received even one contract with the Federal Government, let alone several. For instance, it goes without saying that Federal agencies should not contract with individuals convicted of attempting to smuggle nuclear reactor parts into North Korea.

Yet, the GAO exposed that the Department of the Army did exactly that. Further, Federal agencies should not contract with companies convicted of massive tax fraud or falsifying filings with the Securities and Exchange Commission. Nonetheless, the GAO discovered that agencies were actively contracting with such irresponsible and untrustworthy businesses.

What I can't seem to understand is why is this occurring. Why are agencies awarding contracts to those crooks when the Federal Acquisition Regulation specifically states that contracts must be awarded only to responsible prospective contractors, and even prohibits awarding a contract to a company unless the contracting officer makes an affirmative determination of responsibility.

Let's just run right down the line quickly.

Captain JAGGARD. The only thing I could say in answer to your question, sir, is the system is not perfect and people make mistakes. In a few instances where the contracting officer failed to check the EPLS because they mistakenly believed that issuing a modification to a contract didn't require doing so. We have taken

corrective action to train people better on how to properly use the system and not make those mistakes.

Chairman TOWNS. General.

General HARRINGTON. Sir, a similar situation exists in the Army. We made some mistakes; we had some misses. Not intentional errors of omission, but just missing having to perform that check. In other instances we found, as Mr. Jaggard suggested also, modifications, delivery orders, task orders, elements of a contract or in the process of a contract when they were issued, there was not a check of EPLS made. We have since strengthened the notice to the field that process has to be performed even when issuing a modification or a task order or delivery order.

Chairman TOWNS. Mr. Drabkin.

Mr. DRABKIN. First of all, Mr. Chairman, let me assure you, as I said in my statement, both written and oral, that we do not want these mistakes to happen. Second, as Mr. Kutz noted and as Jim said, we are taking steps systemically to address the issues. Third, however, I just want to make sure that we are all clear. GAO found 25 instances. We then went back and did a search over the last 3 years—that would be about 30 million transactions—and we found 35 instances, including the 25 reported by GAO, where six companies who were suspended or debarred got awards.

In addition, there is some confusion not explained fully in the GAO report. For example, a number of their cases involved awards made under the micro purchase threshold. The committee may recall that when it passed FASA, when this committee drafted the language for FASA, we made some decisions about micro purchases, and one of those decisions was, because of their value and the cost of the transaction to make those kinds of purchases, we wouldn't require a host of the contracting requirements that we would require for purchases over \$3,000. So when an administrative assistant takes a purchase card and goes to a local vendor to buy \$50 worth of paper, pencils, or pens, they are not required to check the EPLS; and at least three of the examples in the GAO report involved micro purchases.

And the last thing I would say to is our office, working with OMB and with my colleagues on the FAR Council at DOD and NASA, are currently drafting the guidance to address how we are going to implement the ARRA, the stimulus package; and in our guidance we will again remind individuals to check the EPLS list before they make award.

But, Mr. Chairman, mistakes happen in the system. They are unfortunate. When we find them, we correct them. We are committed not to make mistakes, but we do a lot of work and we don't have a lot of people to do that work with.

Chairman TOWNS. Thank you very much. But remember, we are talking about waste, fraud, and abuse here. I want you to know that.

Yes, Mr. Williams.

Mr. WILLIAMS. Mr. Chairman, like everybody else in the room, I believe we are the greatest country in the history of the world and that our Government is based upon a system of trust. And like the gentleman to my left, I have spent my professional life trying to

earn that trust of the American people in spending taxpayer money wisely and effectively.

However, in these incidences, there are places where people have made mistakes. Also, some of these are incidents where people have actively tried to cheat the Government. And we take every one of these incidents seriously. It is something that chips away at that trust that we try to earn from the American people. And when we learn about these things and the causes, as GAO has pointed them out, we take steps to plug those loopholes, to provide better training, to enhance the system, to make sure that we can eliminate these. It may never be foolproof, because there will be people who may make mistakes and people who will try and cheat the system. It is our job and our passion to make sure we do everything we can to eliminate those mistakes and those people who try to cheat us.

Chairman TOWNS. Right. Mr. Kutz, you heard it, and I brought them down the line so you would be able to hear what was being said. Now I would like to get your response. Do you believe like Mr. Drabkin stated, that the incidents are just few and far in between and that they are so remote that we really shouldn't even discuss it?

Mr. KUTZ. Can I agree and disagree? I would like to agree and disagree at the same time. I would agree, first of all, that if you add up the money in the dollars, it is not something that is going to be material. But I think the bigger point here is the safety and security issue and protection of the Government. We are talking about—let's use the North Korea case. One exception, but very important. You are dealing with someone that sold out to the North Korean government with respect to their nuclear weapons program. The Army debarment memo said that one instance put in jeopardy the lives of 37,000 troops in South Korea.

Look at this body armor here. This company sold 590 of these to the U.S. Air Force, mislabeled, subsequently found to not pass the tests. So materially wise, dollar-wise, yes, but 590 lives could have been jeopardized by the use of this.

Another example, the expired adhesives used on aircraft engines. Again, are we talking about big dollars? No. But people, U.S. soldiers and military people, flying these aircraft are at risk of having substituted parts.

So I think we are talking more about the issues such as the safety of our men and women in uniform than dollars here. So that would be my position, Mr. Chairman.

Chairman TOWNS. Which is serious.

On that note, I yield to the ranking member.

Mr. ISSA. Thank you, Mr. Chairman. I think I will kind of pick up where you left off. I do want to ask one question to set a tone, though.

Mr. Levy, what would you say would be the risk if we were to have absolute zero contracting to any company immediately? In other words, if we take this step and we don't just pick up the 30, but we sort of make sure we catch them all, including the micro and so on, briefly, what would be the potential risk of, if you will, overuse of exclusion? Is there a risk there?

Mr. LEVY. Well, I believe that there is a risk. I think that, unfortunately, there are lots of individuals who, for their own personal reasons or because of lack of training, make mistakes. There are people who do it intentionally, there are people that do it inadvertently, but that there are lots of companies that are out there that encounter problems.

If the Government were immediately to debar and suspend any such company, I think that you would put a lot of innocent workers on the street. Oftentimes, these events that have been discussed here are the working of a few individuals within a large corporation; and there are a lot of people in those companies who are well intentioned, who intend to comply with the laws and the regulations, and those are the people who would suffer when the company loses its work.

In addition, obviously, the Federal Government would lose its supply base and it would lose its competition, and at this particular time, when we are so worried about no bid contracts and competition, it would seem to me that would be a very unfortunate circumstance.

Mr. ISSA. Well, Mr. Levy and Mr. Kutz, I think you both would be a good sparring here. Because there is, and this was not in your report as a wrongdoing, but there are in fact people who are suspended or companies, for one activity, are suspended while a theater commander or some other purchasing authority makes a written finding that they should continue on some other contract while that is remedied, etc.; in other words, a partial suspension. Would you both agree that is essential, that we not tell you to do to do absolute, but, in fact, to deal with some of the examples here today, while recognizing that there are valid reasons for the waivers?

Mr. Kutz, I particularly want to know from you because that is one of our concerns, is there is a procedure in place. Assuming these 30 or so exceptions are set aside for a moment, because we don't want to tolerate those, that the basic policy, the baseability for a purchasing authority to certify and thus continue purchasing for some reason, is in fact a tool in place. You are not suggesting we change that, are you?

Mr. KUTZ. No, not necessarily. I think there are a lot of facts and circumstances involved. For example, if the company has been doing business with the Government for many decades, has a fine history of performance, and it is an isolated case or a lower level employee, that is one thing. If it is like this German case, where it was the actual person that signed the contract, owned the company, etc.; there were 3 years involved in that one where the Army had a chance to get out of it, basically. The guy was arrested 2 weeks after the contract was let. Nothing was done for 3 years, and that was an egregious case. I think there was a judgment involved and it was a facts and circumstances.

Mr. ISSA. All right. I might note for the record that the gentleman who was convicted of being part of the bribing scheme of Duke Cunningham was a Government contractor, and some of his contracts went on for a period of time, fortunately, a short period of time.

Let me followup along this line in a couple of areas. First of all, can you tell us when this committee will receive the final report? We only have a draft report up until now.

Mr. KUTZ. It is just being released today. Today it is being released.

Mr. ISSA. OK, so today is our day. Second, I want to get into the databases for a moment. These are Oracle databases. All of your procurement is on Oracle databases. This is a database that is in Oracle format, the EPLS, right? And it is apparently less than 100 gig of data, so small enough that people can go to Best Buy and buy a USB drive, download the entire database and carry it around, isn't that correct? Obviously, you are not carrying around an Oracle license, but we did some downloading and discovered that this 100,000 or so records is in fact that you could, overnight, update into other databases. Is that your understanding, Mr. Kutz?

Mr. KUTZ. I couldn't answer that question.

Mr. ISSA. Well, let me ask everybody else here. Have any of you, in your procurement, looked at the idea of synchronizing this database and then integrating it so that it is a part of your basic, every day, every contract overnight is updating against that database and running it so that these 30 examples couldn't happen again? Is there anybody who has done is from the panel here? I saw a few heads shaking.

Mr. DRABKIN. The answer, Mr. Issa, is no, and the reason is because we do not have a consistent set of transactional tools across the Federal Government. My colleagues in the Defense Department can talk to you about the numbers of transactional tools they have in GSA. We have three or four separate transactional tools, and not every agency has a set of transactional tools. So what you are asking, the linking of the transactional tool to the database so that it knows, before it gets ready to award a contract, that an individual company's DUNS number appears in the database, it can't happen if you don't have a system.

Mr. ISSA. OK, so I am hearing about a self-inflicted wound. Mr. Kutz, in the GAO report, will you be speaking to the need to correct those self-inflicted wounds of databases that, in a sense, were designed not to take advantage of this database, which existed at the time of their latest revisions?

Mr. KUTZ. Well, an example of integration of database, I believe, would be the Federal Supply Schedule, because one of the questions and one of the recommendations we had was that companies that are debarred should potentially be taken off of the GSA Supply Schedule. Apparently, data system issues and integration issues within GSA are a reason why that may be difficult. So that is an important aspect of the solutions.

Mr. ISSA. OK, I don't want to take any more time than this last question. The last question simply is, when I reviewed the database, what I discovered, because it is a public database, there are no social security numbers for individuals. So an individual's unique identity is only as good as a common name and a home address at some point in time.

Can you in fact commit to us today that will be corrected, at least in a not-for-the-public database so that we can have unique identities, like a DUNS number, for human beings? Because it is



very clear that companies don't commit crimes; people in companies do. Is that something that is in your report? And can I get a commitment from people here that is on your priority?

Mr. KUTZ. Well, I would just say 60,000 of the 70,000 active records are individuals, as you said, and individuals are the ones that commit the crime, and they do not all have social security numbers and they are not required fields at this point.

Mr. ISSA. Thank you.

I yield back and I thank the chairman for his indulgence.

Mr. TOWNS. Mr. Kucinich.

Mr. KUCINICH [presiding]. I thank the gentleman.

Unidentified SPEAKER. If I may, Mr. Chairman—

Mr. KUCINICH. I am going to go on to my questioning, so you can take that up later.

Unidentified SPEAKER. Yes, sir.

Mr. KUCINICH. Mr. Kutz, in your research and study, do you come across information that was raised, that was probative, but not acted upon to start procedures of suspension or debarment?

Mr. KUTZ. We didn't weren't given any, no.

Mr. KUCINICH. You didn't look into any of that.

Mr. KUTZ. Well, if we saw it, we would have had it, but we didn't see anything.

Mr. KUCINICH. Excuse me?

Mr. KUTZ. We didn't necessarily see that in all the cases, no.

Mr. KUCINICH. So it is possible that there could be many more instances out there that haven't been acted upon.

Mr. KUTZ. Well, we know there are other cases. I mentioned, for example, Medicaid providers. The scope of this job was contractors, so we are talking about companies. As Mr. Issa said, there are more people in the system that are individuals that committed crimes, for example, health care fraud. There are potentially many Medicaid providers out there at the State level.

Mr. KUCINICH. Well, when you put that bulletproof or apparently bulletproof vest in front of—slightly bullet resistant vest, thank you—that really sends a chilling message out to everyone who serves this country, because your responsibility here to members who are representing the Armed Services is to protect the lives of our soldiers and those who serve. That is a very serious responsibility. And it is not enough to say, well, it just happens a couple of times that somebody slips through the system. No. You have to have zero defects. Otherwise, you are directly responsible for the deaths of our soldiers.

Now, the thing that I want to say to General Harrington, I read your statement saying that our Army will remain ever vigilant to meet the needs of our war fighters with the urgency demanded by life and death situations they face every day as they superbly execute the global war on terror. Our war fighters' success is directly linked to the success of our contracting work force.

I think you are absolutely right when you say that, but I am trying to square that with a record of a specific case, and that is the case that I mentioned in my opening remarks. On May 13, 2003, an employee of KGL Transport Co. negligently jackknifed a tractor trailer, causing a collision with a Humvee of Lieutenant Colonel Dominic Rocco Baragona that took the colonel's life. Here is some-

body who served the country for 21 years, a graduate of the U.S. Military Academy. Do you know anything about that case, General?

General HARRINGTON. Yes, sir, I do.

Mr. KUCINICH. What do you know about it?

General HARRINGTON. The recent information I have is that our Procurement Fraud Division served notice of suspension on KGL for failure to comply with the service of process.

Mr. KUCINICH. And what happens as a result of that?

General HARRINGTON. Later, sir, KGL complied with that service of process rule, so the suspension was stopped.

Mr. KUCINICH. What does that mean, they complied?

General HARRINGTON. As I understand it, sir, they responded to the service of process. I don't have any further information.

Mr. KUCINICH. Are you familiar with a comment from KGL's representative, saying they are a Kuwaiti company and they are untouchable?

General HARRINGTON. I am not familiar with that, sir.

Mr. KUCINICH. Are they untouchable? Are they untouchable?

General HARRINGTON. Well, sir, I know what we have done with our Procurement Fraud Division.

Mr. KUCINICH. If you are responsible for the death of a U.S. serviceman, is that grounds for debarment? And if not, why not?

General HARRINGTON. Well, sir, I can tell you what has gone on since then, and we will take a question for record to get back with you with the full details.

Mr. KUCINICH. I am just asking you generally speaking. Let's step away from this case for a moment.

General HARRINGTON. Yes, sir.

Mr. KUCINICH. If a U.S. contractor is responsible for the death of a U.S. service person and they were found to be negligible, would that be grounds for debarment? And if not, why not?

General HARRINGTON. Well, sir, there would have to be an investigation of that incident to determine—

Mr. KUCINICH. Have you investigated this incident involving Lieutenant Colonel Baragona?

General HARRINGTON. Yes, sir. Procurement Fraud Division has carefully—

Mr. KUCINICH. Do you think there was negligence?

General HARRINGTON. Well, sir, I can tell you what the Procurement Fraud Division found.

Mr. KUCINICH. What did they find out?

General HARRINGTON. They carefully reviewed the matter, concluded that there was not sufficient evidence to support suspension at this time.

Mr. KUCINICH. I would like you to produce for this committee, of course, with the permission of the Chair, Mr. Towns, all records relating to this finding. How in the world a lieutenant colonel serving his country, just doing his job, driving a Humvee, can end up getting killed by a U.S. contractor and there not be negligence, I think the people of the United States and everyone serving this country would be interested.

General HARRINGTON. Yes, sir.

Mr. KUCINICH. So I am going to want to review this. I am also going to ask Mr. Kutz for you to look at this case as well.

My time is about to expire, but I can assure you, General Harrington, that on behalf of this one serviceman and his family, that this case is not going to go away and KGL is not going to be able to avoid any responsibility they may have under law. So I just am asking Mr. Kutz to look at it.

I have just been informed that we are going to recess for—we can take a few more questions, at least, on each side.

The Chair recognizes the gentleman from California for 5 minutes. Then, after that, we will go to Mr. Davis, we will take a 40 minute recess, and then we will come back with Mr. Tierney.

Mr. BILBRAY. Thank you, Mr. Chairman. Mr. Chairman, back in the late 1970's, we were both mayors together when we were young and spry. I think that any mayor will know, though, that this situation with the death of military personnel, there is this issue of—like we did with police officer fire; we may have a wrongful death, and you draw is it an individual action separate from the institution and separate from procedures, or is it procedural and an obligation by the institution itself. That is the kind of questions you want to address—

Mr. KUCINICH. Would the gentleman yield?

Mr. BILBRAY. Yes.

Mr. KUCINICH. The information that was presented to myself and to my staff was that in this specific case the company refused to answer any questions and had taken a pretty arrogant position with respect to this. So that is why I brought it up. And I thank you for your observation.

Mr. BILBRAY. And we ran into that all the time in the good old days.

Let me just say, Mr. Williams, you were saying a system where trust was based on trust. The last time I checked, though, in this country, I looked at our money, in God we trust. Everybody else has to verify.

I think I would like to go sort of—you wanted to address the issue of social security numbers and personnel, the contractors' names. Do you have any reference to that now? I saw your eyes kind of flash on that thing, so I want to give you a chance to jump on that.

Mr. WILLIAMS. Thank you, sir. Yes, I just wanted to point out to the committee that we have in fact discussed the issue of using social security numbers as a unique identifier for people who are suspended or debarred.

But after consultation with a variety of agencies and departments, including the Department of Justice, it was determined that we could not use the social security number as the public identifier, unique identifier for people who we suspend or debar. That does create a problem for individuals who are debarred, because not every individual gets a DUNS number, which is usually done in the context of a commercial—

Mr. BILBRAY. Is that because you are preempted by the social security legislation right now that says it can only be used for social security purposes?

Mr. WILLIAMS. I don't believe the current legislation was current at the time we had this discussion, sir.

Mr. BILBRAY. OK. Is there any reason why we don't use eVerify on all our contractors to make sure they are who they are and so that you are not coming back?

Mr. WILLIAMS. Sir, eVerify, as you probably know, was promulgated as a rule. That rule has been suspended under the Emanuel memo and is being reviewed by the new Secretary of Homeland Security, and I don't know what the status will be of the rule after that review.

Mr. BILBRAY. With a system that is 98.6 percent efficient, it seems like the one way to know people are who they are is eVerify is probably the fastest and most simple way of doing it.

Mr. WILLIAMS. Sir, I am unable to address whether eVerify works or doesn't work, or whether it will be our policy or not be our policy, until the Secretary of Homeland Security has completed a review in accordance with the Emanuel memo.

Mr. BILBRAY. OK. Going back to is there a process right now that a contractor has to notify when they put in a bid or when they are procurement that they have been disbarred or they have suspended at any time? Is there any obligation for them to notify?

Mr. WILLIAMS. Yes, sir. They are required to certify and to maintain that certification as current in our system that is called, the acronym is ORCA. It is an online system and there is an absolute requirement for them to certify when they submit a proposal, and then to update that certification if it changes at any time.

Mr. BILBRAY. What is the penalty for not following that procedure?

Mr. WILLIAMS. There are no penalties, sir. We don't apply penalties in the contracting process. But a false certification could result in a determination that the contract was void ab initio. It could result in the termination for default of the contract. It could result in the suspension/debarment of the contractor. The Justice Department could decide whether they wanted to proceed against the contractor for a false certification either civilly or criminally.

Mr. BILBRAY. Could is open to interpretation. In other words, you say you could do this, could do that, and could do that. It seems to me there should be some minimum that says if you do this and it is found you have done this, you at least get this; you may get this, this, this, and this. What I am worried about is there doesn't seem to be a minimum that could happen from a direct violation of procedure. And any parent will tell you there should be some minimum repercussion for not playing by the rules.

Mr. WILLIAMS. But, sir, as you pointed out, when you were the major of a city before becoming a member, you take each case on its facts. You find out what happened and then you apply the appropriate response to those particular facts. There is no guaranteed result for any of these infractions; it all depends on the facts. We have a process that seeks out the facts, that conducts a hearing. We do have due process that is due to the contractor before we can take any of these actions—

Mr. KUCINICH. The gentleman's time has expired. Thank you.

Mr. BILBRAY. Thank you, Mr. Chairman.

Mr. KUCINICH. The Chair recognizes Mr. Davis.

Mr. DAVIS. Thank you very much, Mr. Chairman.

Mr. Kutz, I would like to focus in on what, in my opinion, is the most disturbing case GAO uncovered in its report. Specifically, I am referring to the case involving the Army's contract with the company called Optronics GmbH. As I understand it, Optronics, or, at the very least, its president, was convicted of attempting to smuggle nuclear bomb parts into North Korea. Even though the Army was aware of the conviction, it kept doing business with Optronics. Well, that is obviously troubling to me, and I suspect would be troubling to a lot of people.

The question that I have, and that I would like to know from you, given the seriousness of this matter, is whether or not the Army fully cooperated with GAO during the investigation.

Mr. KUTZ. I would say no. They were very slow to get us the information. I have some of the notes here from my staff. We requested information on this case and a number of other cases in April 2008. It asked for data in several weeks. The first data we got was in July, and it was incomplete; it was really the debarment memorandum. We didn't get the actual memo that justified that they said they legally had done this transaction with this company until October, and we didn't actually get the contract and relevant e-mails until November 2008; and that was after committee staff finally had to call. So, no, I would say that they were slow, not just on this one case, but on about five cases.

Mr. DAVIS. It is also, then, my understanding that committee staff here has had some difficulty getting information from the Army. So I would like to ask you, Mr. Harrington, why did the Army stall on providing the GAO and committee staff with the information that they requested? Was there something that the Army did not want us to know?

General HARRINGTON. Sir, there is absolutely no intent on the part of the Army to stall. We understood we provided the information as rapidly as we could. An awful lot of that information had to be researched and gathered from several different locations. If there are specifics on that, please, I would like to know, and we will go back and correct it. But we have done everything we could to faithfully provide the information that was asked for.

Mr. KUTZ. Can I give you a specific?

Mr. DAVIS. Yes.

Mr. KUTZ. There is a memo dated May 8, 2008. We got that memo in October. Is that specific?

Mr. DAVIS. I think that is pretty specific.

Would you consider that to be timely in any kind of way?

Mr. KUTZ. It is one page, by the way.

General HARRINGTON. Sir, I would just say we will look at the circumstances surrounding why it took that long.

Mr. DAVIS. Well, let me just ask you, Mr. Kutz, does GAO believe that the Army had an escape clause where they didn't have to keep doing business with this company?

Mr. KUTZ. Yes, we do. In fact, we have a picture on the monitor—if you could just take a quick look at that—that shows the time line, which gives you a broad perspective of this. This contract was awarded and signed by the individual that was ultimately convicted in March 2003. Two weeks later he was arrested, and the

Army then extended his performance contract—it was a 3-year contract.

They did the first extension, then, in March 2004. He was then convicted in May 2004, and almost a year after that conviction they extended the contract for another year. Finally, the guy was debarred and the company debarred in July 2005. So there were several cases where they had outs, and I want to read to you information from the contract, actually, about one of those outs.

It was the contractors performing services in the Federal—this is out of the contract: “Contractors performing services in the Federal Public of Germany shall comply with German law. Compliance with this clause in German law is a material contract requirement. Noncompliance by the contractor or subcontractor at any tier shall be grounds for issuing a negative past performance and terminating this contract.” That is out of the contract.

Mr. DAVIS. Let me just ask quickly, Mr. Harrington, could you tell us why the Army felt that it was obligated to continue doing business?

General HARRINGTON. Sir, the contract was with Optronics, not Mr. Tripple. Mr. Tripple was arrested, convicted, and sentenced. He was removed as managing director on June 17, 2004. We feel his reach into the company was stopped at that point because he was jailed.

With regard to the comment about compliance with German law, if you read further into that clause, it is about making sure that they comply with German law with respect to work permits, identification requirements, and employee qualifications.

Mr. KUCINICH. The gentleman’s time has expired.

Mr. DAVIS. Let me just ask Mr. Levy, if I could.

Mr. KUCINICH. Mr. Davis, we have 2 minutes to get to the vote. If you want, I will let you do a followup question when we come back.

Mr. DAVIS. All right.

Mr. KUCINICH. Then we go to Mr. Tierney.

We are going to recess for 30 minutes. I would ask all the witnesses please return in about a half hour. We are in recess.

[Recess.]

Chairman TOWNS [presiding]. We have been joined by Mr. Amey, of course, who did not hear us when we combined the panel, so will you stand now and let me swear you in? Then we can have your statement.

[Witness sworn.]

Chairman TOWNS. Let the record reflect that he answered in the affirmative.

Mr. Amey is General Counsel of the Project on Government Oversight [POGO]. Mr. Amey currently directs POGO’s contract oversight investigations, including review of Federal spending of goods and services, the responsibility of the top Federal contractors and conflicts of interests and ethics concerns that have led to questionable Federal contract awards.

So we welcome you. At this time we would have you make your opening statement and then we will have questions.

**STATEMENT OF SCOTT AMEY**

Mr. AMEY. Thank you, Chairman. And I apologize for not hearing the merger of the panel discussion.

Good morning, Chairman Towns, Ranking Member Issa, and members of the committee. The bio you just provided I won't add to, because I know I have limited time. But I thank you for allowing me to testify today.

Suspension and debarment has been a process that has been on POGO's radar for nearly 10 years. In fact, we released a report in 2002 entitled, "Federal Contractor Misconduct: Failures of the Suspension and Debarment System."

POGO requested that the Government review the suspension and debarment system, especially as it applied to large contractors with repeated histories of misconduct, including the award of contracts to entities that defrauded the Government or violated laws of regulations, that have had poor work performance, or contractors that had their contracts terminated for default.

That report, also in 2002, led POGO to release what we call our Federal Contractor Misconduct Database, which is a database of Federal contractors that have criminal, civil, and administrative instances against them that also includes fines, penalties, and settlements. We have over 800 actual and pending cases in our database, and the total is over \$25 billion worth of settlements, penalties, fines, or restitution paid to Federal, State, local, foreign governments, or private sector entities since 1995.

Last year, Chairman Towns, former Chairman Waxman, and Congresswoman Maloney spearheaded legislation to create a comprehensive Government-run contractor performance and responsibility database. I think today's hearing is showing that there are some errors and some problems with the current suspension/debarment system and that we need to consider how to consolidate a lot of this data together and make it work together, integrate it so that contracting officers and suspension/debarment officials all have the most relevant, accurate data in front of them to make contracting and suspension and debarment decisions.

POGO recommends that this committee provide public access to the Federal Contractor Responsibility and Performance Database—currently, it will not be publicly available—that they increase the scope of civil and administrative cases included in that database to include cases settled with no admission of guilt or liability. We feel that is still an indication of a company's integrity and satisfactory record of business ethics that needs to be highlighted for the Government as well as the public.

To require that all administrative agreements are shared among agencies and are made publicly available. This was a recommendation that came from GAO in 2005. I know the former head of OFPP, Mr. Dennett, was working on making those all public, but I am unsure of the current status of that and whether that plan has actually taken effect. And, again, it goes back to previous GAO reports. That you implement all the GAO's recommendations from today; that you also make terminations and justifications publicly available.

The first panel talked about the terminations and justifications, especially for continuing a current contract. That they mandate

that an offer or bidder that falsifies a certification regarding responsibility matters is immediately considered for suspension or debarment, and that those decisions are made publicly available; that you consider the use of background checks for company's principals, especially contractors involved with classified or sensitive information; and that you also take a look at this new pilot program for subcontractors and try to marry up how many subcontractors are out there currently working that may be on the Excluded Parties List or have long track records of misconduct.

With that, I will conclude my remarks. I thank you for inviting me to testify today. I look forward to working with the entire committee in trying to fix the problems that have been highlighted today. Thank you.

[The prepared statement of Mr. Amey follows:]





**Testimony of Scott Amey, General Counsel  
Project On Government Oversight (POGO)  
before the  
House Committee on Oversight and Government Reform**

**“Protecting Taxpayers from Banned and Risky Contractors and Individuals”**

**February 26, 2009**

Good morning Chairman Towns, Ranking Member Issa, and Members of the Committee.

Thank you for inviting me to testify today about the state of the federal contracting system. I am Scott Amey, General Counsel and Senior Investigator with the Project On Government Oversight (POGO), a nonpartisan public interest group. Founded in 1981, POGO investigates and exposes corruption and other misconduct in order to achieve a more accountable federal government.<sup>1</sup>

Throughout its twenty-eight-year history, POGO has created a niche in investigating, exposing, and helping to remedy waste, fraud, and abuse in government spending. One of POGO's most celebrated investigations uncovered outrageously overpriced military spare parts such as the \$7,600 coffee maker and the \$435 hammer.<sup>2</sup> Since that time, particularly in the 1990s, many acquisition reforms have been implemented. The reforms, however, were not all they were billed. The problems created by the reforms became starkly apparent after the beginning of the Afghanistan and Iraq wars, and after Hurricane Katrina devastated the Gulf Coast. Those events showed that contracting decisions were placing taxpayer dollars – and sometimes lives – at risk.

Those events also highlighted how drastically different the federal government's contracting landscape is now from what it was in past decades. Contracting dollars have increased to over \$530 billion in fiscal year 2008, oversight has decreased, the acquisition workforce is stretched thin, and spending on services now outpaces spending on goods. (And because the return on services is more difficult to quantify than on goods, contracting is even more vulnerable to waste, fraud, and abuse.) Reforms have reduced contract oversight, making it difficult for government investigators and auditors to find waste, fraud, and abuse, and have created contracting vehicles that often place public funds at risk.<sup>3</sup> Additionally, as evidenced by the

<sup>1</sup> For more information on POGO, please visit [www.pogo.org](http://www.pogo.org).

<sup>2</sup> [http://www.pogo.org/pogo-files/reports/national-security/defense-waste-fraud/ns-wds-19990901.html#The\\_435\\_Hammer\\_That\\_Wont\\_Go\\_Away](http://www.pogo.org/pogo-files/reports/national-security/defense-waste-fraud/ns-wds-19990901.html#The_435_Hammer_That_Wont_Go_Away).

<sup>3</sup> The Federal Acquisition Streamlining Act of 1994 (FASA) (Public Law 103-355), the Federal Acquisition Reform

Government Accountability Office's (GAO) report released today, contractor accountability has been lost.

#### **Contractor Accountability Failures**

Government contracts are predicated on a basic principle – taxpayer dollars should be awarded to responsible companies. The Federal Acquisition Regulation (FAR) Subpart 9.103 states that “[p]urchases shall be made from, and contracts shall be awarded to, **responsible prospective contractors only**” and that “[i]n the absence of information clearly indicating that the **prospective contractor is responsible, the contracting officer shall make a determination of nonresponsibility.**”<sup>4</sup> (Emphasis added)

Questions should be raised when contracts are awarded to risky contractors. Such contractors include those that have defrauded the government or violated laws or regulations, contractors that had poor work performance during a contract, or contractors that had their contracts terminated for default. Continuing to award contracts to such contractors undermines the public's confidence in the fair-play process and exacerbates distrust in our government. It also results in bad deals for the government and for taxpayers.

In addition, with the increase in outsourcing government work, contractors often have access to classified or sensitive government information. The government needs complete confidence that those contractors and their employees will protect this information. A contractor's responsibility record, including exclusions from government contracts, must be known and considered prior to awarding a contract.

To help ensure that excluded contractors do not receive new contracts during a period of exclusion, the FAR requires contracting officers to consult the Excluded Parties List System (EPLS), a list of contractors suspended or debarred from receiving future government contracts.<sup>5</sup> Suspensions and debarments apply government-wide – one agency's suspension or debarment decision precludes all other agencies from doing business with an excluded party. These prohibitions also apply to subcontracts, but with little, to no, information about subcontractors, the problems highlighted today might be worse than expected.<sup>6</sup>

According to the Council of the Inspectors General on Integrity and Efficiency, there were only 4,296 suspensions or debarments of contractors and individuals in fiscal year 2007, which was down from the 7,300 in FY 2006 and the 9,900 in FY 2005. All federal agencies under-utilize suspension and debarment against large contractors that supply the majority of the \$530 billion worth of goods and services to the federal government each year. In fact, there have only been a handful of large contractors suspended since the 1990s – GE (for a period of five days), Worldcom, Enron, Arthur Anderson, Boeing (which received multiple waivers to receive new

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Act of 1996 (FARA) (Public Law 104-106), and the Services Acquisition Reform Act of 2003 (SARA) (Public Law 108-136) have removed taxpayer protections.

<sup>4</sup> Federal Acquisition Regulation, Subpart 9.103(a) and (b), [http://www.arnet.gov/far/current/html/Subpart%209\\_1.html#wp1084058](http://www.arnet.gov/far/current/html/Subpart%209_1.html#wp1084058).

<sup>5</sup> FAR Subparts 2.101, 9.404, and 52.209-6, <http://www.acquisition.gov/far/current/pdf/FAR.pdf>.

<sup>6</sup> FAR Subpart 9.405-2.

contracts during its suspension),<sup>7</sup> and most recently IBM (for a period of eight days in 2008). Overall, the government needs to re-emphasize the importance of preventing risky contractors from receiving future taxpayer dollars.

Since 2002, POGO has requested that Congress review the suspension and debarment system, especially as it has been applied to large contractors with repeated histories of misconduct. That year, POGO released a report titled *Federal Contractor Misconduct: Failures of the Suspension and Debarment System*, detailing large federal contractors that had been found to have repeatedly broken the law or engaged in misconduct but had not been suspended or debarred from doing business with the government.<sup>8</sup> The report includes recommendations to improve the suspension and debarment system, including:

1. Creation of a centralized database of contractor responsibility information, including civil judgments, criminal convictions, administrative agreements, settlements, fines, and contracts terminated due to poor performance
2. Improved contractor disclosures to government officials so that contracting officers can make better contractor responsibility determinations
3. Fair and equal application of the federal acquisition regulations as to small, mid-sized, and large contractors
4. Amendments to the FAR to require that a suspension or debarment is mandatory for a contractor who is criminally convicted or has had civil judgments rendered against it more than once in a three year period
5. Empower the Interagency Suspension and Debarment Committee (ISDC)<sup>9</sup> to coordinate which federal agency takes the leadership role in a suspension or debarment case and submit semiannual reports to Congress regarding the suspension and debarment system
6. Require the EPLS to archive past suspensions and debarments on its online database.

The good news is that some of those recommendations have been implemented (the EPLS archives) or are in the works (a government-wide responsibility database<sup>10</sup> and improvements to

<sup>7</sup> Waivers, also known as “compelling reason determinations,” allow the government to award a contract to a suspended or debarred contractor or individual. FAR Subparts 9.405 and 52.209-6 (permitting a prime contractor to enter into any subcontract in excess of \$30,000 with a suspended or debarred contractor if there is a “compelling reason”). Compelling reason determinations are also used in instances when an agency feels it must continue doing business with a suspended or debarred contractor. FAR Subparts 9.406 and 9.407.

<sup>8</sup> POGO Report, *Federal Contractor Misconduct: Failures of the Suspension and Debarment System*, May 10, 2002, <http://www.pogo.org/pogo-files/reports/contract-oversight/federal-contractor-misconduct/co-fcm-20020510.html>.

<sup>9</sup> The Interagency Suspension and Debarment Committee (ISDC) was created, as an Office of Management and Budget (OMB) committee, by Executive Order 12549 for the purpose of monitoring and overseeing the suspension and debarment system, <http://www.epa.gov/ogd/sdd/isdc.htm>.

<sup>10</sup> Public Law 110-417, Sec. 872, October 14, 2008.

the ISDC<sup>11</sup>). The bad news is that although a contractor responsibility database is being created, two major concerns still exist.<sup>12</sup> The scope of misconduct that must be included in the database was significantly narrowed, which might create an incentive to settle cases in an effort to keep them out of the database, and the government's database will not be publicly accessible. POGO is a fervent believer in the aphorism "sunshine is the best disinfectant" – the public has a right to know the responsibility histories of the contractors and grantees that receive hundreds of billions of taxpayer dollars each year. Moreover, public review of the data might shine a light on contractors that are gaming the suspension and debarment system.

POGO's 2002 report was supported by the creation of the first publicly available Federal Contractor Misconduct Database.<sup>13</sup> Since its release, POGO has compiled the track records of over 100 federal contractors – some of which have long rap sheets. POGO's database includes over 800 instances of contractor misconduct and documents over \$25 billion in financial settlements, penalties, fines, or restitution paid to federal, state, local, or foreign governments and private sector parties. Therefore it is essential to look at risky contractors that have long nonresponsibility track records in addition to those avoiding detection in the EPLS.

#### **Improving the Suspension and Debarment Process**

Despite some movement to improve contractor accountability processes, POGO is deeply troubled by today's GAO report that shows even the most basic task (consulting the EPLS) isn't being performed, or, due to flaws in the data and the search engine, isn't accurately reflecting which contractors have been excluded.

Today, the GAO details major problems with the EPLS, the government's first line of defense against risky contractors. It is outrageous to think that contractors know their way around the system and often reorganize under a different name so as to avoid detection. The result is that suspended and debarred contractors are receiving new contract awards.

To address these problems, the GAO recommended that the General Services Administration (GSA) take the following actions:

1. Issue guidance to procurement officials on the requirement to check EPLS prior to awarding contracts, and to suspension and debarment officials on the five-day entry and contractor identification number requirements
2. Ensure that the EPLS database requires unique contractor identification numbers for all actions entered into the system
3. Strengthen EPLS search capabilities to include common search operators, such as AND, NOT, and OR
4. Take steps to ensure that the EPLS point of contact list is updated

<sup>11</sup> Public Law 110-417, Sec. 873, October 14, 2008.

<sup>12</sup> <http://www.pogo.org/pogo-files/letters/contract-oversight/co-tic-20090129.html>.

<sup>13</sup> <http://www.contractormisconduct.org/>.

5. Place a warning on the Federal Supply Schedule website indicating that prospective purchasers are required to check EPLS to determine whether vendors are excluded and explore the feasibility of removing or identifying excluded entities that are listed on the GSA Schedule.

Most troubling is that some of the recommendations in today's report are identical to those in previous GAO reports detailing problems with the suspension and debarment system. In 2005, GAO found that

about 99 percent of records in EPLS for the 6 agencies we reviewed in depth did not have contractor identification numbers—a unique identifier that enables agencies to conclude confidently whether a contractor has been excluded. In the absence of these numbers, agencies use the company's name to search EPLS, which may not identify an excluded contractor if the contractor's name has changed. Further, information on administrative agreements and compelling reason determinations is not routinely shared among agencies. Such information could help agencies in their exclusion decisions and promote greater transparency and accountability.<sup>14</sup>

That GAO report resulted in a White House memorandum directing agency suspension and debarment officials to share administrative agreements with the ISDC.<sup>15</sup> This Committee and the ISDC should inquire as to the guidance that was to follow and the status of the administrative agreement sharing program.

In a January 12, 2007, report and briefing to the Senate Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, the GAO stated that “[t]he contracting officer **should check** the EPLS to determine whether the contractor is prohibited (suspended, debarred, proposed for debarment, or otherwise ineligible) from receiving an award.”<sup>16</sup> (Emphasis added) The report also stated, “Procedures vary among agencies, but contracting officers reported that **in general**, they check EPLS for debarments or suspensions.”<sup>17</sup> (Emphasis added) These non-mandatory terms for using the EPLS might have been a precursor to the GAO's finding that contracting officers do not always check the EPLS.

<sup>14</sup> GAO Report, *Federal Procurement: Additional Data Reporting Could Improve the Suspension and Debarment Process*, GAO-05-479, July 2005, p. 3, <http://www.gao.gov/new.items/d05479.pdf>. According to the report, problems related to contractor names and identifiers date back to 1987. *Id.*, at p. 16.

<sup>15</sup> Paul A. Denett, Administrator for Federal Procurement Policy, and Linda M. Combs, Controller, Office of Federal Financial Management, Memorandum to Heads of Departments and Agencies, Suspension and Debarment, Administrative Agreements, and Compelling Reason Determinations, M-06-26, August 31, 2006, <http://georgewbush-whitehouse.archives.gov/omb/memoranda/fy2006/m06-26.pdf>.

<sup>16</sup> Cristina T. Chaplain, Acting Director, Acquisition and Sourcing Management letter to The Honorable Carl Levin and The Honorable Norm Coleman, Senate Permanent Subcommittee on Investigations Committee on Homeland Security and Governmental Affairs, Selected Agencies Use of Criminal Background Checks for Determining Responsibility, Enclosure I, p. 8, January 12, 2007, <http://www.gao.gov/new.items/d07215r.pdf>.

<sup>17</sup> *Id.*, at Enclosure I, p. 12.

Having reliable data on contractors is becoming more vital because of the growing reliance on them at all levels of government. The National Procurement Fraud Task Force has recommended establishing a National Procurement Fraud Database and requiring background checks for contractor principals.<sup>18</sup> The database would be created with federal funds and be “utilized by federal, state, and local procurement officials prior to the authorization of contract actions.”<sup>19</sup> The Task Force found that “[m]obility permits fraudulent contractors and service providers to move between levels of Government and across jurisdictions with little fear of detection since a national database does not exist.”<sup>20</sup>

#### **POGO’s Recommendations**

POGO urges this Committee to further investigate the suspension and debarment system and make the necessary improvements to ensure that taxpayer dollars are not at risk.

1. Provide public access to the federal contractor responsibility and performance database. The database should become the one-stop shop to find all information about a contractor’s performance, responsibility, ethics, and integrity track record.
2. Increase the scope of civil and administrative cases included in the federal contractor responsibility and performance database. Cases should include civil, criminal, and administrative proceedings resulting in the payment of a monetary fine, penalty, reimbursement, restitution, damages, or settlement of \$5,000 or more to a government – even when there is no admission of guilt or liability.
3. Require that all administrative agreements are shared among agencies and are made publicly available.
4. Implement GAO’s past and recent recommendations, including training the acquisition workforce about entering information into and using the EPLS, or its successor; requiring unique identifiers; strengthening EPLS search capabilities; updating EPLS points of contacts; ensuring that government ordering websites are tied into the EPLS so that contracting officers are aware that suspended or debarred contracts should not be given new contracts; and sharing of administrative agreements.
5. Mandate that an offeror or bidder that falsifies a certification regarding responsibility matters be immediately debarred.<sup>21</sup>
6. Consider the use of background checks for companies and principals, especially for contracts involving classified or sensitive information.
7. Investigate the pilot program requiring contractors to report specific information about their subcontractors for suspension and debarment violations as a way to uphold the ban on contracting or subcontracting with suspended or debarred contractors or individuals.

<sup>18</sup> National Procurement Fraud Task Force, Legislation Committee, *White Paper*, June 9, 2008, <http://pogoarchives.org/m/co/npftfc-white-paper-20080609.pdf>.

<sup>19</sup> *Id.*, at p. 18.

<sup>20</sup> *Id.*

<sup>21</sup> FAR Subpart 52.209-5.

POGO urges this Committee to think big when creating a new and improved suspension and debarment database – especially in light of the passage of the federal contractor performance and responsibility database that will include civil, criminal, and administrative cases, including contractors and individuals who have been suspended or debarred.<sup>22</sup> The consolidation of information will not only assist contracting officers and suspension and debarment officials, it will also provide a public forum to further identify instances highlighted by the GAO today. Moreover, it will assist in weeding out risky or banned contractors and potentially increase competition in federal contracting.

**Conclusion**

POGO remains concerned with the award of taxpayer dollars to contractors with long rap sheets. Today's GAO report further erodes POGO's confidence in the current process to weed out risky contractors – especially those contractors who have been excluded from doing business with the federal government.

Thank you for inviting me to testify today. I look forward to working with Chairman Towns, Ranking Member Issa, and the entire Committee to further explore how the government can improve the suspension and debarment process and better protect taxpayers.

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<sup>22</sup> Public Law 110-417, Sec. 872(c)(3).

Chairman TOWNS. Thank you. Sorry about the confusion.

At this time, I yield to Mr. Tierney.

Mr. TIERNEY. Thank you. I thank the gentleman for his consideration.

Gentlemen, thanks for your testimony, but I have to tell you I am a little bit troubled on this, and maybe it is a misunderstanding. If I sit back and look at this, I think as general people might look at it, I hear everybody saying it is the system's fault, you know, we have this electronic list system and it isn't working or whatever.

But I think there is a lot of human error involved here, and I am hoping that it isn't sort of a cultural thing, that it isn't just a casual attitude or sloppy attitude about making entries. When you see 27 percent of the time DUNS numbers aren't put in, I wonder where is the management in all this.

So let me ask what agency is taking responsibility for making sure that all of this is going properly, that the database is monitored and that we know when things aren't going right?

Mr. DRABKIN. Sir, that would be GSA. We are the managing partner for the integrated acquisition environment, of which EPLS is a part, my program manager and the director of that program, sitting right behind me. We do have the responsibility for managing the database on behalf of our other Federal agency partners. We are checking the database. And as I mentioned in my opening testimony, I am able to report today that only 150 of the current active 51,117 records lack DUNS numbers, and we are in the process of getting those 150 records updated.

Mr. TIERNEY. You know, it is also a bit of an issue of vigilance here. It is interesting to know that GAO went out there and found 25 incidents, and then either you or somebody else said, we found 35; and that is a small number compared to all the numbers out there.

But why wasn't the check before GAO had to get involved? Why wasn't that a regular course of business and who was responsible for it not having been a regular course of business? And what action was taken with respect to their inability or unwillingness to do their job?

Mr. DRABKIN. Sir, it is the responsibility of every single contracting officer. That responsibility is laid out in the regulation; it is laid out in the training that I provide them—

Mr. TIERNEY. Because I have limited time, somebody is the boss of all those people and somebody ought to have been monitoring that to make sure, on a regular basis, that was being done. Now, if somebody did that after the GAO put out their report, I want to know why didn't somebody do it before it got to the point the GAO did the report. Why wasn't it a regular practice that somebody did the kind of scrub that GAO did on this and made the corrections as you went along?

Mr. DRABKIN. Sir, that is a good point, and I will take it back to the FAR Council and we will look at what type of guidance we can issue to see if there is a way to run a check periodically to make sure—

Mr. TIERNEY. Well, there obviously is; somebody at the GAO did it.



Mr. DRABKIN. That is true, sir.

Mr. TIERNEY. It has been proven it can be done. GAO proved it could be done and you proved it could be done.

Mr. DRABKIN. That is correct, sir.

Mr. TIERNEY. So, I mean, it is just not very edifying to sit up here and say, well, we read GAO's report and, gee, you know, they are right, they got us, we made some mistakes, mea culpa, whatever. It goes deeper than that. This never should have happened. Either you want to try to minimize the number of incidents and say it is only 35 and it is not a lot of money. There are a lot of lives involved.

When the Truman Commission was in place, there were two measures: one was how much money was saved; the other was how many lives were saved. And I think that point was made by Mr. Kutz earlier on that.

So I expect and I hope that you will go back and then report to this committee exactly what the process is going forward for that to be done on a regular basis and what you are going to do about what might be a cultural problem out there, either laziness or sloppiness or people not thinking. There is a price to pay when they don't put the DUNS number in on a regular basis.

Mr. DRABKIN. The only issue I take, sir, with your comment is obviously 35 errors out of 30 million transactions is not a cultural problem. But I take your point.

Mr. TIERNEY. But 27 percent of the time not having a DUNS number entered in may well be a cultural problem.

Mr. DRABKIN. It took in a period of time when we were transitioning to adding the DUNS number to the database, sir.

Mr. TIERNEY. Whatever. Twenty-seven percent is 27 percent, and vigilance is vigilance.

Mr. DRABKIN. Yes, sir.

Mr. TIERNEY. And the consequences are serious on that.

Mr. DRABKIN. Yes, sir.

Mr. TIERNEY. So I expect that everybody is going to do something on that.

I am still troubled by this Optronics case. General Harrington, let me tell you the president of Optronics is arrested 3 weeks after he gets a contract and the Army doesn't disbar him or suspend him. Time goes on, he is convicted, he is sentenced, and they are still doling out money to this guy, to this company.

Now, you said something about, well, gee, he was in jail, so we thought he was off the street, so we kept doing business with the company. So is the idea here that as long as you form a corporation, any agent of that corporation can commit a bad act and the company still does get contracts with the Government? Is that the deal?

General HARRINGTON. Sir, the company was performing more than satisfactorily in its contract obligations to the Army. It was rated excellent in its performance.

Mr. TIERNEY. Tell me the excellent part about making sure the Koreans got parts they weren't supposed to get.

General HARRINGTON. They didn't get any parts, sir. Those parts were confiscated before they ever got—

Mr. TIERNEY. Well, very good point. So if you want to pick nits, let's go this way. What is the good contract part about having it get to the point where they had to be confiscated, and that this individual was responsible for that, his company continues on getting money from the Government and from the taxpayer?

General HARRINGTON. Sir, the company was providing civilian actors on the battlefield for Army training for a major training event for two combat brigades entering combat into Iraq. It was a deliberate set of decisions made to assess whether or not that company ought to go on. Its performance was rated as excellent. They were a capable company, irrespective of the fact that the managing director had been jailed. He had also been removed from the company.

Mr. TIERNEY. Does anything sound bizarre to you about that? Maybe I am the only one hearing this oddly or whatever. There are other companies that do this kind of work. There are other companies now doing this work, in fact. And the Army makes a decision to deal with somebody who has this kind of a background, their principal officers? I just don't get it.

What is the reason for that? I mean, there has to be some price to pay for people stepping out of line like this, not saying, well, it is a little inconvenient for us to go find somebody else, even though there are other qualified people out there who can do it.

General HARRINGTON. There is, likewise, sir, a process to go search for other companies to perform that type of work at the major training area. At that point, Optronics had over 500 people engaged in the performance of this contract at the training area. An assessment was made to determine whether other companies were available right then and there to continue on with this work to be able to move these brigades into Iraq. They were a part of a flow of combat brigades in and out of Iraq and a part of the build-up going in. The critical element here is that these soldiers get trained in actual realistic scenarios before they have to enter into combat with terrorists.

Mr. TIERNEY. Well, the inference that you are trying to draw there is that nobody else could have done it and stepped in there, and I think that simply is not accurate. Certainly, at least you are acknowledging that it is not something you didn't know about; there was a headline in the Washington Post in August 2003, so you guys knew it and you consciously made the decision to not go to other qualified people to do it, but to let this company carry on.

General HARRINGTON. That is exactly right, sir.

Mr. TIERNEY. I think that is short of astounding.

General HARRINGTON. That is exactly right. We made a deliberate decision to continue on.

Chairman TOWNS. The gentleman's time has expired.

Let me say, Mr. Drabkin, we will keep the record open to hear what happened, when you go back and you talk about the suggestion that was made by Congressman Tierney in reference to discussion. We will hold the record open for that, because I view this as being very serious.

And I want you to know this hearing is about the possibility of legislation because any time you place troops in jeopardy when you sell vests, bulletproof vests that don't block bullets, and when you

attempt to sell things to the enemy, you just can't ignore those kinds of things. Now, we want to try to see what we can do in terms of you fixing it. But if you cannot fix it, then this is what this committee is about. We want to get rid of waste, fraud, and abuse, but we are also about security as well.

Mr. Chaffetz.

Mr. CHAFFETZ. Thank you, Mr. Chairman.

Captain Jaggard, you alluded, in your impromptu testimony, that there were instances where they didn't actually use or tap into the system. How often does that happen? And is it normal protocol to actually use or not use the system?

Captain JAGGARD. In the 25 cases that are the subject of the GAO report, for the Navy there were 7 of them. There were two instances where the list was not properly checked by the contracting officer.

Mr. CHAFFETZ. So is it common practice to use the system?

Captain JAGGARD. It is required that they use the system, and that is why we issued the fraud alert as soon as we found out, to remind everybody that they are required to use the system.

Mr. CHAFFETZ. So in this case the employee didn't use the system that was in place?

Captain JAGGARD. She mistakenly thought that you didn't have to use the system for a modification to a contract, which was the action which was involved, and she was wrong.

Mr. CHAFFETZ. Mr. Kutz, help me here with the math and the understanding of what you found in your perspective. My understanding is that, over the last 7 years, there have been something like 70 million transactions, is that right, contract actions? Does that sound right?

Mr. KUTZ. I will trust Mr. Drabkin's numbers in that respect.

Mr. DRABKIN. Roughly.

Mr. CHAFFETZ. And that there are 70,000 either entities or individuals that are listed within the system? How many different contractors does that represent? If there are some 70 million transactions, or contract actions, I guess, how many different vendors does that represent?

Mr. DRABKIN. I will have to get back to you with an exact number, but it averages about 250,000 to 300,000 vendors a year, and across the years there are some vendors who remain the same and there are some vendors who are added or deleted to the base of vendors who do business with us; and that does not take into account those vendors who sell to us through the micro purchase program, because we don't report—we only recently started that reporting process.

Mr. CHAFFETZ. So you are telling me there are 250,000 or so different vendors, but, yet, we have 70,000 that are listed on this?

Mr. DRABKIN. That is 70,000 companies or individuals are listed. There are a lot of individuals who are listed who have never done business with us at all. For instance, there are Congressmen who were convicted, there are citizens who were convicted, never done business with us before, but we suspend or debar them. There are individuals from companies who are suspended or debarred, and the company may itself not be suspended or debarred.

So 70,000 does not represent the number of companies, and there is no direct correlation between that number and the 250,000 to 300,000 vendors we do business with on a day-to-day basis across the Government.

Mr. CHAFFETZ. I guess at some point I would like to clarify—our time is short here—how pervasive this problem is. Are we dealing with 2 percent, 1 percent, a fraction of a percent, 10 percent of the vendors are individuals that we are having trouble with along the way, actually, at some point run, into trouble where they have not met the criteria and end up in this database?

I would ask you each—our time is so brief here—how in the world are we going to deal with literally trillions, trillions of new dollars going into the system with the resources that you have within your own departments in terms of personnel and the database. How in the world is that going to work? Anybody want to take a stab at that one?

Mr. WILLIAMS. I will be glad to. We are concerned about that, concerned about the capability and the capacity to be able to spend that money wisely and effectively, and I will tell you most of the major acquisition agencies are trying to hire right now. What we are concerned about is the labor pool we are trying to hire from that we are all trying to—

Mr. CHAFFETZ. How long does it take you to train somebody to get up to speed to actually become an acquisition officer?

Mr. WILLIAMS. Well, to become a contracting officer, usually about 5 years or so of training and working.

Mr. CHAFFETZ. Five years of training?

Mr. WILLIAMS. Five years of training. They start at the lowest level, as a contract specialist, and then once they have received all their training and the experience, and in the judgment of a senior official that they have the training, the business skills, the right ethics, then they are awarded a contracting officer warrant.

Mr. CHAFFETZ. I have only got seconds here. Let me also ask 10 separate systems, is that correct? Is that what we are dealing with here? The integration of the systems so that you all can communicate with each other, how pervasive is that problem and challenge, and what are we doing to rectify it?

Mr. DRABKIN. There are 10 separate systems that make up IAE. There is only one system for EPLS. That system and the integration discussion I had with Mr. Issa was about integrating that database with transactional systems that actually award contracts. There are multiple transactional systems throughout the Government. It is a tool that we lack. Had we that tool, the instances of mistakes would be further reduced.

Mr. CHAFFETZ. What are we doing to solve that? I know my time is up here.

Mr. DRABKIN. I am sorry, sir?

Mr. CHAFFETZ. Is there a plan to actually solve that challenge?

Mr. DRABKIN. No, sir.

Mr. CHAFFETZ. Thank you, Mr. Chair.

Chairman TOWNS. Thank you very much.

Mr. Davis, I understand that you were short-changed, and I would like to correct that.

Mr. DAVIS. Mr. Chairman, you know I don't ever want to be short-changed, especially being from Chicago. [Laughter.]

Chairman TOWNS. We yield to you 2 minutes.

Mr. DAVIS. Thank you very much, Mr. Chairman.

I would like to revisit the Optronics situation that we were discussing when we left. Mr. Harrington indicated that the Army had an obligation to continue doing business with Optronics, and I will give them the benefit of the doubt on that one. But then one reason I understand for continuing to do business with a debarred company or individual is that there is no other contractor that can provide specialized goods or services.

Mr. Kutz, do you know what Optronics was selling or providing to the Army?

Mr. KUTZ. Yes, it was called Civilians on the Battlefield, role play actors. They were acting as mayors, refugees, villagers. The qualifications according to the contract were they needed to understand English, for example, be willing to work 10 hours a day, be properly clothed, overshoes, extra socks, thermal undergarments, and they were not allowed to have consumed any alcohol before becoming actors.

Mr. DAVIS. Role playing actors?

Mr. KUTZ. Role play actors, yes, making probably \$10 or \$15 an hour, something along those lines.

Mr. DAVIS. Mr. Harrington, is that correct?

Colonel HARRINGTON. Yes, sir, it is.

Mr. DAVIS. In your opinion, Mr. Kutz, was this a unique service that could not have been done by another company?

Mr. KUTZ. No. I believe someone was doing it before and someone is doing it now, from what I understand.

Mr. DAVIS. Mr. Levy, could I ask you a question, if you would comment? Do you think that there is—as an expert in procurement, as a practicing attorney, do you think there was any escape clause or any way that the Army could have escaped or gotten out of this contract?

Mr. LEVY. Gotten out of the contract altogether?

Mr. DAVIS. Yes.

Mr. LEVY. Well, without having seen the contract, I think the first thing—

Mr. DAVIS. Or not continue to do business at this juncture.

Mr. LEVY. Well, that is two different questions, Mr. Congressman. One is could they have gotten out of the contract and two was did they need to award additional work. With regard to the additional work, they had to make a compelling circumstances determination, and that is what is being discussed, and that would go not only to whether or not there was another source, but whether there was another source that could timely provide that particular service, or if it would have impeded the Army's mission.

I don't know the answers to those questions, but those would have been the questions to ask. And what would have been the cost of standing down this particular contractor and bringing in another company in the short-term. So those are, I believe, the questions to ask in a compelling circumstances determination.

With regard to whether they could have gotten out of the contract altogether, without having seen the contract, but typically—

and assuming that the impropriety here did not relate to the actual performance of that award—and as I heard General Harrington say, they were performing excellently—then typically within the Government contracts there is what is called a termination for convenience clause, and that clause permits the Government, for any reason, to terminate a contract of its own volition so long as it is not done in bad faith.

But there are consequences to the Government of exercising that clause, because the Government then is liable to the contractor for all the costs it has incurred not only for liquidated products and services delivered under the contract, but for all the costs that are incomplete, has to pay the contractor, make them whole. Whatever they have incurred in terms of costs, they get reimbursed those costs plus a profit; they get reimbursed the costs of putting together their settlement proposal. So the Army would have had those costs plus whatever costs it would have incurred to re-procure.

But as a technical, legal matter, they probably could have gotten out of the contract.

Mr. DAVIS. Thank you very much.

Mr. Chairman, if I could just ask my last question.

General Harrington, if the president of Optronics was arrested for violating German law nearly 3 weeks after having been awarded the contract with the Army, why did the Army not suspend the contract at that time or why did it take nearly a year before the debarment of the company or the individual took place?

General HARRINGTON. Sir, the Army continued on with the contract because the contractor personnel were performing satisfactorily. There is a due process with regard to going through the legal processes to debar. The Army recognized the offense Heir Tripple had committed; it made a deliberate decision to continue to engage the company because of the criticality of the functions it was performing to help prepare American soldiers to go directly into combat in Iraq.

When Mr. Tripple was jailed, there was a determination made that his reach into the company was nil and that he had been removed as managing director. And, again, the assessment was that other companies that would have to come in to do that would have to be issued solicitations, and that would be a 5- to 6-month period where they would have to consider awarding a contract to another offeror.

So the type of contract issued was what is called a requirements contract. It is essentially an assurance by the Government to the contractor that all requirements that have to be performed are guaranteed to that contractor for that period of performance. Were we to terminate for convenience, we would have been held in breach of contract, and that was a proceeding that we did not want to have to handle.

Mr. DAVIS. Thank you very much.

Thank you, Mr. Chairman. I will just note that between the time of the arrest and the conviction, the Army paid Optronics \$11.5 million. That seems to be a lot of money to me.

I thank the gentlemen for your answers, and I yield back, Mr. Chairman.

Chairman TOWNS. Thank you very much. Let me just sort of pick up on that.

Mr. Kutz, do you agree with the statement made by General Harrington?

Mr. KUTZ. Some of the things we agreed on. I mean, I think that they had opportunities to get out. Again, as Congressman Davis said, the individual was arrested in 2003 and the debarment didn't happen for several years, but he was convicted in May 2004. Ten months after that they extended his performance for the third year of the contract. If there was any time they could have gotten out, it was right there they could have actually gotten out of it.

Plus, we believe the language in the contract that I read earlier for the record meant what it said, that a violation of German law was a condition where they could have terminated. They wanted to take the route that was more expeditious for purposes of the role players on the battlefield rather than deal with what the Army themselves had said was a morally bankrupt individual, and doing what the Army did was irresponsible. The Army said it was irresponsible, yet the Army still did it.

Chairman TOWNS. Let me ask you, Mr. Amey. You have a database as well. What is the difference between yours and EPLS's database. Is there any difference?

Mr. AMEY. Yes, sir.

Chairman TOWNS. What is the difference?

Mr. AMEY. The EPLS is only a list of the suspended or debarred contractors or proposed debarred contractors. POGO's list includes companies that may have settled with or been involved in litigation with another private party, a State government, a foreign government. It also may be instances of violations of Federal law and regulations that have not yet put them on the EPLS.

So our database will incorporate EPLS into it. The actual legislation requires criminal convictions, civil cases where there is an admission of liability or a finding of liability, and then administrative cases in which there is an admission of liability. So it also includes suspended or debarred contractors and contractors terminated for default. So it is kind of three steps or four steps passed what is currently in the Excluded Parties List.

Chairman TOWNS. Do you have any idea how much it costs to maintain your database?

Mr. AMEY. Our database currently is only the top 100 Federal Government contractors, and we will have a new list come out because we saw that [usaspending.gov](http://usaspending.gov) just updated their fiscal year 2007 data. But our list probably cost us \$20,000 or \$30,000 to upkeep. Obviously, the way that it is implemented based on the legislation that it will include contractors receiving a certain threshold of money, so at that point it will be a little more extensive than what we have, to say the least. But I think it is a vital investment—and due to the problems that we are hearing today—in protecting the taxpayer, protecting the Government, and protecting war fighters.

Chairman TOWNS. What lesson should GSA learn from your database and what you are doing?

Mr. AMEY. Well, first of all, that it is possible. We were told for many years it is not possible. What is the purpose? We have gotten

a lot of criticism from the contractors and the contracting associations that it is not necessary, but I think today shows us that it is. We need a better system. Somebody earlier said the system isn't broke. I think it is. Twenty-five instances may not be a lot, but it is also how many other contractors are out there getting Federal money that are in the risky side.

There have been policy shifts, as Representative Tierney asked about, that we are going after more individuals than we are companies, and that needs to be looked at. So we need to restore contractor accountability, and all these systems integrated together would provide a wonderful tool for the Government to make better contracting decisions and hold contractors accountable, and I think both those things are missing.

Chairman TOWNS. Thank you very much.

At this time, I yield to the gentlewoman from Washington, DC, Congresswoman Norton.

Ms. NORTON. Thank you very much, Mr. Chairman. I must thank you for this hearing. The GAO report is stunning. I have come to ask a question, though, concerning what gets contracted out after we have already discovered issues. This question should go to Mr. Williams and Mr. Drabkin, I believe.

On the screen you will see, perhaps, if you can, the basis for the question. The Inspector General of GSA, apparently, in December 2007, reviewed the suspension and debarment program, and the yellowed-out section reads: "The Office of the Chief Acquisition Officer should make every effort in the future to avoid utilizing contractors to perform suspension and debarment work" is what the subject was.

I would like both of you to consider that advice from GSA and I would like to ask you why is the responsibility of maintaining EPLS contracted out to Information Sciences Corp. How is contracting out the previous backlog—well, first of all, let me ask you why is that first contract done.

Mr. DRABKIN. I will address that issue; all of those matters fall within my office. During the 2005 timeframe, when Ms. Emily Murphy became our Chief Acquisition Officer, there was a lack of attention paid to the suspension and debarment function. When the IG brought to her attention that there was a backlog of suspension and debarment cases, and when her office had been basically decimated as a result of a reassignment and retirement, every member of the office, Ms. Murphy decided to help some existing Government employees catch up the backlog of suspension and debarment cases. At no time—

Ms. NORTON. Rather than hire somebody to do what the Government was supposed to do.

Mr. DRABKIN. She was in the process of hiring people, Madam, but she had not finished the hiring process. I will tell you that I would never have done that, and our office will not do that in the future. But she was trying to eliminate the backlog. None of the contractors perform decisionmaking functions, but, nonetheless, this is the most sensitive thing we do in GSA, and it is something that should not have involved contractors and will never involve contractors in the future.



As to the management of the database, the database is managed by a Government employee, has always been managed by a Government employee. There is a contractor that provides support, technical support in terms of operating the servers, refreshing the software, but there is no contractor who enters data into that database. There is no contractor who quality controls the data in that database, but there is a contractor who keeps the lights turned on, adds the software, the things that our Government employee is not competent to do.

I hope that answers your question. But I want to assure you in the strongest terms GSA, as long as I am there, will never ever use a contractor to support any function in our suspension and debarment office.

Ms. NORTON. How many Government employees are actually maintaining EPLS at this point?

Mr. DRABKIN. We have one program manager who is responsible for the maintenance of the program. Understand when I say maintenance, I mean she is responsible for making sure that the systems run. Every agency is individually responsible for entering the data into the database.

So within GSA I have a program manager who manages the database, but then I have a suspension and debarment office which has six individuals in it currently, and we are about to add more, who enter the data; and the Justice Department has an office and the Agriculture Department and the Department of Defense has several offices. So I don't have a total number of people who actually enter data, but each department and agency is responsible for entering its own data.

Ms. NORTON. I am trying to understand what the Government is paying for. The Government employees, I can find out easily. As I understand it, GSA is charging Federal agencies upwards of \$1.5 million for fiscal year 2009, and there is only one person maintaining EPLS?

Mr. DRABKIN. And there is a contractor supporting the actual maintenance of the servers, the software, etc., By the way, we don't charge agencies—

Ms. NORTON. Wait a minute. ISC, then—

Mr. DRABKIN. We do not charge people for this service. The ACE, which is a committee of the Chief Acquisition Officers Council, annually meets, determines what work is going to be done, develops a budget, and then assesses each member of the Federal Government a share of that budget. But we do not charge people for this service; this is a pass-the-hat—

Ms. NORTON. So what are you charging people for?

Mr. DRABKIN. We aren't charging for anything, Madam, we are collecting a portion of the budget that is determined by the committee of the Chief Acquisition Officers Council.

Ms. NORTON. To be used for what purpose?

Mr. DRABKIN. To be used for managing the EPLS database, which includes one Federal employee and the contractor who keeps the lights on on the system.

Ms. NORTON. And ISC, as we understand it, provides the following level of support. If this is not the case, I wish you would let us know. One full-time project manager, one full-time software de-

veloper, one full-time database administrator, one full-time help desk attendant, one part-time system administrator. There may be additional responsibilities that they are not able to perform that could be subcontracted to other entities. That is our information.

Mr. DRABKIN. That and the hosting function of actually hosting the database on equipment that they either own or lease.

Ms. NORTON. They have one full-time database administrator. What in the world does he do if he can't get into the database?

Mr. DRABKIN. He has no authority to enter data; he looks over the database, but he is not a database—he doesn't enter any data into the database. If you are asking me is it possible that he or anybody else in the contractor's staff could play with the data, the answer is I think it is possible. We have not received any information, we have no reason to believe that has ever happened.

Ms. NORTON. I am counting 15 people that he dedicates to this.

Mr. DRABKIN. Yes, ma'am.

Ms. NORTON. How many do you dedicate to it?

Mr. DRABKIN. One. One Federal employee.

Ms. NORTON. Do you see my problem there? You got 1, they have 15, and yet they really don't have any major responsibility.

Mr. DRABKIN. I am sorry, I disagree. They have a very major responsibility of keeping the database up and running. That is different than adding the data.

Ms. NORTON. And you believe that, in fact, that is really all that is necessary for the Government to do, is to have that single person dedicated to that task, as long as they have these 15 people contracted to do most of the work.

Mr. DRABKIN. I don't make the appropriations decisions on how many people I can have in my agency.

Ms. NORTON. Contracting decisions are not made by the appropriators.

Mr. DRABKIN. Ma'am, they decide whether I am going to get personnel money or contracting money. I don't make those decisions. When I get those decisions on whether I have personnel money or contracting money, I then decide what to contract for.

Ms. NORTON. So you are saying that your budget, as sent by the President or at least the prior President, forces you to contract out these functions, because that is where the money was?

Mr. DRABKIN. I am saying that we follow the budget guidance that we receive from both the Congress and the President, and that this has not been an issue that we looked at, as to whether to bring that function back in-house. It may very well be that this administration asks us to look at doing that, but that is not a matter that we have considered or studied.

Ms. NORTON. What would it cost to bring it back in-house?

Mr. DRABKIN. I have no idea, ma'am.

Ms. NORTON. I would like you to provide to the chairman what would be the cost of bringing those who are providing you this outside service, what would be the cost if the Government itself was providing that service.

Mr. DRABKIN. We will do our best, of course, to respond to any question you ask, but you need to take into consideration that we are on a plan right now to consolidate the 10 databases that we have in IAE into a single platform, which will create greater effi-

ciencies and, we hope, actually reduce the overall cost of operating IAE by about half. It is a 3-year plan——

Ms. NORTON. So what effect would that have on the——

Mr. DRABKIN. We would not increase Federal employees.

Ms. NORTON [continuing]. Difference between people contracted out and people who in fact have responsibility in the agency?

Mr. DRABKIN. We would not, in this plan, increase Federal employees. We would decrease contractor employees by achieving efficiency.

Ms. NORTON. So even though you are consolidating, you only need one person? Even though you are putting all of this together and one person is doing it now for far less, you still would only have one person who is a Government employee?

Mr. DRABKIN. Yes, ma'am. The program manager, the functional director, the person who understands and makes the decisions about how the program operates. And what we would buy or continue to buy are people who perform non-discretionary functions, essentially administrative functions.

And what we are looking for is the efficiencies by combining our 10 databases into one over the next 3 year period to actually reduce the number of contractors we need and the dollars we pay contractors for providing the foundation, if you will, the servers, the database——

Ms. NORTON. Mr. Drabkin——

Chairman TOWNS. The gentlewoman's time has long expired.

Ms. NORTON. Mr. Chairman, can I ask only that since he said that there is going to be a consolidation, and seemed to imply that, therefore, if he provides that data for the present operation, it would not be valid because they are about to consolidate, then I ask that he provide the data to the chairman that I asked for the consolidated operation. What would be the cost of bringing the people back into the Government.

Chairman TOWNS. Without objection, we will hold the record open for that information.

Mr. DRABKIN. Thank you, sir, and we will take care of it.

Chairman TOWNS. Talking about holding the record open for information, the Congressional Research Service did a very extensive report on termination for convenience under the Federal Acquisition Regulation, and I would like to also include that in the record, because it appears that the Army could have ended the contract with Optronic GmbH. Really, you could have. But, anyway, we will put it in the record.

[The information referred to follows:]

**MEMORANDUM**

February 20, 2008

**To:** House Oversight and Government Reform Committee  
Attention: Jason Powell

**From:** Kate Manuel  
Legislative Attorney  
7-4477

**Subject:** Termination for Convenience under the Federal Acquisition Regulation

This memorandum responds to your request for a brief overview of termination for convenience under the Federal Acquisition Regulation suitable for use as background material in preparing for a committee hearing. This memorandum provides this brief overview below, including citations to the authorities for your reference. More information on terminations for convenience can be obtained from the cited sources, as well as from Chapter 11 of the *Administration of Government Contracts* (4<sup>th</sup> ed.), by John Cibinic, Jr., Ralph C. Nash, Jr., and James F. Nagle. The memorandum also summarizes the potential basis for the Army's possible belief that it "could not" terminate the contract in question for convenience because it was a requirements contract.

**Brief Overview of Termination for Convenience**

The Federal Acquisition Regulation (FAR) allows federal agencies to terminate contracts, for either default or convenience, "when it is in the Government's interest."<sup>1</sup> A termination for default is one based on the contractor's actual or anticipated failure to perform its contractual obligations,<sup>2</sup> while a termination for convenience is one made for any other reason. The FAR does not define "the government's interest." However, decisions of the agency boards of contract appeals and the federal courts have held that terminations for convenience in the following circumstances can qualify as in "the government's interest": (1) the government no longer needs the contracted work;<sup>3</sup> (2) a contractor refuses to accept a modification to a contract;<sup>4</sup> (3) there are questions concerning the propriety of an award or its continued performance;<sup>5</sup> (4) the contractor has ceased to be eligible for the contract awarded;<sup>6</sup> (5) the business

<sup>1</sup> 48 C.F.R. § 49.101(b).

<sup>2</sup> 48 C.F.R. § 49.401(a).

<sup>3</sup> See, e.g., *United States v. Corliss Steam-Engine Co.*, 91 U.S. 321 (1876) (recognizing the government's need to terminate contracts for battleships after the Civil War ended).

<sup>4</sup> See, e.g., *Saltwater, Inc.*, Comp. Gen. Dec. B-293335.3, 2004 CPD ¶ 106.

<sup>5</sup> See, e.g., *Landmark Constr. Corp.*, Comp. Gen. Dec. B-281957.3, 99-2 CPD ¶ 75.

<sup>6</sup> See, e.g., *International Data Prods. Corp. v. United States*, 64 Fed. Cl. 642 (2005) (an contractor participating the 8(a) subcontracting program for small businesses was sold to a large business).

relationship between the agency and the contractor has deteriorated;<sup>7</sup> or (6) the agency decides to restructure multiple contractual arrangements.<sup>8</sup> The FAR also sets no limits on the government's right to terminate, and courts have held that, "when there [is] no bad faith or abuse of discretion, the government [can] terminate for convenience unless it had entered into the contract with no intention of fulfilling its promises."<sup>9</sup>

A contract can only be terminated by written notice to the contractor stating that: (1) the contract is being terminated for the convenience of the government under the contract clause authorizing the termination; (2) the effective date of termination; (3) the extent of termination; (4) any special instructions for the contractor; and (5) the steps the contractor should take to minimize the impact of the termination on its employees if the termination would result in a significant reduction in the contractor's work force.<sup>10</sup> Upon receipt of this notice, the contractor should, among other things, promptly stop work on the terminated portion of the contract and any subcontracts thereunder.<sup>11</sup>

Contractors' monetary claims under contracts terminated for convenience may be settled by: (1) negotiated agreement; (2) a determination of the Termination Contracting Officer, in cases when settlement cannot be reached by agreement; (3) costing out, in cost-reimbursement contracts; or (4) a combination of these methods.<sup>12</sup> When a contractor has performed under a terminated contract, the contractor can generally recover from the government "profits on preparations made and work done by the contractor" under the terminated contract.<sup>13</sup> However, contractors generally cannot recover anticipatory profits (i.e., profits that the contractor expected to realize on portions of the contract not yet performed) or consequential damages (i.e., losses, injuries, or damages that the contractor incurs from some consequence or result of the termination).<sup>14</sup> Nor is the government generally liable to the contractor for breach of contract because of its termination of the contract.<sup>15</sup>

Agencies may generally allow existing contracts, which they intend to terminate for convenience, to remain in place to meet their ongoing needs until a new contract is in place.<sup>16</sup>

### Potential Basis for the Army's Claim That It "Could Not" Terminate the Contractor in Question

Assuming it believes it cannot terminate the contract for convenience because it is a requirements contract, the Army may be relying on cases like *Torncello v. United States*.<sup>17</sup> A requirements contract is one in which one party (the government, in the case of government contracts) agrees to purchase all of the supplies or services that it needs that are covered by the contract from the contractor during the term of

<sup>7</sup> See, e.g., *Embrey v. United States*, 17 Cl. Ct. 617 (1989).

<sup>8</sup> See, e.g., *Northrop Grumman Corp. v. United States*, 46 Fed. Cl. 622 (2000).

<sup>9</sup> John Cibinic, Jr., Ralph C. Nash, Jr., and James F. Nagle, *Administration of Government Contracts* 1066 (4<sup>th</sup> ed., 2006).

<sup>10</sup> 48 C.F.R. § 49.102(a)(1)-(5).

<sup>11</sup> 48 C.F.R. § 49.104.

<sup>12</sup> 48 C.F.R. § 49.103.

<sup>13</sup> 48 C.F.R. § 49.202(a).

<sup>14</sup> *Id.*

<sup>15</sup> See, e.g., *Administration of Government Contracts*, *supra* note 9, at 1057-58.

<sup>16</sup> See *id.* at 1054.

<sup>17</sup> See *Torncello v. United States*, 681 F.2d 756 (Fed. Cl. 1982).

the contract. In *Torncello*, a contractor had a contract with the Navy to provide “on call” pest-control services at naval housing facilities in San Diego.<sup>18</sup> Under this contract, the Navy was to pay the contractor \$500 per gopher for each gopher disposed of.<sup>19</sup> The Navy did not use the contractor’s gopher-removal services, even when the contractor lowered its price to \$35 per gopher.<sup>20</sup> The Navy instead used the services of a company that had been a competing bidder on the contract that *Torncello* had won.<sup>21</sup> The contractor claimed that, because the Navy had agreed to purchase all the gopher-removal services it needed from the contractor, the Navy breached the contract by diverting work to the contractor’s competitor.<sup>22</sup> The Navy countered that it should not be liable for breach, even if it purchased no gopher-removal services from the contractor, because it could have terminated the contract for convenience at any time.<sup>23</sup>

The *Torncello* court found that the contract (1) was a requirements contract and (2) had been breached by the Navy. Although the agreement was not explicitly designated a requirements contract, the court found that it was one because the Navy agreed to obtain all the gopher-removal services it needed from the contractor.<sup>24</sup> The court further found that this requirements contract was breached because the Navy obtained gopher-removal services from another contractor.<sup>25</sup> The key to the court’s finding of breach was its holding that the government “may not use the standard termination for convenience clause to dishonor, with impunity, its contractual obligations.”<sup>26</sup> In so holding, the court “restrict[ed] the availability of the [termination for convenience] clause to situations where the circumstances of the bargain or the expectations of the parties have changed sufficiently that the clause serves only to allocate risk.”<sup>27</sup>

Although *Torncello* is sometimes read as precluding agencies from terminating requirements contracts, this is arguably an over-expansive reading of the case. In fact, *Torncello*’s holding about when the government may terminate contractors for convenience was subsequently limited by the decision of the U.S. Court of Appeals for the Federal Circuit in *Krygoski Construction Co. v. United States*.<sup>28</sup> While not addressing a requirements contract, the *Krygoski* court read *Torncello* as holding only that the government cannot terminate for convenience in bad faith, as would be the case if the government did so to acquire a better bargain from another source: “When tainted by bad faith or an abuse of contracting discretion, a termination for convenience causes a contract breach.”<sup>29</sup> The *Krygoski* court could reach this holding, in part, because of two questions that the *Torncello* court did not address. First, the facts of *Torncello* were such that the government had arguably breached the contract, by procuring services from another company, before considering termination. Because of these facts, the *Torncello* court had no need to address whether the government could ever terminate a requirements contract prior to its breach. Second, in *Torncello*, the government was seemingly motivated by a desire to obtain a better deal on

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<sup>18</sup> *Id.* at 758.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 759.

<sup>24</sup> *Id.* at 761.

<sup>25</sup> *Id.* at 772.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.* at 771.

<sup>28</sup> 94 F.3d 1537 (Fed. Cir. 1996).

<sup>29</sup> *Id.* at 1541. The *Krygoski* court further said that a contractor alleging an improper termination must overcome the presumption that the Termination Contracting Officer terminated the contract in good faith. *Id.* at 1544.

gopher-removal services when dealing with the contractor's competitor. Because the government apparently intended to repudiate its contract, the *Torncello* court also had no need to address whether the government could ever have proper grounds for terminating a requirements contract.

In short, in addition to reflecting the more current law on terminations for convenience, the *Krygoski* decision seems to correspond more closely to the facts at hand than the *Torncello* decision does. While *Torncello* involved a termination made in "bad faith" because the government sought a better bargain, termination here would arguably be in "good faith" because the contractor's president was reportedly convicted under German law for violating (1) the German Federal Foreign Trade Act and (2) the Federal Weapons of War Control Act by attempting to smuggle aluminum tubes used in making nuclear bombs to North Korea. Because of this conviction, even if the Army re-procured the training services that the contractor provided after or while terminating the contractor, the contractor could have difficulty in asserting that the Army terminated it merely to obtain a better deal on training services.

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Chairman TOWNS. Let me just say, before I yield to the ranking member, you know, these hearings really are for trying to stop waste, fraud, and abuse, and we want to work with you and we want you to work with us, because I think you are concerned about waste, fraud, and abuse.

Also, we want to look at maybe as a result of the present structure we need to examine prospective legislation. I don't know. But I want you to understand that is what we are talking about here.

Mr. DRABKIN. Mr. Chairman, let me assure you that we all would love to be able to work with your respective staffs to look at ways to improve the process, because that is what we are all interested in doing.

Chairman TOWNS. I yield to the ranking member, Congressman Issa.

Mr. ISSA. Thank you, Chairman. On that note, the chairman and I were at the White House on Monday, and, in a sense, these issues came up, including the whole fact that we limit head count throughout Government, while not necessarily limiting money. So we give you money and X amount of people. What are you going to do with the money? We are going to make up for the shortage of the people.

I might note, Mr. Chairman—I am sorry the gentlelady from Washington, DC, has left, because, as you recall, we went before House Administration and we asked for 30 more slots. No more money, just authorization if we could find people who wanted to work nearly as interns. Obviously, within a very lean budget, if we could have those slots, and I haven't heard back that we got them yet. So perhaps the gentlelady will join us in trying to get more Government employees, rather than us contracting out, because I too enjoy outsourced computer services from Lockheed Martin and a number of others here in the House, as the gentlelady from the District.

Taking a little off of that, because I don't know that we can beat that horse any more right now, Mr. Drabkin, I was out. I apologize. I serve on another committee, so I have been going back and forth. I understand that Mr. Bilbray asked about eVerify and you were aware of a letter from Chief of Staff Rahm Emanuel that said that, in fact, that is in hiatus. Is that roughly what you said? I wasn't here.

Mr. DRABKIN. No, sir. I said pursuant to the Rahm Emanuel memo, the Secretary of the Department of Homeland Security had decided that she wanted a period of time to review the new rule which we had published, but had not yet been implemented, requiring contractors to use eVerify. And I believe Mr. Bilbray's point to me was that if we used eVerify, that it would reduce the instances of cases where contractors who were debarred or suspended got contracts. I never engaged with him on that issue because I, quite frankly, don't know.

Mr. ISSA. Well, it came to my attention, and it was interesting that an unelected, appointed individual writes a memo and a confirmed cabinet officer stops a program that is more than a decade old and has been quite a success.

But I want to bring it back to the issue here today. eVerify is a system in which you don't get to see the social security numbers,



but you do put the social security numbers into a database that has the social security numbers to see if in fact the name and social security number you are putting in match the individual, if the data that are in your procurement contracts, including key individuals, officers, directors, and so on, if that information, including social security—since we have an obligation to only hire legal people in Government contracting. And I have Camp Pendleton, so, trust me, we have had to push a few off the base in San Diego over the years when we discovered it wasn't true. So when we use that system, that system has unique identity.

And I go back to my question earlier, particularly for the GAO, why wouldn't we have a database in which the Web, to the public, didn't show the social security number, but in fact somebody entering that information from a database would be sure of the person? Because I go back to the confusion of the woman using her maiden name or, for that matter, the woman who I think is in jail right now, who was part of the scandal on the tankers some years ago, the refueling tankers.

A person's name, or surrogate name, or surname, or married name, or alias, and a home address are both very easily changeable, so isn't there a fundamental flaw in this database unless we have a unique identity number for every corporation and a unique identity number for every individual and the system polls them both?

I will start with the GAO, since it is your study.

Mr. KUTZ. Yes, and particularly the SSN right now is the problem. So there needs to be some sort of a position taken as to what are the options to move forward. I mean, if the option is we are just not going to deal with it, that wouldn't necessarily be acceptable. There has to be several alternatives, and maybe something like you are talking about here would be a valid option, because we do SSN checks in criminal cases all the time and we give the social security number, but we only get back hits. So we are not allowed access into the system, for example.

Mr. ISSA. Of course.

Mr. KUTZ. So we do that all the time with the Social Security Administration and agencies across the Government. So I think that has merit.

Mr. DRABKIN. And, Mr. Issa, I don't want to leave you with the impression that the issue on social security number is dead. What I meant to convey to you earlier was there had been a Government-wide policy discussion on this matter. There had been a decision not to adopt it Government-wide, although some agencies are entering social security numbers. Most notably, right now, HHS is not. And we have not had a Government-wide decision, and I look forward to the new administration, when they are settled in, to revisiting this matter for us, and it may solve the problem. And we will be sure to report back to you on our progress on this matter.

Mr. ISSA. OK, we had two quick questions, because the time is over. One is, is there anyone here that considers themselves kind of a techie?

[No response.]

Mr. ISSA. Well, then I will be the techie here for a moment. Can any of you, in this day and age, not envision the ease with which

an individual could enter a social security number—it could go into an encryption key that is not available to anybody except the key holders—it then creates a different number? That different number then checks against looking for the identical not social security number, but number created by the key that in fact then tells you whether you have a match. So do any of you have a problem understanding, in this day and age, you don't have to have a plain view of a social security number that could lead to bad conduct, and you don't have to ever even have it transmitted?

So are we talking about social security numbers as though it is the old days and it is written on a piece of paper and somebody might xerox it, or do we all understand that unique identity number, for both a corporation and an individual, is certainly within the grasp of the technology you already have paid for?

I am seeing heads wave yes.

My closing question is just an anecdotal one, if the chairman will indulge me, and it is for the Navy, because I represent Camp Pendleton and the naval weapons stations. I had to take note, when I downloaded the exclusion list, that GSA had 266, the Army had 675, the Air Force had an almost identical number, the Navy had 284. Is that because you do a so much better job selecting your contractors? Because you are a fairly large service. I was just interested to see how many were on the active list of disbarred or suspended.

Captain JAGGARD. If I understand your question correctly, Mr. Issa, I think my answer to that question would be because our new Acquisition Integrity Office is doing a much better job of keeping up with the workload that they are required to handle.

Mr. ISSA. OK. And because I am a former Army officer, I will ask the General is there a reason that 675 for the Army means that you simply more aggressively go after these people, so more are on the list?

General HARRINGTON. Sir, I think it relates to the numbers of transactions that are involved in our—it is really our workload has increased fivefold and there is just that much more solicitations, offers, and exposure to the contracting arena.

Mr. ISSA. I appreciate it. I just needed a little bit multi-service—

Mr. DRABKIN. Mr. Issa.

Mr. ISSA. Yes, sir.

Mr. DRABKIN. If the chairman will indulge me, just to fill out the answer, part of this also has to do with our practice of suspension and debarment. We have an unwritten rule amongst us that the agencies with the most contacts with a contractor, whether the suspension or debarment is brought to them initially, is referred to them to determine whether they want to take jurisdiction.

So the numbers themselves may not tell the whole story. It could be that lots of contractors who do business with the Navy had more contracts with the Army and the Army took jurisdiction, and that is why the Army numbers—I know many cases come to my office that I refer to my colleagues in the services because they are our biggest customers. They take those cases from us, which is why our numbers are lower, and they handle it because they have the most contact with those contractors.

Mr. ISSA. Well, I want to see you the next time Army-Navy play, because I need an honest referee. Thank you.

Mr. DRABKIN. Sir, I wouldn't be honest. I bleed Army green. [Laughter.]

Chairman TOWNS. Let me thank you for coming and, of course, all the witnesses for attending today.

Before we adjourn, I remain extremely concerned that the Federal dollars provided in the recently passed economic stimulus package will fall into the hands of criminals and con artists posing as legitimate business owners in light of the GAO's findings. Therefore, I have addressed a letter to the Acting Administrator of GSA, Mr. Paul Prouty, outlining the key changes that must be implemented to ensure adequate management, monitoring, and search capabilities of EPLS.

Mr. Drabkin and Mr. Williams, providing you with this letter acts as an official notice to your Acting Administrator that the recommendation of GAO and this committee should not be taken lightly, because we are seriously trying to get rid of waste, fraud, and abuse, and we want your help in that regard. So, without objection, I enter this letter into the committee record.

[The information referred to follows:]

EDOLPHUS TOWNS, NEW YORK  
CHAIRMAN

DARRELL E. ISSA, CALIFORNIA  
RANKING MINORITY MEMBER

ONE HUNDRED ELEVENTH CONGRESS  
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Minority (202) 225-5074

February 26, 2009

The Honorable Paul F. Prouty  
Acting Administrator  
U.S. General Services Administration  
1800 F Street, NW  
Washington, DC 20405

Dear Mr. Prouty:

Today the House Committee on Oversight and Government Reform held a hearing entitled, "How Convicts and Con Artists Receive New Federal Contracts." At the hearing, the Committee received a report from the Government Accountability Office (GAO) on the Excluded Parties List System (EPLS), a database maintained by the Government Services Administration (GSA) which is intended to prevent ineligible parties from receiving federal contracts or other federal funding. According to GAO, businesses and individuals that have been placed on the EPLS due to egregious offenses, ranging from national security violations to tax fraud, have improperly continued to receive federal contracts and other funds.

The GAO's findings exposed significant failures by GSA. For example, GSA has failed to diligently maintain the EPLS so as to ensure the insertion of accurate contractor identifying information in the form of Data Universal Number System (DUNS) numbers; accurate information on points of contact for excluding agencies; and modern online search capabilities. Furthermore, GAO discovered that GSA's own Federal Supply Schedule included a number of excluded companies, which creates a greater likelihood that contracting officers will unknowingly purchase goods from irresponsible companies.

GAO recommended, and I concur, that GSA expeditiously implement the following:

1. Issue guidance to procurement officials on the requirement to check EPLS prior to awarding contracts and to suspension and debarment officials on the 5-day entry and contractor identification number requirements;
2. Take all immediate steps to ensure that the EPLS database requires contractor identification numbers for all actions entered into the system;

The Honorable Paul F. Prouty  
February 26, 2009  
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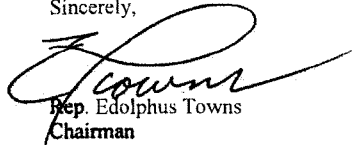
3. Strengthen the EPLS online search capabilities to include common search operators, such as AND, NOT, and OR;
4. Take immediate steps to ensure that EPLS points of contact are updated; and
5. Place a warning on the Federal Supply Schedule website indicating that prospective purchasers need to check EPLS to determine whether vendors are excluded.

In addition, I simply do not understand why there are multiple databases dealing with contractor eligibility. It seems to me that many of the problems that GAO found could be resolved if the EPLS database were integrated with the main GSA contractor registry and other contractor databases.

Finally, GAO concluded that EPLS has no single entity that proactively monitors the system or provides guidance to federal agencies. I agree with GAO that if GSA is not more proactive in its management of EPLS, suspended and debarred companies will continue to improperly receive millions of taxpayer dollars. In my view, GSA is by law the agency tasked with management of the EPLS. For that reason, I request that GSA report to this committee within six months from the date of this letter on the steps it has taken to implement these recommendations and report annually thereafter on the management, maintenance, and effectiveness of the EPLS.

In the coming months, I look forward to GSA making these needed changes to EPLS in order to safeguard taxpayer dollars from continued waste, fraud and abuse. Should you have any questions about this request, please contact Leah Perry or John Arlington of the Committee staff at (202) 225-5051.

Sincerely,



Rep. Edolphus Towns  
Chairman

cc: Rep. Darrell Issa  
Ranking Minority Member

Chairman TOWNS. And, without objection, this committee now stands adjourned.

[Whereupon, at 1:05 p.m., the committee was adjourned.]

[The prepared statements of Hon. Diane E. Watson, Hon. Gerald E. Connolly, Hon. Paul W. Hodes, Hon. Dan Burton, and Hon. Brian P. Bilbray, and additional information submitted for the hearing record follow:]

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**Opening  
Statement  
of  
Congresswoman Diane E. Watson  
Full Committee  
Committee on Oversight and Government Reform  
Thursday, February 26, 2009  
2154 Rayburn House Office Building  
10:00 a.m.**

*“How Convicts & Con Artists Receive New Federal Contracts”*

**Good morning, and let me begin by thanking  
Chairman Towns for holding this morning’s hearing on  
the Excluded Parties List System (EPLS) database,  
which is responsible for maintaining the most up-to-  
date and accurate information on the eligibility of  
contractors government-wide to conduct business with  
the Federal Government.**

**As the incoming Chairwoman of the Subcommittee  
on Government Management, Organization, and  
Procurement, I look forward to working with Chairman**

**Towns, Ranking Member Issa, and Congressman Bilbray this Congress to ensure that we are getting the most effective and efficient services for our government's contracting dollars. Obviously, the importance of this issue is underscored by the upcoming expenditure of billions of dollars in economic stimulus funding.**

**With roughly \$450 billion in contracting expenditures made in the last year alone, it is critical that our agency contracting community works to ensure that all recipients of federal contracting dollars are both in good standing and have demonstrated responsible behavior in their previous work. This requires timely and accurate information to be provided by agencies for the database, that Government departments and**



**agencies properly utilize the EPLS, and that effective oversight mechanisms be put in place to ensure that debarred or suspended contractors are not rewarded for their past misuses of federal dollars.**

**The Excluded Parties List System is meant to provide an efficient one-stop resource for agency officials to review participants as part of the contract awarding process. Nevertheless, GAO indicates that the database is often neglected or mismanaged by agency staff, includes inaccurate or untimely information about contractors, and lacks an oversight mechanism to ensure that debarred or suspended contractors cannot game the system through subsidiaries or front organizations. Such problems undermine the entire purpose of having EPLS and result in the awarding of**

**billions of dollars in contracts to companies that have failed to be effective stewards of government resources and assets.**

**I'm hopeful that our witnesses today will offer us a blueprint for moving forward in remedying the inherent problems facing the EPLS database, and provide some guidance as to how the new Obama Administration can better utilize or improve upon such tools. Furthermore, I intend to proactively monitor this issue through the Management Subcommittee and look forward to working with all stakeholders in reaching our common goal of a more effective and efficient government-wide contracting system.**

**Once again, I thank the Chairman for his attention  
to this matter and I yield back.**

Opening statement of Congressman Gerald E. Connolly at meeting of the Committee on Oversight and Government Reform

Date: February 26, 2009

Hearing topic: "How Convicts and Con Artists Receive New Federal Contracts"

*Opening Statement:*

Mr. Chairman, thank you for holding this important hearing, which is a timely reminder of the perils of anti-government ideology applied carte blanche. Because of a lack of contracting oversight, the malfeasance of a few contractors has tarnished the image of the industry as a whole. In Fiscal Year 2000, there were approximately 56,000 federal employees, known as 'acquisition personnel,' to manage contracts worth \$208 billion dollars. In 2007, 61,000 acquisition personnel were responsible for managing contracts worth \$517 billion dollars. The federal workforce devoted to managing contracts increased a mere 9% while the value of contracts they manage increased 248%.

The case studies cited in today's hearing had contracts totaling approximately \$2.5 million in value, compared to some \$500 billion in current annual value of contracts. It would seem that most contracts are being awarded to companies that are indeed law abiding. The fact that a relatively small proportion of contracts have been awarded improperly would suggest that the current lack of contracting management and oversight can be corrected. Mr. Chairman, I look forward to using the lessons we learn from today's hearing to identify strategies to enhance oversight and management so that the vast majority of law abiding contractors can continue to serve the government without fear of being tainted by the actions of a few.

**Statement for the Record – Committee on Oversight and Government Reform  
Hearing, Thursday, February 25, 2009  
Congressman Paul Hodes**

Chairman Towns, Ranking Member Issa, thank you for holding this important hearing today on the federal government's Excluded Parties List System (EPLS). This Committee did excellent work last Congress in discovering and working to eliminate problems with the federal contracting process, and this hearing demonstrates that the Committee will continue this important work in the 111<sup>th</sup> Congress.

Companies and individuals are placed on the Excluded Parties List due to a criminal or civil conviction, or if they have shown "a lack of business integrity or business honesty that... affects the present responsibility of a Government contractor or subcontractor." However, the Government Accountability Office report released today on the EPLS tells a alarming story of companies and individuals that continued to receive federal contracts while on the list. In some cases, these awards were the result of neglect by the awarding agency, by not performing due diligence in using the EPLS.

The GAO's report found that there is no single agency that is proactively monitoring the list, and that agencies are not updating the list to keep information accurate, are startling considering the amount of money awarded via federal contracts. It is critical that we as a committee work to fix these problems before more criminal or corrupt businesses receive federal funding.

President Obama's address to Congress earlier this week underscored his resolve to not award government funds to corrupt or irresponsible businesses, as well as the need to ensure that taxpayer dollars are spent carefully and efficiently. I am pleased that this Committee is working to address these issues in Congress.

**Opening Statement of Dan Burton**  
**Committee on Oversight and Government Reform**  
**“How Con Artists and Convicts Get Government Contracts”**  
**February 26, 2009**

Thank you Mr. Chairman. With the Federal government spending approximately \$350 billion a year on goods and services, our Federal government's acquisition laws, programs, and polices must be effective, efficient, fair, and transparent. No question about it. Today's hearing examines the Excluded Parties List System, it's an important issue, and I commend both Chairman Towns and Ranking Member Issa for their leadership on this issue. I look forward to hearing from the distinguished witnesses we have before us.

Since billions of dollars are awarded annually in Federal contracts, the Federal acquisition system, from beginning to end, has caught the attention of watchdog groups, the press, Congress, and the general public. The system itself is complex and reaches every Federal agency. The Federal acquisition system works despite its flaws. I do not believe the Federal acquisition system, as a whole, fails in its mission to be fair, transparent, effective and efficient, but I do believe it can be improved. Questions into what works and what does not work are needed.

Today, we are taking a snapshot look at the Excluded Parties List System (EPLS). The purpose of the EPLS is to provide a single comprehensive list of individuals and firms excluded by the Federal government from receiving future government contracts. The individuals or firms listed in the EPLS are either temporarily suspended or debarred. Generally, the suspension or debarment is rescinded once a contractor enters into an administrative agreement with an agency.

Every instance the EPLS fails to prevent an excluded contractor from receiving a new government contract, confidence in the integrity of the Federal acquisition system is lost. A weak EPLS is not in our interest. The Federal government and taxpayers benefit from having a wide selection of companies competing for our business. It is in our interest to have the suspended or disbarred contractor remedy any violations and resume competing in the Federal acquisition system. At the same time, the EPLS should never fall short in its mission of preventing fraudulent contractors from receiving new government contracts.

Today, we will hear testimony from the Government Accounting Office, the Navy, the Army, Co-chair of the ABA Committee on Debarment and Suspension, and the General Counsel from the Project on Government Oversight. All are experts in their fields and can speak knowledgeably on the strengths and shortcomings of the EPLS. I look forward to their testimony and their recommendations for how to improve the EPLS. Thank you, Mr. Chairman.

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**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-0550

COMMITTEE ON OVERSIGHT  
AND GOVERNMENT REFORM  
COMMITTEE ON SCIENCE  
AND TECHNOLOGY  
COMMITTEE ON  
VETERANS' AFFAIRS  
HOUSE REPUBLICAN  
POLICY COMMITTEE  
IMMIGRATION REFORM  
CAUCUS, CHAIRMAN

**Statement of Rep. Brian P. Bilbray (CA-50)**  
**Committee on Oversight and Government Reform**  
***"How Con Artists and Convicts Get Government***  
***Contracts"***  
February 26, 2009

First, I would like to thank Chairman Towns for holding this hearing. With the President announcing today a federal budget that for the first time exceeds \$4 trillion it is more urgent than ever that government ensure that taxpayer funds are going to contracts that are a "responsible source" and that have and "satisfactory performance records" and "satisfactory records of integrity and business ethics" as required under the Federal Acquisition Regulations.

The U.S. taxpayer is trusting the Congress with their money and we must ensure that we have in place a system that guarantees their money is being used wisely, creating value for their investment and is being handled with the highest level of transparency and ethics.

At this Committee's direction, the General Accounting Office (GAO) has discovered a number of abuses in the Excluded Parties List System (EPLS). The problems with the system appear to range from lackadaisical compliance with FAR requirements by federal contracting officers a search database that lacks the flexibility to overcome small errors in data entry to outright fraudulent behavior by some nefarious contractors.

It is important to note that the U.S. taxpayer benefits from a robust contractor corps that creates value from competition. Whatever steps we may take in the future to address the problems with the EPLS and the GSA Schedule must not unduly limit the U.S. Government's pool of contractors or make contractor compliance prohibitively difficult. Whatever acquisition system the federal government establishes must be welcoming and user

friendly to small businesses and large corporations alike, while maintaining the highest level of transparency and cost effectiveness for the taxpayer.

I look forward to hearing the testimony of our witnesses and listening to their suggested solutions. Mr. Chairman I am confident that this is an area where our Committee can work together effectively on behalf of the American people. As always, I stand ready to partner with you to implement good public policy that protects taxpayers, ensures value for the government and promotes transparency.





DEPARTMENT OF THE ARMY  
OFFICE OF THE CHIEF LEGISLATIVE LIAISON  
1600 ARMY PENTAGON  
WASHINGTON DC 20310-1600  
MAR 03 2009

The Honorable Edolphus Towns  
Chairman  
Committee on Oversight and Government Reform  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Towns:

This submission of documents responds to a request for documents made during the Committee's hearing of February 26, 2009 on the Excluded Parties List System (EPLS). During the hearing, Representative Kucinich asked that documents concerning the suspension and debarment proceedings against the Kuwait Gulf, Link & Transport Company (KGL) be provided to the Committee.

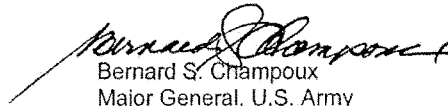
Enclosed is the administrative record obtained from United States Army Legal Services Agency (USALSA).

The Army provides these documents with a full reservation of rights and with the understanding and intent that such provision is not a waiver to assert any applicable privilege. The Army respectfully requests that these documents be shared only with those who have an official need for the information, that the documents not be disclosed to the public, that appropriate steps are taken to safeguard these documents, and that the documents are destroyed after use. If your office wishes to disclose these documents to the public, prior coordination with the records custodian is requested so that the documents can be reviewed and publicly releasable versions of the documents provided.

I trust that this information is helpful. Thank you for your continued support of our Soldiers and Army.

Sincerely,

Enclosure

  
Bernard S. Champoux  
Major General, U.S. Army  
Chief of Legislative Liaison

CF: The Honorable Darrell Issa  
Ranking Member

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3A.	Intent Not to Recommend Suspension or Debarment	15 DEC 06
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# **EXHIBIT 1**

**Circumstances surrounding accident:**

On 19 May 2003, at approximately 1250D (Local), LTC Dominic R. Baragona (272-68-5804) was killed as the M998 HMMWV he was riding in was struck by a tractor-trailer driven by an Iraqi national. The accident occurred on MSR Tampa (Iraq Highway 8) at grid 36RQU 18377 73354. LTC Baragona was evacuated to the 202<sup>nd</sup> Field Hospital, Michli, Shabiba, Iraq, and pronounced dead on arrival.

**Background:**

The 19<sup>th</sup> Maintenance Battalion was in the process of redeploying to Kuwait en route to home station at Ft. Sill, Oklahoma on 19 May 2003. They were driving from USA Antecorda (Bafiq AS, Iraq) down MSR Tampa to Camp Victory, Kuwait. LTC Baragona was in the third of three HMMWVs in their movement. The unit redeployed to home station from Kuwait between 2-7 June 2003.

Conducted witness interviews with three individuals. The individuals were SPC [redacted] driver of the vehicle that LTC Baragona was riding in, CPT [redacted] the Battalion S1 and a passenger in the vehicle with LTC Baragona, and CSM [redacted] the battalion command sergeant major. All three interviews were conducted at Camp Victory on 26 May 2003.

On the day of the accident, all three witnesses stated that there was not much traffic on the MSR and that the weather was not sunny and clear. (See exhibit L, Weather Report, Date for 180652Z). They also stated that they encountered no sandstorms. All three witnesses also stated that they had plenty of rest. All three also stated that on the morning of the scheduled convoy, the atmosphere was clear. The members of the convoy had packed the vehicles the night before with some personal hygiene items. They departed on time and were briefed on the route and scheduled fuel stops. According to the testimony of all three individuals interviewed, everyone was wearing their seat belt and had their proper check and CV in between the wheels. According to the testimony of Command Sergeant Major [redacted] LTC Baragona, the M998 HMMWV was in the [redacted] lane of CSM [redacted].

The first soldier interviewed was SPC [redacted]. (See exhibit M). As stated earlier, SPC [redacted] was driving the vehicle that was involved in the accident. SPC [redacted] was properly licensed, having both a civilian and military drivers license. (See exhibit O). The vehicle was the lead vehicle in a three-vehicle convoy. According to his testimony, SPC [redacted] stated that the weather was not clear, and there was nothing that was impairing his visibility. He stated that the convoy route was to go south on MSR Tampa, with a final destination of Camp Victory, Kuwait. He stated that MSR Tampa had little traffic on the road on 19 May; it was not congested. While traveling, he stated that there was a tractor-trailer that was in the same area with them. The tractor-trailer would sometimes pass his vehicle, and sometimes, SPC [redacted] vehicle would pass the tractor-trailer. SPC [redacted] states in his testimony that there were two scheduled stops for re-fueling. He stated that upon leaving both stops, LTC Baragona did have his seat belt on. He also stated that LTC Baragona often moved around in his seat while the vehicle was moving. SPC [redacted] states in his testimony that while they were approaching what would eventually become the crash site, he noticed a large pile of debris in the far right hand side of the road. He stated that MSR Tampa was a three-lane road. As he neared this site, he states that his vehicle was in the center lane, and the tractor-trailer was in the far right lane. He changed lanes, moving from the center to the left lane, in order to distance the vehicle from the debris pile. He stated that he kept an eye on the tractor-trailer, as it moved closer to the debris pile. He stated that at the last minute, it appeared that the driver tried to change lanes but hit the debris pile. Once he hit this pile of rubble, he stated that if it had rocks, the driver of the tractor-trailer was then to change lanes, but the truck jackknifed and crossed two lanes of traffic and collided with the vehicle that LTC Baragona was in. Upon impact, both vehicles skidded and went to the left into the median that divides the northbound lane and the southbound lane. SPC [redacted]

stated that once the vehicles stopped, he made a quick assessment of the situation. He noticed the soldier from the truck did not get out of the vehicle and checked on CPT [REDACTED]. He moved CPT [REDACTED] under her seatbelt, and then assisted her to the side of the road. He then noticed that LTC Baragona was missing. He found LTC Baragona lying on his back, beside the vehicle, on the passenger side. He stated that he immediately felt that LTC Baragona was dead. He flagged down some passing vehicles on the other side of the interstate and they rendered assistance. There were several different convoys that stopped during the next two hours to render assistance. He was not able to get unit designations of each of the units that stopped.

The second soldier interviewed was with CPT [REDACTED]. (See exhibit P.) CPT [REDACTED] is the Battalion Adjutant. She was in the same vehicle as LTC Baragona. CPT [REDACTED] was sitting in the left rear passenger seat of the HMMWV, behind the driver's seat. She stated that she remembers LTC Baragona pulling his seat belt on at the last fuel stop. Prior to the accident, she recalled seeing the tractor-trailer on the MSR. As they approached the accident scene, she recalled thinking to herself that the tractor-trailer is going to have to get over because of the debris area. She did not get a good look at the debris area prior to the accident, but she did see it from a distance and realized that it was big enough to cause a problem. After the accident occurred, CPT [REDACTED] helped her out of the seat (she had trouble getting her seatbelt unfastened) and helped her to the side of the road. Her leg was hurting, but with the assistance of SPC [REDACTED], she was able to get to the side of the road. She did not see LTC Baragona lying beside the vehicle, and did not see much of the other soldiers who eventually came to assist.

The final soldier that was interviewed was Command Sergeant Major [REDACTED]. CSM [REDACTED] was in the lead HMMWV in the convoy. As stated earlier, he said that LTC Baragona was a habitual seat belt user, as well as a habitual kevlar wearer. He even joked that the soldiers of the Battalion said they never saw him without his kevlar. CSM [REDACTED] said he did not actually see the accident, but did look back and saw a cloud of dust. At that time, he turned around and headed north to go back to the accident scene. By the time he arrived, another convoy had stopped to render assistance. As he approached LTC Baragona, CSM [REDACTED] said that he appeared lifeless. He checked his vital signs for a pulse, and found nothing. He saw LTC Baragona's seatbelt was buckled to him, and there was a small amount of blood that had leaked from his neck area. He said that no one attempted first aid. CSM [REDACTED] recalled more of what happened at the accident site than did SPC [REDACTED] or CPT [REDACTED]. He was able to recall specific units that stopped to render assistance.

The following is a recap of standard questions that I asked all three witnesses.

1. Describe to me the activities that went on the night before prior to departure.  
All three witnesses generally gave the same account of the night before the accident. Everyone was generally in a good mood, and looking forward to going to Kuwait. Remember that the unit was in the redeployment phase and would go home soon. All witnesses said they had plenty of sleep, especially since they were not scheduled to leave until 0800. Most of their equipment was packed the night before, so there was not any kind of rush the following morning.
2. Was everyone in your vehicle wearing his or her seatbelts?  
All soldiers that gave testimonies did say they were wearing their seatbelts. In the testimony of CPT [REDACTED] and SPC [REDACTED], both said that LTC Baragona was wearing his seatbelt when they departed the last fuel stop. CSM [REDACTED] stated that LTC Baragona was a habitual seatbelt wearer.
3. What was the convoy speed?  
All three soldiers testified that the average convoy speed was between 50-55 miles per hour. In addition, the roads were generally clear of traffic, according to all three witnesses.
4. What was the weather on the day of the accident?

All three witnesses testified that the weather was clear and hot. There were not any sandstorms that day. Very little wind.

The following information regards the nature of injuries to persons involved.

1. CPT [REDACTED] CPT [REDACTED] suffered a scraped elbow and a bruised shin from the accident. Her right leg hit the metal bar behind the driver's seat. She was not treated at the scene for any of her injuries. On 20 May she went to sick call at Camp Victory. She was in pain and could not move her head. She was treated and released from sick call on 20 May. On 25 May, while conducting the interview, I asked if she was in any more pain, and she advised me that physically she was fine.

2. SFC [REDACTED] SFC [REDACTED] suffered from a sprained left ankle. The medics did examine him at the crash site, but did not treat him. Upon arrival at Camp Victory on 20 May, he went to sick call complaining of lower back and lower neck pain. He was treated with medication and release. On the day of the interview (26 May 2003) he advised me he was feeling fine and had not had any other symptoms.

3. LTC Dominick Baragona, LTC Baragona suffered massive cardiothoracic disruption to his chest in addition to suffering a head injury, which would explain the bleeding from the left ear (Reference Tab E, Clinical Continuation Sheet, and Tab F, Death Certificate - International). Major [REDACTED] (510874 RAMG (V)) pronounced LTC Baragona dead at the 202nd Field Hospital in Sbalcala, Iraq.

#### Conclusion:

The failure of the Iraq truck driver to merge out of the far right lane of traffic and his subsequent striking of the debris pile on the MSR caused this accident. Upon reviewing the pile in the road, it appears the debris was actually concrete that spilled from a truck accident on the MSR. In addition, there were rocks on top of the dried concrete (see exhibit 1). It appears that this pile of debris had been on the MSR for some time. The debris pile did cover the entire front left side of the road, and there were several skid marks in front of it. The skid marks were in the road, approximately ten inches above the road. As you approach the pile from the southbound side, you will see a front end of a truck. While viewing the skid marks on the MSR, it is clear that the Iraq national driving the truck did not recognize the debris pile in time and hit the pile. Just prior to the pile, it appears that he applied his brakes, causing skid marks, and when he hit the pile of concrete, it forced the truck to jackknife and cross two lanes of traffic to his left. The vehicle that LTC Baragona was in had nowhere to turn, and hit the cab of the tractor-trailer. It appears that it was a violent impact. I did have an opportunity to view LTC Baragona's Kevlar helmet. The helmet did have an orange paint mark on the left rear of the helmet, about an inch square. The witnesses stated that the trailer of the tractor-trailer was painted orange. In addition, there were black marks directly on top of the Kevlar that appeared to be tire marks. These marks went from the rear to the front and, based on their position, it can be inferred that the tire ran over LTC Baragona's head and then his chest. Based on this, it is obvious that LTC Baragona was wearing his Kevlar. I was not able to find the HMMVV that was involved in the accident. In addition, according to the testimony of all three witnesses, the seat belts in the HMMVV were cut out and used to strap down the injured driver of the tractor-trailer and LTC Baragona during the MEDVAC. I am not able to conclude if LTC Baragona was wearing his seat belt at the moment of impact. SFC [REDACTED] did testify that he recalled seeing LTC Baragona put his seat belt on upon departure of the last fuel stop. CSM [REDACTED] did comment that he always had to double check his seat belt to insure it locked. In this kind of environment, sand can get into the locking mechanism and give soldiers a false sense of the seat belt being locked and secured. In addition, he commented that the seat belt straps were very easy to go across the chest of a larger soldier when they are required to wear body armor, LBV, protective mask and other uniform and equipment requirements.



# **EXHIBIT 2**





REPLY TO  
ATTENTION OF  
Procurement Fraud Branch

DEPARTMENT OF THE ARMY  
UNITED STATES ARMY LEGAL SERVICES AGENCY  
901 NORTH STUART STREET  
ARLINGTON VA 22202-1837

September 22, 2006

VIA INTERNATIONAL  
EXPRESS MAIL

SUBJECT: Show Cause Letter

Ahmed Afifi  
Director, Legal Affairs  
Kuwait and Gulf Link Transport Company  
Shuwaikh Industrial Area, Block A  
Building No. 14-3rd  
Shuwaikh, Kuwait  
Tel: 011-965-888-700

Dear Mr. Afifi:

This is to advise you that the United States Army is considering Saeed Esmail Dashti and Kuwait and Gulf Link Transport Company for debarment from future contracting with agencies of the Executive branch of the United States Government under the authority of Federal Acquisition Regulation (FAR) section 9.406. The FAR is published at Title 48, Code of Federal Regulations, Chapter 1.

The Army is considering this action because of Mr. Dashti's and Kuwait and Gulf Link Transport Company's alleged failure to accept international service of process in a civil matter before the United States District Court for the Northern District of Georgia (Encl. 1). Specifically, Mr. Dashti, acting in his capacity as Chairman and Managing Director of Kuwait and Gulf Link Transport Company, is accused of purposely taking steps to frustrate delivery of court documents for the sole purpose of avoiding participation in lawsuits brought by the survivors of LTC Dominic R. Baragona. Copies of these documents, along with the determination by the District Court for the Northern District of Georgia that valid service was made on Kuwait and Gulf Link Transport Company on March 14, 2006, as well as supporting documents, are attached (Encls. 2, 3 and 4).

This conduct has cast doubt on Mr. Dashti's and Kuwait and Gulf Link Transport Company's present responsibility as a United States Government contractor and could provide a basis for debarment of both Mr. Dashti and Kuwait and Gulf Link Transport Company under the provisions of FAR 9.406. The purpose of this letter is to solicit your response before we make any recommendations to the Army's Suspension and Debarment Official. No recommendation or decision has been made regarding present responsibility at this time.

You may take advantage of this opportunity to demonstrate that Kuwait and Gulf Link Transport Company is a responsible contractor by responding in writing within thirty calendar days and providing any information you believe is relevant to this matter. Your submission may include affidavits, certified records, letters, or other documents bearing on this issue. We will

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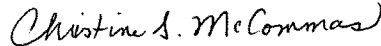
consider all timely submissions. All statements made must be true and accurate; false statements are punishable under Title 18, United States Code, Section 1001.

You should address your written submissions to: U.S. Army Legal Services Agency, Procurement Fraud Branch, ATTN: Brian A. Persico, 901 North Stuart Street, Suite 513, Arlington, Virginia, 22203-1837, USA.

Should you fail to respond to this letter within thirty calendar days of receipt, we will evaluate the case based on the information currently available to us. We may also consider your failure to respond as a factor affecting your present responsibility as a Government contractor.

If you have any questions, please contact Mr. Persico at 011-1-703-696-1550.

Sincerely,



Christine S. McCommas  
Chief, Procurement Fraud Branch

Enclosures:

- 1) Complaint (with Arabic Translation), *Dominic F. Baragona, et. al. v. Kuwait and Gulf Link Transport Co., et. al.*
- 2) Motion Regarding Service of Process, dated June 20, 2006
- 3) Order Regarding Service of Process, dated July 19, 2006
- 4) Letters from FEDEX Customer Relations, dated April 6 and 13, 2006

محكمة الولايات المتحدة الاقليمية  
الاقليم الشمالي لولايات جورجيا

دومك ف. بارغونا كممثل  
الشخصي  
لتركة الكولونيل الملازم دومك  
ر. بارغونا

ودومك ف. بارغونا

في امكانه الشخصي

وفيلما د. بارغونا

الدعوى

المدعي

ضد

شركة الصلة القتالية الخليجية الكويتية  
علبة بريد 24565  
صفت 13106  
الكويت

ومحمود محمد حسين سرور

المدعي عليهم

الدعوى

يقدم هذه الدعوى المدعي، دومك بارغونا، في امكانه الشخصي وكممثل الشخصي لتركة  
الكولونيل الملازم دومك بارغونا، وفيلما بارغونا ويسعى الى استقبال تضمينات للجراح الشخصية  
وموت ماساوي وظالم الكولونيل الملازم دمك بارغونا كما وُصف في ما بعد.

تظهر هذه الدعوى من اجل قيادة غافلة عربية معطوبة في العراق، كما وُصفت في ما بعد، وملك هذه العربية المدعى عليه وادارها موظف وعامل المدعى عليه. المدعى عليه مسؤول قانونياً بديلياً لنشاطات ظالمة موظفه. يدعم المدعى دعوته ويزعم كالتالي:

### السلطة القضائية و مكان الدعوى

1. يأتي موضوع امر للسلطة القضائية في موضوع هذه الدعوى من 28 U.S.C. §§ 1332. يتجاوز امر النزاع مبلغ \$ 75,000 لا يتضمن الفائدة والنفقات.
2. المحكمة عندها سلطة قضائية شخصية على المدعى عليه موافقاً ل-O.C.G.A. (1) 9-10-91. المدعى عليه عنده اتصال ادني مستمر ونظامي بولاية المحكمة فلا ينكره حقه لدعوى قضائية قانونية دستورية ابقاء دعوى ضد المدعى عليه في هذه المحكمة.
3. مكان الدعوى مناسبة في هذه المحكمة موافقاً ل-28 U.S.C. § 1391 (a)(3) and (d).

### الاطراف

4. المدعى دومنك بارغونا هو الممثل الشخصي لتركه الكولونيل الملازم دومنك بارغونا، فيقدم المدعى هذه الدعوى في مكانه التمثيلي بالاضافة الى امكانه الشخصي. مات الكولونيل الملازم دومنك بارغونا في 19 ايار (مايو) 2003. كان دومنك بارغونا والد دومنك بارغونا وموطن ولاية فلوردا. قادر المدعى دومنك بارغونا وتركه دومنك بارغونا على المداعاة والمداعاة عليهما في هذه المحكمة.
5. المدعى فيلما بارغونا هي والدة دومنك بارغونا وموتنة ولاية فلوردا. قادرة المدعى فيلما بارغونا على المداعاة والمداعاة عليها في هذه المحكمة.

6. فتح التركة جيش الولاية المتحدة في ولاية اوكلهوما وكان دومنك بارغونا مدير التركة. في وقت موته كانت قاعدة عسكرية الكولونيل الملازم بارغونا في مدينة فورت سل، اوكلهوما.
7. المدعى عليه، شركة الصلة النقلية الخليجية الكويتية (KGL)، هي شركة بورصة خاصة مشتركة شعبية. اصبحت KGL شركة محدودة في ايار (مايو) 1982 كشركة بورصة مشتركة سُجلت في سوق الكويت للاوراق المالية في عام 2000.
8. تتعاقد KGL مع عنصر من القيادة المركزية لجيش الولايات المتحدة مؤسس في فورت مكفيرسون في مدينة اثلنتا، جورجيا.
9. نفذت KGL اتفاقيات عديدة مع الجيش الامريكى منذ على الاقل عام 1997 وقيمة هذه الاتفاقيات بمليونات من الدولارات الامريكية.

#### الحجّات الواقعية

10. 19 ايار (مايو) 2003، سافر الكولونيل الملازم دومنك بارغونا في العراق الى الجنوب في مراكب تكونت من ثلاث مركبات عسكرية امريكية في طريقه الى الكويت. كافح الكولونيل الملازم بارغونا مع الجيش الامريكى في العملية العسكرية "الحرية العراقية" فكان يراقب جنده الى الكويت ويستعدّ للعودة الى بيته للاجازة.
11. كان الطقس حاراً ومشمساً وصافاً.
12. سافرت عربية مطوّرة في نفس الشارع. ملكت وادارت شركة KGL هذه العربية. كان سائق العربية موظف KGL وسلك السائق في كل وقت سديد لهذه الدعوى كعامل KGL. كانت العربية ملونة بلون برتقالي وكان اسم الشركة مكتوب على الحظنون. كانت شارة KGL واضحة.

13. كان هناك ثلاثة طرق ضيق في الشارع. ما كان هناك مرور هذا اليوم.
14. لاحظ اعضاء المراكب ان سرّعت وتجاوزتهم عربة KGL ثم عادت الى مكانتها السابقة وراء المراكب عدة مرات.
15. تبعاً لمعلومات واعتقاد، كان السيد محمود محمد حسين سرور، رجل مصري كهل وعمره حوالي 60 عاماً، سائق عربة KGL. عينت KGL هوية سرور كموظف KGL اجابة لاسئلة عن الحادث من جيش الولايات المتحدة.
16. قال الشاهدون ان ليس الكولونيل الملازم بارغونا حزامه الامان كل الوقت.
17. اقتربت المراكب شيئاً شابه ركام حطام في الطريق اليميني. كان الركان اسمنت جانف سفكته عربة اخرى قبل الحادث.
18. قال سائق جيب الكولونيل الملازم بارغونا لمحققون الجيش انه لاحظ الحطام فقتل الجيب الى الطريق اليساري. وضح السائق انه شاهد الحطام والعربة عندما اقتربوا ركام الحطام.
19. كانت عربة KGL في الطريق اليمين البعيد. فجاءه، حاول سائق العربة ان ينقل العربة من هذا الطريق، ولكن اصطدمت العربة بركام الحطام. بعد هذا الاصطدام، عبرت العربة طريقين واصطدمت بجيب الكولونيل الملازم بارغونا. كانت النتائج كارثية.
20. بعد الاصطدام الاول، انزلق الجيب والعربة معا واصطدما بالحاجز الذي فصل المرور الشمالي من المرور الجنوبي. توقف المركبتين.
21. خرج سائق الجيب من المركبة ولاحظ ان سفك وقود من العربة.
22. شاهد السائق ان استلقى الكولونيل الملازم بارغونا على ظهره قريب من جانب ركب الجيب.

23. عانى الكولونيل الملازم بارغونا من تمزق قلبي ضخم في صدره وجرح رأسي سببهما اصطدام عربة KGL بجانب جيبه. أعلن موت الكولونيل الملازم بارغونا في موقع الحادث.

24. سحق الاصطدام المخرب الجيب ولا يمكن اصلاحه.

25. كانت هناك اثار العجلات على جودة وثوب كفلار الكولونيل الملازم بارغونا. كان هناك ايضاً صبغ برتقالي على جودته.

26. إنتهك سائق وموظف المدعى عليه جريمة مستوى الحذر الصالح عندما أدار عربة مقطورة KGL في يوم موت الكولونيل الملازم بارغونا. خرق السائق مسؤوليته لمركبات اخرى في الشارع عن طريق ادارة العربة بشكل خطر والاصطدام بركام الحطام المنظور. سبب هذا الخرق اصطدام العربة بالجيب وموت أساوي الكولونيل الملازم بارغونا. كذلك، يشارك السائق مع صاحب عمله في المسؤولية القانونية لموت ظالم الكولونيل الملازم بارغونا.

27. اختتم الجيش في بيان تحقيق الحادث الرسمي 15-6 ان سببت نشاطات سائق KGL الحادث.

28. اخذت حوامة السيد سرور الى مستشفى الائتلاف حيث استقبل معالجات لجراحه.

29. في 3 نيسان (ابريل) 2004، خلال محاكمة محقق الجيش 15-6 مع السيد عادل كهري، وهو مدير قسم نقل الشهنة البرية لشركة KGL، باح السيد كهري ان عاد السيد سرور الى وطنه مصر، بحسب علم ممثل KGL. ليس عنندا عنوان سرور الحالي.

30. قال السيد كهري انه يتذكر الحادث بشكل واضح وان قامت KGL بتحقيق داخلي خاص بالحادث.

31. خلال المحادثة، قال السيد كهري ان KGL ما استردّ العربة التي سببت الحادث.
32. وضع السيد كهري ان كان السيد سرور موظف KGL وما كان متعاقداً مستقلاً.
33. وفقاً لمبادئ المجيب الاطى، KGL لها مسؤولية قانونية لنشاطات غافلة السيد سرور.
34. كانت وما تزال عائلة بارغونا عائلة قريبة. كما وفرت انتحازات الكولونيل الملازم بارغونا وتريع سرعته مفخرة لآخوانه ووالديه، كان موته مخرباً انفعالياً.
35. عانت شركة الكولونيل الملازم بارغونا من خسارات شديدة تتضمن ولاكن ليست محدودة لمرتب احتمالي مفقود، وايراد، وخدمات، ومادات غير مميزة مفقودة لا يمكن ان نحدد قيمتها الدقيقة، مثل وجود الوالد ونصيحته ومثاله ومشورته.
36. قبل موته، عانى الكولونيل الملازم بارغونا من كرب ذهني مبرح وادراك عاجل موته الوشيك، وهذا يحوّل تركته لتضمينات تعويضية.
37. عانت شركة الكولونيل الملازم بارغونا من خسارات شديدة تتضمن ولاكن ليست محدودة لمرتب احتمالي مفقود، وايراد، وخدمات، وهذه الخسارات نتيجة مباشرة ادارة غافلة سائق العربة.
38. من اجل ذلك يتوسّل المدعي لقضاء ضد المدعي عليه كالتالي:
- (أ) ان سيستردّ المدعي قيمة حياة الكولونيل الملازم بارغونا بالكامل في مبلغ سيتجاوز \$75000 ستحدده المحكمة.
- (ب) ان سيستردّ المدعي دومك ف. بارغونا، كمدير شركة الكولونيل الملازم بارغونا، تضمينات لالم واع ومعذب في مبلغ سيتجاوز \$75000 ستحدده المحكمة.
- (ت) ان سيستردّ المدعي دومك ف. بارغونا، كمدير شركة الكولونيل الملازم بارغونا، نفقة الماتم، الدفن، ونفقات اخرى في مبلغ سيتجاوز \$75000 ستحدده المحكمة.



(ث) ان ميسترُ المدعي نفقة هذه الدعوى بالكامل.

(ج) ان ميسترُ المدعي تعويضات اضافية عادلة ومناسبة.

طلب لهئية محلفين

بهذا الوسطة يطلب المدعي المحكمة بمحاكمة عن طريق هلئية محلفين.

بالاحترام،

روي ي. بارنس (رقم 039000)  
جون ف. سلتر (رقم 623325)  
جماية حقوق بارنس  
31 شارع اتلنتا  
جناح 200  
ماريتا، جورجيا 30060  
تلفون: 770.419.8505  
فاكس: 8958.770.590

ستيفن ز. برلس  
ادوارد ب. مكالمستر  
شركة حقوق برلس  
1146 شارع 19th، شمالي غربي  
وشنطن، اقليم كولومبيا 20009  
تلفون: 202.955.9055  
فاكس: 202.955.3806

12 ايار (مايو) 2005

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UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA

MAY 12 2005

LUTHER D. THOMAS, Clerk  
By *[Signature]*  
Deputy Clerk

DOMINIC F. BARAGONA as the  
Personal Representative of  
the Estate of  
LIEUTENANT COLONEL  
DOMINIC R. BARAGONA

05 CV 1267

WSD

and

DOMINIC F. BARAGONA in  
his personal Capacity

and

VILMA D. BARAGONA,

COMPLAINT

Plaintiffs,

v.

KUWAIT GULF LINK TRANSPORT  
COMPANY  
PO Box 24565  
Safat 13106  
Kuwait

and

MAHMOUD MUHAMMED HESSAIN  
SEROUR,  
c/o Kuwait Gulf Link Transport  
Company  
PO Box 24565  
Safat 13106  
Kuwait

Defendants

COMPLAINT

Plaintiff, Dominic Baragona, in his personal capacity and  
as the Personal Representative of the Estate of Lieutenant

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Pretrial Instructions   /    
This VILMA   /    
*DB*

seeking damages for the personal injuries and wrongful death of Lt. Col. Dominic Baragona as hereinafter set forth

This action arises out of the negligent operation of a tractor trailer truck on the highways of Iraq, as described below, owned by the defendant Kuwait Gulf Link Transport Company ("KGL") and operated by defendant Mr Mahmoud Muhammed Hessain Serour ("Mr Serour"), KGL's employee and agent. KGL is vicariously liable for the negligent actions of its agent and employee. Plaintiffs state in support of their Complaint and allege as follows.

JURISDICTION AND VENUE

1. Subject matter jurisdiction over the subject matter of this case arises under 28 U.S.C. §§ 1332. The matter in controversy exceeds the sum of \$75,000 00, exclusive of interest and costs.

2 The court has personal jurisdiction over the Defendant pursuant to O.C.G.A. § 9-10-91 (1). The Defendant has continuous and systematic minimum contacts with the forum state, such that constitutional due process is not denied by the maintenance of a suit against the Defendant in this forum.

3. Venue is proper in this forum pursuant to both 28 U.S.C § 1391(a)(3) and (d)

THE PARTIES

4. Plaintiff, Dominic Baragona is the Personal Representative for the Estate of Lt. Col Dominic Baragona and brings this action in both his representative capacity as such as well as his personal capacity. Lt. Col Dominic Baragona died on May 19, 2003. At all times relevant hereto, Dominic Baragona was the father of Dominic Baragona and is a citizen of the State of Florida. Plaintiff Dominic Baragona and the Estate of Dominic Baragona can sue and be sued in this Court

5. Plaintiff Vilma Baragona is the mother of Lt. Col. Dominic Baragona at all times relevant hereto, Vilma Baragona was the mother of Lt. Col. Dominic Baragona and is a citizen of the State of Florida. Plaintiff Vilma Baragona can sue and be sued in this Court

6. The Estate was opened by the United States Army in the State of Oklahoma with Dominic Baragona as the administrator of the Estate. Lt. Col Baragona was based in Fort Sill, Oklahoma at the time of his death

7. Defendant KGL is a privately owned public joint stock company. KGL was incorporated on May, 1 1982 as a joint stock company and was listed on the Kuwait Stock Exchange in 2000.

8. KGL contracts with the USA Army Central Command component that is headquartered in Atlanta, Georgia, at Fort McPherson

9 KGL has executed dozens of contracts worth tens of millions of USD with the USA Army Central Command, going back at least until 1997.

10. Defendant Mr. Serour was identified as the employee who drove the KGL truck on the day of the accident by KGL in response to queries regarding the accident by the United States Army. Mr. Serour is an Egyptian citizen

FACTUAL ALLEGATIONS

11. On May 19, 2003, Lt. Col Baragona was traveling south through Iraq in a convoy of three American military vehicles on his way to Kuwait. Lt. Col Baragona had fought with the United States Army in Operation Iraqi Freedom, was mustering his men out of Iraq, and was now preparing to go home on leave

12. The weather was hot, sunny, and clear.

13. A tractor trailer truck was traveling on the same road. The truck was owned and operated by KGL. The truck was driven by an employee of KGL, who acted at all time relevant to this claim as KGL's agent. The truck was painted orange and the cab

of the truck was clearly marked with KGL logos and the full name of the company

14. The road was three lanes wide. There was not a lot of traffic on the road that day.

15 Members of the convoy noticed the KGL truck speed past them and then fall behind several times

16 Upon information and belief, Mr Mahmoud Muhammed Hessain Serour, an older Egyptian man in his sixties, was driving the KGL truck. Mr Serour was identified as an employee of KGL by KGL in response to queries regarding the accident by the United States Army.

17. Eye witnesses stated that Lt. Col Baragona was wearing his seat belt at all times.

18 The three vehicle convoy approached what looked like a pile of debris on the far right lane. The pile turned out to be dried concrete that had spilled from another truck prior to the accident involving Lt Col Baragona

19 The driver of Lt. Col Baragona Jr.'s Humvee told the Army investigators that he noticed the debris and moved the Humvee into the far left lane. The driver further told the investigators that he kept his eyes on the debris and the tractor trailer as they neared the debris pile.

20. The tractor trailer was in the far right lane. At the last minute the driver of the tractor trailer truck tried to change lanes, but hit the debris pile. Once the truck hit the debris pile, it jackknifed and crossed two lanes of traffic and collided with Lt. Col. Baragona's Humvee with disastrous consequences.

21. Upon impact both the Humvee and the tractor trailer skidded together into the median that divided the northbound and southbound traffic. The vehicles came to a stop.

22. The driver of the Humvee exited the vehicle and noticed fuel spilling from the tractor trailer.

23. The driver saw Lt. Col. Baragona lying on his back next to the passenger side of the Humvee.

24. Lt. Col. Baragona had suffered a massive cardiothoracic disruption to the chest and a head injury as a result of the impact of the tractor trailer truck upon the side of his Humvee. Lt. Col. Baragona was pronounced dead at the scene of the accident.

25. The devastating impact had crumpled the Humvee and rendered it useless junk, beyond repair.

26. Lt. Col. Baragona had tread marks on his Kevlar vest and helmet. There was also a bit of orange paint on his helmet.

27. Mr Serour, the KGL employee and driver violated the applicable standard of care when operating the KGL tractor trailer truck on the day of Lt. Col. Baragona's death . By driving in an unsafe manner and colliding with the clearly visible pile of debris, the driver breached the duty he owed to the vehicles also on the road . This breach of duty caused the tractor trailer to jackknife, collide with the Humvee, and Lt Col. Baragona's tragic death. As such, he shares liability with his employer for Lt. Col. Baragona's wrongful death.

28 The official Army 15-6 Accident Investigation Report concluded that the accident was caused by the actions of the KGL driver

29. Mr Serour was medivaced to a Coalition hospital and received care for his injuries there

30. During an April 3, 2004 conversation between the Army 15-6 investigator and Mr. Adel Kohry, the Overland Cargo Transport Department Manager for KGL, Mr Kohry revealed that Mr. Serour had returned to his home country of Egypt, according to the KGL representative. We do not have a current address for Mr. Serour

31 Mr. Kohry also said that he remembered the accident like it was yesterday and that KGL had conducted an internal investigation regarding the accident.



32. During the conversation, Mr. Kohry claimed that the KGL truck that was caused the accident was never recovered.

33 Mr. Kohry also made clear that Mr. Serour was an employee of KGL and not an independent contractor.

34. Under the principles of respondeat superior, KGL is liable for Mr. Serour's negligent actions.

35. The Baragonas were and are an extremely tight knit family. The loss of Lt. Col Baragona, whose accomplishments and outstanding career advancement provided enormous satisfaction and pride to his parents and siblings, has been emotionally devastating.

36 The estate of Lt. Col. Baragona has suffered severe damages, including, but not limited to, lost potential lifetime earnings, income, and services, and lost intangible items whose value cannot be precisely quantified, such as a parent's society, advice, example and counsel.

37 Before his death, Lt. Col Baragona suffered extreme mental anguish and suffered immediate apprehension of his imminent death, entitling his estate to compensatory damages

38. As a direct and proximate result of the wrongful and negligent operation of KGL's truck by its employee and driver, the estate of Lt. Col. Baragona has suffered severe damages,

including, but not limited to, lost potential lifetime earnings, income, and services.

39. Wherefore Plaintiffs pray that they have judgment against Defendant as follows.


- (a) that Plaintiffs recover the full value of the life of Lt. Col. Baragona in an amount to be determined by the court, in excess of \$75,000,
- (b) that Plaintiff Dominic Baragona, Sr., as administrator of the estate of Lt. Col. Baragona, recover damages for conscious pain and suffering in an amount to be determined by the court, in excess of \$75,000;
- (c) that Plaintiff Dominic Baragona, Sr., as administrator of the estate of Lt. Col. Baragona, recover for the cost of the funeral, burial, and other expenses in an amount to be determined by the court, in excess of \$75,000;
- (d) that Plaintiffs recover for the cost of this litigation,
- (e) that Plaintiffs recover such other and further relief as is just and proper.

JURY DEMAND

Plaintiffs hereby make a demand upon the court for a trial  
by jury.


Respectfully submitted this 17<sup>th</sup> day of May, 2005.

BY:

  
ROY E BARNES  
GA Bar No. 039000  
JOHN F SALTER  
GA Bar No. 623325

The Barnes Law Group, LLC  
P O. Box 489  
Marietta, GA 30061  
Telephone. 770.419.8505  
Telefax. 770.590.8958

BY:

 *w/ express*  
STEVEN R PERLES  
EDWARD B. MACALLISTER *Permission*

Perles Law Firm, PC  
1146 19<sup>th</sup> Street, NW  
Fifth Floor  
Washington, DC 20009  
Telephone: 202-955-9055  
Telefax: 202-955-3806

JULIA SEGALL  
1815 17<sup>th</sup> Street NW #816  
Washington, DC 20009  
(734) 709-8631

---

Certificate of Translation

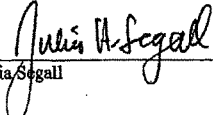
---

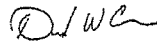
March 3, 2006

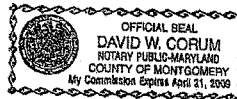
*I, Julia Segall, hereby certify that I am competent in both English and Arabic languages.  
I further certify that under penalty of perjury translation of the aforementioned  
documents:*

[AR SUMMONS kgf GE.doc]  
[AR SUMMONS serour GE.doc]

*From the English language into the Arabic language is accurate and correct to the best  
of my knowledge and proficiency.*

  
\_\_\_\_\_  
Julia Segall





أمر استدعاء إلى المحكمة في قضية مدنية

محكمة الولايات المتحدة الإقليمية  
الإقليم الشمالي لولايات جورجيا

دومك ف. بارغونا كالممثل الشخصي  
لشركة زعيم الملازم دومك ر. بارغونا  
ودومك ف. بارغونا في مكانه الشخصي  
وفيلا د. بارغونا

ضد

شركة الصلة النقلية الخليجية الكويتية  
ومحمود محمد حسين سرور

دعوى 05CV1267

لشركة الصلة النقلية الخليجية الكويتية  
عند مركز المام القديم - جسر الغزالي  
شويخ الصناعي  
منطقة A، كتلة A  
البنية رقم 14-3<sup>rd</sup>  
شويخ، الكويت

بهذه الوساطة يستدعيكم محامي المدع

ستيفن ر. برلس  
مؤسسة الحقوق برلس  
1146 شارع 19th، شمالي غربي  
جناح 500  
وشطن، دي سي 20036  
تلفون - 202.955.9055

ويطلب اجابة لهذه القضية في مدة 20 يوماً بعد استقبال هذه الدعوى لا تتضمن هذه الفترة يوم الاستقبال. اذا فشلتم في هذا الامر فسوف تحكم عليكم المحكمة بالتعويضات المطلوبة. من الضروري تسليم اجابتكم لهذه الدعوى لكاتب هذه المحكمة في فترة زمنية مناسبة بعد استقبال هذا الامر.

1/3/2006  
التاريخ

لوثر د. تومس  
الكاتب

UNITED STATES DISTRICT COURT

Northern

District of

Georgia

Dominic F. Baragona as the Personal Rep. of the Estate of Lt. Colonel Dominic R. Baragona and in his personal capacity and Vilma D. Baragona

SUMMONS IN A CIVIL ACTION

V. Kuwait & Gulf Link Transport Company and Mahmoud Muhammed Hessain Serour

CASE NUMBER: 05-cv-1267

TO: (Name and address of Defendant)

Kuwait & Gulf Link Transport Company Beside old water station - Ghazalli Bridge Shuwaikh Industrial Area, Block A, Building No. 14-3rd. Shuwaikh, Kuwait

YOU ARE HEREBY SUMMONED and required to serve on PLAINTIFF'S ATTORNEY (name and address)

Steven R. Perles, Esq. Perles Law Firm, PC 1146 19th Street, NW Suite 500 Washington, DC 20036 202-955-9055 - telephone

an answer to the complaint which is served on you with this summons, within twenty (20) days after service of this summons on you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. Any answer that you serve on the parties to this action must be filed with the Clerk of this Court within a reasonable period of time after service.

CLERK

DATE

(By) DEPUTY CLERK

SAO 440 (Rev. 8/01) Summons in a Civil Action

RETURN OF SERVICE		
Service of the Summons and complaint was made by me <sup>(1)</sup>	DATE	
NAME OF SERVER (PRINT)	TITLE	
<i>Check one box below to indicate appropriate method of service</i>		
<input type="checkbox"/> Served personally upon the defendant. Place where served:		
<input type="checkbox"/> Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein. Name of person with whom the summons and complaint were left:		
<input type="checkbox"/> Returned unexecuted:		
<input type="checkbox"/> Other (specify):		
STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL \$0.00
DECLARATION OF SERVER		
I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.		
Executed on _____ <div style="display: flex; justify-content: space-around; width: 100%;"> <span>Date</span> <span>Signature of Server</span> </div> <div style="text-align: center; margin-top: 20px;">                         _____                          Address of Server                     </div>		

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.



UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA

Dominic F. Baragona, et al. :  
:   
Plaintiffs, :  
:   
v. : CIVIL ACTION NO.: 05-cv-1267(WSD)  
:   
Kuwait Gulf Link Transport :  
Company, et al. :  
:   
Defendants :  
:   
..... :

**MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR ORDER  
REGARDING SERVICE OF PROCESS**

Plaintiffs, by counsel, hereby file this Memorandum in Support of Motion for Order that service has been perfected upon Defendant Kuwait Gulf Link Transport Company ("KGL").<sup>1</sup> KGL has engaged in a facile and futile attempt to avoid service and place further obstacles before Plaintiffs.<sup>2</sup> Plaintiffs however delivered the summons and complaint via international-

<sup>1</sup> Plaintiffs file this memorandum in support of their Motion for Order Regarding Service of Process, filed May 4, 2006.  
<sup>2</sup> Plaintiffs in international civil litigation before the United States District Courts do not operate under the same time requirement to serve process as do domestic plaintiffs in United States district court. In contrast to the requirements under Fed. R. Civ. P. 4 for domestic service of process, there is no fixed time requirement under Fed. R. Civ. P. 4(m) for the service of process in a foreign country upon foreign individuals or corporations, which are treated the same as foreign individuals under subsection (h)(2).

signed-receipt delivery, as this Court approved in its February 10, 2006 Order, to KGL, where it was accepted, signed for by KGL's Chairman and Managing Director and reviewed. That is valid service. The subsequent return of the service documents to the courier by KGL's Chairman can not undue prior valid service.

In support of their Motion for an Order Regarding Service of Process, Plaintiffs state as follows:

**SUMMARY OF THE FACTS**

Plaintiffs list below the events regarding the service of process.

- After the filing of the two complaints, now consolidated into this one case, Plaintiffs attempted to serve Defendants under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents, pursuant to Fed. R. Civ. P. 4(f)(1), which provides for service by any internationally agreed means reasonably calculated to give notice.
- The Kuwaiti government failed to serve the complaints within the six month parameter required by their treaty obligations under the Hague Convention.

- On February 10, 2006, this Court entered an order approving of Plaintiffs' request to serve Defendants through the alternative mechanism of overseas delivery with return receipt. "Plaintiffs now seek the entry of an order authorizing service by international courier through the clerk of the district court, as authorized by and in compliance with Fed. R. Civ. P. 4(h)(2)<sup>3</sup> and 4(f)(2)(C)(ii)." (05-cv-01267-WSD - Docket Entry #3, Plaintiffs' Motion for Service through Alternative Means – p. 3).
- On March 3, 2006, the United States District Court for the Northern District of Alabama entered an identical order approving of Plaintiffs' request to serve Defendants through the alternative mechanism of overseas delivery with return receipt.
- On March 7, 2006, the Complaint, Summons and consent to proceed before a Magistrate Judge were sent from the clerk's office of the Northern District of Alabama to Kuwait in Plaintiffs' prepaid Federal Express International Air Envelope, marked airbill #8546 5447 4490. The clerk noted such on the docket.

---

<sup>3</sup> Fed. R. Civ. P. 4(h)(2) refers back to the prescriptions of Rule 4(f). With this Court's permission, Plaintiffs proceeded to serve KGL under Federal Rule 4(f)(2)(C)(ii).

- On March 10, 2006, the Complaint, Summons and consent to proceed before a Magistrate Judge were sent from the clerk's office of the Northern District of Georgia to Kuwait in Plaintiffs' prepaid Federal Express International Air Envelope, marked airbill #8546 5447 4479. The clerk noted such on the docket.
- On March 12, 2006, the Federal Express mailer airbill #8546 5447 4490 arrived at KGL. The package was accepted and signed for by a receptionist named Miriam. Then the package was returned to the driver and refused.
- Federal Express returned on March 14 to attempt another delivery. Saeed Dashti, KGL's Chairman and Managing Director, signed for the package, opened it and after reading the papers, which included an Arabic translation, returned it to the courier. Federal Express records note that the package was opened by KGL before it was refused and returned to the driver. (See Exhibit 1 – April 13, 2006 letter from Federal Express).
- Federal Express International Air Envelope, marked airbill #8546 5447 4479 arrived at KGL on March 15, 2006. By March 15, KGL had been forewarned by the earlier attempted delivery of Federal

Express International Air Envelope, marked airbill #8546 5447 4490. Najwa, Mr. Dashti's secretary, refused the package marked #8546 5447 4479. Najwa refused the delivery with the excuse that Saeed Dashti was not in the office. Najwa told the courier KGL would contact him when Mr. Dashti was in the office. KGL never contacted the courier. (See Exhibit 2 – April 6, 2006 letter from Federal Express).

- Both Federal Express International Air Envelopes have been returned to the Perles Law Firm, PC. Federal Express mailer airbill #8546 5447 4490 arrived opened, exactly as Federal Express had described it, while Federal Express mailer airbill #8546 5447 4479 remained sealed.

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT  
OF PLAINTIFFS' REQUEST FOR AN ORDER**

KGL can not thwart service by simply returning the summons and complaint to the courier service after KGL's Chairman and Managing Director accepted the papers and signed the courier service's form that serves as proof of delivery and return receipt. Service is valid. KGL's subsequent attempt to invalidate service by returning the summons and

complaint to the courier service is futile. Plaintiffs have complied with the Court's February 10, 2006 order granting Plaintiffs the right to proceed to serve Defendants via an international mailer with return receipt under Federal Rule 4(f)(2)(C)(ii).

The service of process in this case meets the explicit requirements of the Federal Rules. Federal Rule 4(f)(2)(C)(ii) provides for international service in "any form of mail requiring a signed receipt, to be addressed and dispatched by the clerk of the court to the party to be served". The literal rule therefore does not require anything beyond the court dispatch of the documents and the verification of their delivery by a signed return receipt.<sup>4</sup> "Where the defendant receives actual notice and the plaintiff makes a good faith effort to serve the defendant pursuant to the federal rule, service of process has been effective." Ali v. Mid-Atlantic Settlement Servs., 2006 U.S. Dist. LEXIS 582 at \*8 (D.D.C. 2006) (citing Frank Keevan & Son, Inc. v. Callier Steel Pipe & Tube, Inc., 107 F.R.D. 665, 671 (S.D. Fla. 1985)). The Clerk of the Court dispatched the complaint and summons in this case, (05-cv-01267-WSD - Docket entry - "Remark", noted March 10, 2006), and

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<sup>4</sup> Federal Rule 4(f)(2)(C)(ii) is a subsection designed exclusively for international service with requirements that differ from domestic service under Federal Rule 4(e).

Plaintiffs have provided evidence of the signed return receipt (See Exhibit 1 – April 13, 2006 letter from Federal Express). Plaintiffs have complied with every requirement listed by Rule 4(f)(2)(C)(ii).

Once Plaintiffs have complied with the requirements of Federal Rule 4, their obligations have been fulfilled. The defendant can not retroactively cancel the effect of the service. In Beech Aircraft Corp. v. National Aviation Underwriters, the agents of the defendant corporation deliberately avoided several attempts to serve process. 1984 U.S. Dist. LEXIS 24862 at \*20-23 (D. Kan. 1984). After the defendants' secretary threw the papers back into the car of the process server, he tied them to the fence of the secretary's house. Id. at 22.

Since she [the secretary] was the right person, and in the right place, and did actually receive the papers, service ought not be defeated because of her transparent attempts to evade it. As Wright & Miller put it: If defendant attempts to evade service or refuses to accept delivery after being informed by the process server of the nature of the papers, it is usually sufficient for the Marshal to touch the party to be served with the papers and leave them in his presence or, if a touching is impossible, simply to leave them in defendant's physical proximity. *It is not crucial in these circumstances that defendant does not take the papers into his custody.* Since this procedure satisfies the objective of giving notice to the party to be served, it seems to be entirely sufficient to satisfy [the Federal Rules]. 4 Wright & Miller, Federal Practice & Procedure § 1095, at 362. It strikes the Court that the basis for this rule is pragmatic: if a person lies about who she is and refuses to accept service, how could one

possibly serve her? Simply said, Flight Technology and the Davies, its principals, were properly served since Maureen Davies, the wife of William Davies and also the secretary of the corporation, was properly served at the Davies house.

Id. at \*20-24 (emphasis added). The Beech Aircraft Corp. plaintiffs met the service requirements of the applicable rule and the evasive and disruptive tactics employed by the defendants during and after the service had been effected could not retroactively cancel the service.

In our case, Saeed Dashti, the Chairman and Managing Director of KGL, was the correct person to serve, and he accepted the papers, signed for them on the return receipt form that serves as proof of delivery and reviewed the papers. Service ought not be defeated because of his subsequent, transparent attempts to evade it by returning the complaint and summons.

Plaintiffs arranged for the complaint and summons to be placed in the hands of the Chairman, this -- combined with the Chairman's signature on the return receipt -- created effective service. See Fed. R. Civ. P. 4(f)(2)(C)(ii). It is enough that the papers were put into the Chairman's hands. "If the defendant attempts to evade service or refuses to accept delivery after being informed by the process server of the nature of the papers, it usually is sufficient for the process server . . . simply to leave them in the defendant's physical proximity' . . . [n]umerous federal courts have



applied this principle and held personal service to be sufficient in the absence of in-hand delivery.” Gambone v. Lite-Rock Drywall Corp., 2005 U.S. App. LEXIS 102 at \*3 (3d Cir. 2005) (quoting from 4A Charles Alan Wright & Arthur R. Miller et al., Federal Practice and Procedure § 1095 (3d ed. 2002)). The summons and complaint were both in the physical proximity of the Chairman -- in his hands for his review.

The suspicious behavior of Najwa, the Chairman’s secretary, on March 15, 2006, further attests to KGL’s knowledge of the contents of the mailers and their attempts to derail service. Ali v. Mid-Atlantic Settlement Servs., 2006 U.S. Dist. LEXIS 582 at \*8-9 (D.D.C. 2006) (“Good faith efforts at service are effective particularly where the defendant has engaged in evasion, deception, or trickery to avoid being served.”). On March 15, Najwa refused delivery of one of the international mailers and told the courier she could not accept service because the Chairman was not in his office. There is no multi-national corporation that could refuse to accept international mailers for their chairman and managing director unless he was in the office to personally take receipt, without compromising their business. KGL is not an insignificant corporation. According to its website, KGL’s market capitalization is over 1 billion USD, it is traded on the Kuwaiti stock

exchange, and employs over 5000 employees.<sup>5</sup> Najwa's refusal to take delivery of the mailers because the Chairman was out of the office is at best, extremely suspect.

The critical determination under Federal Rule 4(f)(2)(C)(ii) is whether the defendant signs for and receives the summons and complaint, not what the defendant does with it afterward. To be sure, the Chairman eventually returned the papers to the courier, which resulted in the return of the papers to Washington, D.C. KGL continually refused delivery of the papers thereafter. This point however should not distinguish this case from the decisions recited above. Those decisions held the process server need only leave the papers with the defendant once the defendant is aware of their content. Gambone, 2005 U.S. App. LEXIS 102 at \*3. The defendants in the decisions above could simply have thrown the papers in the fire without examining them after the process server left. That situation would not materially differ from this case where the Chairman became aware of the papers' content, *by examining them*, and then rid himself of the papers. To find service has not been affected would be to reward KGL's evasion and trickery. "... [A] defendant should not be able to defeat service simply by

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<sup>5</sup> Kuwait & Gulf Link Company, <http://www.kglq8.com/welcome.htm> (last visited May 3, 2006).

refusing to accept the papers or by instructing others to reject service.”

Gambone v. Lite-Rock Drywall Corp., 2003 U.S. Dist. LEXIS 13916 at \*9 (D. Pa. 2003) (affirmed by Gambone v. Lite-Rock Drywall Corp., 2005 U.S. App. LEXIS 102 at \*3 (3d Cir. 2005)). The Chairman and Managing Director, an appropriate officer of KGL, received the papers, signed for them, reviewed them, and at that point service was effective. What the Chairman did with the papers after that point could not retroactively thwart service, which had already been achieved.

The Defendants’ return of the documents after viewing them should not be an obstacle to effective service. “The intent of the Rule [4] ‘was motivated by a concern that defendants be assured of actual notice of the pendency of a lawsuit, not by a desire to impose rigid formalities to be followed strictly on pain of a finding of defective service.’” A.I.M. International, Inc. v. Battenfeld Extrusions Systems, Inc., 116 F.R.D. 633, 638 (N.D. Ga. 1987) (citing to Perkin Elmer v. Trans Med. Airways, S.A.L., 107 F.R.D. 55, 58-59 (E.D.N.Y. 1985)). The Chairman of KGL received the service of process, signed for it and opened the package.

**CONCLUSION**

Plaintiffs therefore respectfully request the Court enter an order that valid service on Defendant KGL has been perfected.

Dated: June 20, 2006

Respectfully submitted,

/s/ Steven R. Perles  
Steven R. Perles  
Pro Hac Vice  
D.C. Bar No. 326975  
Perles Law Firm, PC  
1146 19<sup>th</sup> St., NW  
5<sup>th</sup> Floor  
Washington, DC 20009  
(202) 955-9055  
(202) 955-3806 (Fax)  
Email [sperles@perleslaw.com](mailto:sperles@perleslaw.com)

**CERTIFICATE OF COMPLIANCE WITH LOCAL RULE 5.1B**

I hereby certify that the **MEMORANDUM IN SUPPORT OF MOTION FOR ORDER REGARDING SERVICE OF PROCESS** has been prepared using one of the font and point selections approved by the Court in Local Rule 5.1B, N.D. Ga. Plaintiffs prepared this document using Times New Roman 14 point font.

Dated: June 20, 2006

Respectfully submitted,

/s/ Steven R. Perles  
Steven R. Perles  
Pro Hac Vice  
D.C. Bar No. 326975  
Perles Law Firm, PC  
1146 19<sup>th</sup> St., NW  
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Washington, DC 20009  
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Email [sperles@perleslaw.com](mailto:sperles@perleslaw.com)

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

<p><b>DOMINIC F. BARAGONA, et al.,</b></p> <p style="text-align: right;"><b>Plaintiffs,</b></p> <p style="text-align: center;"><b>v.</b></p> <p><b>KUWAIT GULF LINK TRANSPORT COMPANY, et al.,</b></p> <p style="text-align: right;"><b>Defendants.</b></p>		<p><b>1:05-cv-1267-WSD</b></p>
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**ORDER**

This matter is before the Court on Plaintiffs' Motion for Order Regarding Service of Process ("Motion") [9]. In the Motion, Plaintiffs set forth the steps they have taken to serve Defendant Kuwait Gulf Link Transport Company ("Kuwait Gulf")<sup>1</sup> in this action. The Kuwaiti government has failed to serve the Complaint in this action pursuant to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents, as provided under Federal Rule of Civil Procedure

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<sup>1</sup> Plaintiffs have named two defendants in this action: Kuwait Gulf Link Transport Company and Mahmoud Muhammed Hessain Serour, the driver of the Kuwait Gulf truck that was involved in the accident in which Dominic Baragona was killed. Plaintiffs do not present any evidence pertaining to service of the Complaint on Mr. Serour and the Court limits its consideration of Plaintiff's motion to service on Kuwait Gulf.

4(f)(1). Accordingly, Plaintiffs requested to effect service pursuant to Rule 4(h)(2). On February 10, 2006, this Court entered its Order approving Plaintiffs' request to serve Defendants through the alternative service process allowed under Federal Rules of Civil Procedure 4(h)(2) and 4(f)(2)(C)(ii). Following entry of the Court's February 10, 2006 Order, on March 10, 2006, the Summons, Complaint and Consent to Proceed before a Magistrate Judge (the "Pleadings") were sent by the Clerk of Court in this district to Kuwait using the Federal Express ("FedEx") International Air Envelope Service. FedEx was responsible for delivering the Pleadings to Kuwait Gulf. The information submitted in support of the Motion indicates the Pleadings were tendered to an individual at Kuwait Gulf in Kuwait on March 14, 2006. Specifically, the Motion supports that the Pleadings were accepted, opened and reviewed by Saeed Dashti, Kuwait Gulf's Vice Chairman and Managing Director, who, after his review, refused the Pleadings and returned them to the driver.<sup>2</sup>


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<sup>2</sup> The account of this service is supported by correspondence from Ms. Janetta Hooper in FedEx Express's Customer Relations office in Memphis, Tennessee, and the Affidavit of Edward B. MacAllister, counsel for Plaintiffs. (Motion, Exs. 2-4.) Ms. Hooper's April 13, 2006 letter indicates Mr. Dashti received the package with the Pleadings on March 14, 2006, opened it and after doing so, refused the shipment stating the shipment was "not for him." (Motion,

Based on the Motion and it appearing to the Court that service has been made on Kuwait Gulf by service on its Vice Chairman and Managing Director, Saeed Dashti,<sup>3</sup>

**IT IS HEREBY ORDERED** that Plaintiffs' Motion for Order Regarding Service of Process ("Motion") [9] is **GRANTED**.

**SO ORDERED** this 19th day of July, 2006.

  
\_\_\_\_\_  
WILLIAM S. DUFFEY, JR.  
UNITED STATES DISTRICT JUDGE

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Ex. 2.) Ms. Hooper's April 6, 2006 letter indicates the package was attempted to be delivered again on March 15, 2006. On this attempt, Mr. Dashti's secretary indicated he was not in the office, but that he would contact FedEx when he returned. Mr. Dashti apparently did not contact FedEx. (Motion, Ex. 3.)

<sup>3</sup> Saeed Ismail Dashti is listed on Kuwait & Gulf Link Transport Co.'s website as the company's Vice Chairman and Managing Director. See [http://www.ameinfo.com/financial\\_markets/Kuwait/Company\\_KW0132/](http://www.ameinfo.com/financial_markets/Kuwait/Company_KW0132/). This website suggests Defendant's name is not precisely as it is stated in the complaint. The variation does not appear to be material.



Customer Relations  
3875 Airways Boulevard, 3rd Floor  
Memphis, TN 38118-4524

Telephone 901.348.8305  
Fax 901.822.1532



VIA FACSIMILE

April 6, 2006

Mr. Edward McCallister  
The Perles Law Firm  
1146 19<sup>th</sup> Street NW, 5<sup>th</sup> Floor  
Washington, DC 20036  
Facsimile #202-955-3806

Dear Mr. McCallister:

This is in follow up to my letter of March 23, 2006, regarding your March 11 shipment to Mr. Saoud Dashti, with Kuwait and Gulf Link Transport in Shuwarkh, Kuwait. The shipment traveled on air waybill 854654474479.

An unsuccessful delivery attempt was recorded at 11:30 AM on March 15, at which time Mr. Dashti's secretary, Najwa, refused the delivery, advising the courier that the consignee was not in the office and that the consignee would contact FedEx when he returned. The shipment was returned to the sender on March 30 because the recipient had not contacted us to provide delivery instructions. It was returned on air waybill 650939586314, with delivery completed on April 3.

We appreciate your business and hope that this information is helpful.

Sincerely,

  
Janetta Flooper  
Customer Relations

jh/253360

\*revised letter of 032306

10/10 13:44:38 ON 47:31 90, 90/90

Customer Relations  
 9975 Avenue Boulevard, 3rd Floor  
 Memphis, TN 38116-4824

Telephone 901.348.9265  
 Fax 901.322.9599



VIA FACSIMILE

April 13, 2006

Mr. Edward McCallister  
 The Perles Law Firm  
 1146 19<sup>th</sup> Street NW, 5<sup>th</sup> Floor  
 Washington, DC 20036  
 Facsimile #202-955-3806

Dear Mr. McCallister:

This correspondence concerns your March 9, 2006 shipment to Mr. Sa'eed Dashti, with Kuwait and Gulf Link Transport in Safat, Kuwait. The shipment traveled on air waybill 854654474490.

This package was delivered at 10:55 AM on March 12, at which time the courier documented that *Mariam*, at the receptionist/front desk area, had signed for receipt of the shipment. At 10:59 AM on the 12<sup>th</sup>, the shipment was returned to our courier, and he noted in the tracking file that the shipment was refused and that it was an unclaimed package. The parcel was delivered again at 11:00 AM on March 14, at which time the courier entered comments that *Sa'eed Dashti*, in shipping and receiving, signed for the shipment. At 11:02 AM on the 14<sup>th</sup>, the package was given back to the courier, and he was advised that the shipment was "not for him".

The parcel was returned to our office in Kuwait City and placed in the area designated for packages requiring additional research. On March 27, our agent in Kuwait City updated the tracking record with a code designating package damage. Our agent clarified that this code was used to reflect that the parcel had been opened by the consignee before it was returned to our courier. Also on March 27, our employee entered a delivery exception scan in the tracking record that reflected the recipient's refusal of the shipment. The parcel was returned to the sender on March 30, on air waybill 650939586314, and was delivered on April 3.

If you should require additional information or assistance with this matter, please contact Camilla Matthews, the tracing specialist assigned to this case, at 1-800-247-4747, extension 344-3069. Ms. Matthews is familiar with the tracking file and will be able to provide the most current data associated with the shipment.

We appreciate your business and hope that this information is helpful.

Sincerely,

  
 Janetta Hooper  
 Customer Relations

Jh254144

FEDEX CUST RELATIONS 901 922 1539 04/13 '06 13:04 NO. 901 01/07

# **EXHIBIT 3**

October 18, 2006

Mr. Brian A. Persico  
 Chief, Procurement Fraud Branch  
 Department of the Army  
 United States Army  
 Legal Services Agency  
 901 North Stuart Street Arlington, VA 22202-1837

Dear Mr. Persico:

RE: Show Cause Letter, Dated September 22, 2006

Kuwait and Gulf Link Transport Company ("KGL") has received the above-referenced letter requesting KGL to show cause why the U.S. Army should not consider debarment proceedings against KGL and Mr. Saeed Esmail Dashti ("Mr. Dashti"). This response is submitted on behalf of both KGL and Mr. Dashti.

KGL and Mr. Dashti strongly disagree with allegations made by the plaintiffs' lawyers in connection with the civil lawsuit filed by the representatives of LTC. Dominic R. Baragona. KGL and Mr. Dashti have neither failed to accept lawful service of process nor have taken steps to frustrate the lawful delivery of court documents in connection with that lawsuit.

As an initial matter, KGL and Mr. Dashti are providing a response to the above referenced letter without prejudice to or waiver of any legal defense in connection with the lawsuit. In addition, KGL would like to assure your office of its full cooperation and support for the government of the United States of America.

Page 1 of 3



رأس المال ١٥.٦٤٥.٩٢١ دينار كويتي  
 هاتف : ٨٨٨٧٠٠٠ - ١٩ - ٢٢٤٠٠٠ فاكس : ٤٨٤٥٩٢٦ - ص.ب. : ٢٤٥٦٥ الصفاة - ١٣١٠٦ الكويت  
 Tel.: 888700 - 2240019 - Fax: 4845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
 www.kglq8.com



PFB-0047

Contrary to what the legal counsel for the plaintiffs have represented to the Court and apparently to your office, KGL has not refused to accept lawful service of process. Under Kuwaiti law, all service of process must occur through the Kuwait Ministry of Justice. According to a letter from the Kuwait Ministry of Justice, dated June 28, 2006 (a copy of the letter in both Arabic and English are included as Attachment 1), the plaintiffs' first attempt to serve the documents failed because the plaintiffs supplied an incorrect name for the company when submitting translated copies of the court documents to the Ministry of Justice as required by the Kuwaiti Law.

The plaintiffs corrected their mistake and provided the Ministry of Justice with revised documents. In accordance with Kuwaiti law, the Ministry of Justice thereafter served the court documents on KGL and KGL accepted such documents on or about July 11, 2006 (a copy of the letter in both Arabic and English are included as Attachment 2).

Kuwait law does not recognize service of process by international mail carrier. All service of process must occur through the Kuwait Ministry of Justice. When adopting the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (the "Convention"), Kuwait objected to and did not adopt Articles 8 and 10 as permitted by individual signatories to the Convention. See Convention, Article 10 ("Provided the State of destination does not object . . ."). Absent such an objection, Article 10 allows judicial documents to be sent, among other methods, by "postal channels, directly to persons abroad . . ." The State of Kuwait objected to Article 10 when it enacted Law No. 7 of 2002 In Respect of Approval to Join the Convention of Serving and Notifying the Instruments Abroad in the Commercial and Civil Lawsuits (a copy of the law in both Arabic and English are included as Attachment 3). Therefore, the attempt by the plaintiffs' to serve the court documents by international mail carrier (e.g., FedEx) was in violation of Kuwaiti and international law. While KGL and Mr. Dashti disagree with the plaintiffs' factual allegations made in connection with



their improper attempt to serve the court documents by international mail, KGL and Mr. Dashti conformed their conduct at all time with applicable international law as lawfully adopted by the State of Kuwait. The order by the United States Federal District Court for the Northern District of Georgia regarding service of process by international mail carrier, which was entered before service of process was lawfully performed under Kuwait law, does not comply with applicable international law as adopted by the State of Kuwait.<sup>1</sup>

In conclusion, KGL would like to assure your office that KGL did not frustrate or delay the lawful service of the relevant court documents. Should the plaintiffs continue to pursue this matter, KGL intends to assert the proper defenses, as permitted and recognized under United States law, at the appropriate time based on advice of legal counsel. KGL and Mr. Dashti respectfully assert that conforming their conduct to its national and international law regarding service of process is not a basis to consider debarment proceedings and request that your office close this matter without any further action. If your office has any further questions, please contact Mr. Richard J. Bednar ((202) 624-2619) at the law firm of Crowell & Moring LLP, who we have retained to help close out this matter. In the meantime, KGL will continue to support the government of the United States of America and its representatives overseas.

Sincerely,

Mr. Ahmed Affi

Director, Legal Affairs

شركة رابطة الكويت والخليج للنقل ك.س.ك.  
Kuwait & Gulf Link Transport Co. K.S.C.

cc: Richard J. Bednar, Esq.

<sup>1</sup> The plaintiffs also filed their lawsuit in a United States Federal District Court in Alabama. We understand that the plaintiffs transferred that case to the court in Georgia rather than replying to the Alabama judge's *sua sponte* request to show cause why the case should not be dismissed for lack of personal jurisdiction over the defendants.



**Translation  
Attachment (1)**

**State of Kuwait  
Ministry of Justice**

Date: 28.06.2006  
Ref. 146/A/D/Kh

Mr. Ali MUSAED Al-DUBAIBI, Chancellor,  
Chief,  
General Department of Enforcement

Dear Sir,

In pursuance of our letters Nos.13/A/D.Kh and 91/A/D/Kh dated 30.01.2006 and 20.07.2006 respectively enclosed with the documents received from the United States of America (Northern Region of Georgia and Alabama) at the request of Pirlis and Edward B. Mcster, lawyer (Business Rights Firm) in respect of notifying a Notice of Action to the Defendants, Transportation Gulf Kuwaiti Connection Company and Mr. Mahmoud Mohamed Hussein Sorour at the following address:

Kuwait and Gulf Link Transport Company owned by Mr. Ismail Ali Dashti and Co., C.R. No.33203, Civil Information No.3028/10  
Business phone No.4849355-4842104, Residence Phone No. 5386833, with its address at Shuwaikh Industrial, Al-Ghazali/ Al-Jahra Intersection;

Such action was not taken by yourselves for the incorrectness of the Arabic Translation of the Defendant Company's name as indicated in your letter No.1141/2006 dated 18.03.2006

Please be advised that having contacted the requesting authority in the United States, the Ministry found that the correct name of the Defendant Company was "Kuwait and Gulf Link Transport Company"

Therefore, we return all the enclosures for notifying the Defendant Company, Kuwait and Gulf Link Transport Company and Mr. Mahmoud

**Translation  
Attachment (1)**

Mohamed Hussein Sorour again of copy of the enclosed documents. Please return the original to the Ministry after the notification is completed to enable us to return the same to the submitting authority.

Best regards.

**For/ Director,**

**International Relations Department**

**(Signed)**

**Mohamed Abdulla Al\_Ansari**



Ministry of Justice

وزارة العدل



التاريخ: 28/ يونيو / 2006  
اللائحة رقم: 1141/ع

28/6/06

المشتمل

السيد المستشار علي مساعد الضبيبي

رئيس الإدارة العامة للتسجيل

تحية طيبة وبعد...

الحاقاً لتكثيبيات رقم 13/ ج. د. خ. و رقم 91/ ج. د. خ. المؤرخة على التالى 30 يناير 2006، 20 يونيو 2005، والمرفق بهما المستندات المرسلة ومن محكمة الولايات المتحدة الأمريكية (الولاية الشمالية لولايات جورجيا والبنما) بناء على طلب مكتب المحامين برنس وإيوارد. ب. مكالمستر (مؤسسة الحقوق برنس)، بشأن إعلان صحيفة دعوى قضائية إلى المدعى عليهم شركة الرابطة النفطية الخليجية الكويتية، والسيد/ محمود محمد حسين سرور على العنوان التالي:-

شركة رابطة الكويت والخليج للنقل العائدة للسيد/ إسماعيل علي نشسني وشركاه، رقم السجل التجاري 33203، رقم الجبهة المدني 10/3028، هاتف عمر رقم 4840355 -- 4842104، حضانة سكن رقم 5386833، عنوان الشركة: الشويخ الصناعية تقاطع الغزالي مع الجبراء، ونسب الإحرام الذي لم يرد من قبلك لعدم صحة الترجمة العربية لاسم الشركة المساعي عليهم، وفقاً لملف رقم 2006/1141 بتاريخ 2006/3/18.

يرجى الإحاطة بأنه على أثر مخاطبة الوزارة تجهة الطالبة في الولايات المتحدة بيننا تبيين أن الاسم الصحيح للشركة المدعى عليها هو شركة رابطة الكويت والخليج للنقل.

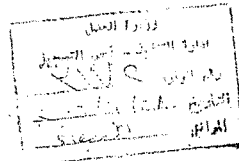
لذا نعود نذك جميع المرفقات، برجاء إعلان المدعى عليهم شركة رابطة الكويت والخليج للنقل، كذلك السيد/ محمود محمد حسين سرور، مجدداً بنسخة من المستندات المرفقة، وإعادة نسخة الأصناف بعد تمام الإعلان للوزارة، وذلك حتى يتسنى لنا إعادتها إلى الجهة المرسلة.

وتفضلوا بقبول وافر تحياتنا ...

تقدير

الإدارة العامة للتسجيل

محمود محمد حسين سرور



**Translation  
Attachment (2)**

**State of Kuwait  
Ministry of Justice  
General Department of Enforcement**

Date: 11.07.2006

The Director,  
International Relations Department

Dear Sir,

Reference is made to your letter No.146/A/D/Kh dated 28.06.2006 and its enclosures with respect to notifying Kuwait and Gulf Link Transport Company with the judicial papers received from the United States.

We herewith return to you the enclosures of your letter referred to above after the required action had been taken.

Submitted for information, review and necessary action.

With due respect.

**Chief,  
General Department of Enforcement**

**CC:**  
Registration Section  
Notification Section

	<p>وزارة العدل الإدارة العامة للتنفيذ</p>	
<p>التاريخ: ١٤١٦/٤/٤</p>		
<p>المحترم</p>	<p>مدير إدارة العلاقات الدولية</p>	<p>السيد الأستاذ/</p>
<p>السلام عليكم ورحمة الله وبركاته....</p>		
<p>بالإشارة إلى كتابكم رقم (١٤٦/ع/د/خ) بتاريخ ٢٠٠٦/٦/٢٨ ومرفقاته</p>		
<p>حول إعلان / شركة وأهبطه الكويت والفليج للنقل</p>		
<p>بالاوراق القضائية الواردة / الولايات المتحدة .</p>		
<p>نعيد لكم جميع مرفقات كتابكم المشار إليه وذلك بعد اتمام الاجراء المطلوب</p>		
<p>فيرجى التفضل بالعلم والاطلاع واتخاذ ما يلزم .</p>		
<p>وتفضلوا بقبول فائق الاحترام ...</p>		
<p>رئيس</p>		
<p>الإدارة العامة للتنفيذ</p>		
<p>مرفقات:</p>		
<p>نسخة إلى: قسم التسجيل</p>		
<p>نسخة إلى: قسم الامتلاك</p>		
<p>١٤١٦/٤/٤</p>		

## **Translation Attachment (3)**

### **Law No. 7 of 2002**

#### **In Respect Of Approval To Join the Convention of Serving and Notifying the Instruments Abroad in the Commercial and Civil Lawsuits.**

- After reviewing the Constitution.
- Parliament agreed on the Law the provision of which is set out below. And we approved and passed it.

#### **First Article**

Agreeing on causing the State of Kuwait join the Convention made in relation to Serving and notifying the instruments abroad in the commercial and civil lawsuits drawn up in Lahai on 15.11.1965 and its complementary appendixes the provisions of which are in accordance with this Law, along with an Explanatory Announcement shall be issued in relation to nomination of the Central Panel handling the tasks set forth in Articles 2, 6 and 9, the right of nominating other authorities as per Article 18, concept of third clause of Article 165, objection to adopt methods of service and sending the documents referred to in both Articles 8 and 10 and make reservation on the second clause of Article (15).

**PFB-0055**

## **Translation Attachment (3)**

### **Second Article**

Ministers shall, as far as he/she concerns, put this Law into effect and it shall be applicable as of the date it is published in the Official Gazette.

**Amir of Kuwait  
Jaber Al-Ahmed Al-Sabah**

Issued at Bayan Palace on: Zul Qaida 21, 1422  
Corresponding to: February 3, 2002

**PFB-0056**

**قانون رقم ٧ لسنة ٢٠٠٢  
بالمؤلفة على الإنضمام إلى الاتفاقية الخاصة بإعلان الحريات  
وتبليغها في الخارج في المواد المدنية والتجارية**

بعد الإطلاع على المصهور ،  
وإذ مجلس الأمة على القانون الآتي نصه ، وقد صدقنا عليه وأصدرناه .

**مادة أولى**

والمسبق على الإنضمام دولة الكويت إلى الاتفاقية الخاصة بإعلان الحريات وتبليغها في الخارج في المواد المدنية والتجارية والحرة في الاغني في ١٩٦٥/١١/١٥ والساحقين الكاملين لها والسرالفة نحو منها لهذا القانون ، مع امصدر اعلان تفسيري بالنسبة لتعيين الهيئة المركزية التي تستولى المهام المبيسة في السواد ٦٠٢ ، ٩ ، والحق في تعيين مساعلات اخرى وقفا للمادة ١٤ والمفهوم الفقرة الثالثة من المادة ١٦٥ والامراض على استخدام طرقت الاعلان وارسال المستندات المشار إليها في المادتين ٨ ، ١٠ ، والتحفظ على الفقرة الثانية من المادة (١٥) .

**مادة ثانية**

على الوزراء - كل شيما يخصه - تنفيذ هذا القانون ، ويحمل رسمه من تاريخ نشره في الجريدة الرسمية .

أمير الكويت  
جابر الأحمد الصباح

١٤٤٤ ذوالقعدة  
٣ فبراير ٢٠٠٢  
مدير بصر بيان  
ش.ا.ك.

PFB-0057



DEPARTMENT OF THE ARMY  
 UNITED STATES ARMY LEGAL SERVICES AGENCY  
 901 NORTH STUART STREET  
 ARLINGTON VA 22202-1837

December 15, 2006

REPLY TO  
 ATTENTION OF

Contract and Fiscal Law Division  
 Procurement Fraud Branch

VIA INTERNATIONAL  
 EXPRESS MAIL

SUBJECT: Intent Not to Recommend Suspension or Debarment

Ahmed Afifi  
 Director, Legal Affairs  
 Kuwait and Gulf Link Transport Company  
 Shuwaikh Industrial Area, Block A  
 Building No. 14-3rd  
 Shuwaikh, Kuwait  
 Tel: 011-965-888-700

Dear Mr. Afifi:

We have reviewed the information provided to this office in response to our letter dated September 22, 2006. Based upon that response and a review of the information available to us, this office does not intend to recommend suspension or debarment proceedings against Kuwait and Gulf Link Transport Company ("KGL"). This decision is based on the fact that the initial attempts to serve KGL with documents regarding a civil matter in the Federal District Court for the Northern District of Georgia were not accomplished in accordance with the procedures for service of process consistent with Kuwait's exercise of reservations to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. These documents were later properly served on KGL via the Kuwaiti Ministry of Justice on 11 July 2006 in a manner consistent with these reservations. Additional delays in service of these documents can be attributed to an improper translation of KGL's corporate name in the service of process documents.

We will continue to monitor the progress of this case in the future and may revisit this determination should additional information come to our attention regarding KGL's present responsibility as a Government contractor. Should you have any questions, you may contact Brian A. Persico, Attorney, Army Procurement Fraud Branch at (703) 696-1545.

Sincerely,

SAMUEL J. ROB  
 Colonel, U.S. Army  
 Chief, Contract and Fiscal Law Division

Copy Furnished:  
 Richard J. Bednar, Esq., Crowell & Moring LLP



# **EXHIBIT 4**





DEPARTMENT OF THE ARMY  
 UNITED STATES ARMY LEGAL SERVICES AGENCY  
 901 NORTH STUART STREET  
 ARLINGTON VA 22202-1637  
 December 19, 2007

REPLY TO  
 ATTENTION OF

Contract and Fiscal Law Division  
 Procurement Fraud Branch

VIA INTERNATIONAL  
 EXPRESS MAIL

Ahmed Afifi  
 Director, Legal Affairs  
 Kuwait and Gulf Link Transport Company  
 Shuwaikh Industrial Area, Block A  
 Building No. 14-3<sup>rd</sup>  
 Shuwaikh, Kuwait  
 Tel: 011-965-888-700

Subject: Request for Information

Dear Mr. Afifi:

On September 22, 2006, the United States Army Procurement Fraud Branch sent a Show Cause Letter to your company, Kuwait and Gulf Link Transport Company ("KGL"), for the purpose of determining its present responsibility as a United States Government contractor. Specifically, this letter requested that your company address accusations that it had failed to accept international service of process in a civil matter before the United States District Court for the Northern District of Georgia regarding the May 19, 2003, death of LTC Dominic R. Baragona, USA (Encl. 1). Subsequently, on October 18, 2006, KGL provided a response detailing the reasons for initial refusal of international service of process in this matter and acknowledged that, notwithstanding prior procedural errors, it actually accepted these documents "on or about July 11, 2006" (Encl. 2). As a result of this response, and the fact that there was an ongoing civil case in the Northern District of Georgia, on December 15, 2007, the Procurement Fraud Branch determined that a recommendation of suspension or debarment was not appropriate at that time (Encl. 3).

On November 26, 2007, the attorney for the Baragona family provided the Procurement Fraud Branch with a copy of the default civil judgment in *Dominic F. Baragona, et. al. v. Kuwait Gulf Link Transport Company, et. al.*, dated November 5, 2007. This default judgment provides for a lump sum award of \$4,907,048.00 to the Baragona family as compensation for the wrongful death of LTC Baragona (Encl. 4).

As the civil action by the Baragona family was the subject of a previous Show Cause Letter, I ask that you provide the Army Procurement Fraud Branch with information regarding the manner in which it intends to satisfy the judgment against it ordered by the Northern District of Georgia. If KGL has determined that it intends to appeal the judgment against it, I ask that you provide the Procurement Fraud Branch with confirmation that this is the company's intended course of action. I also ask that you clarify the meaning of your statement in KGL's October 18, 2006, response, that "Should the plaintiffs continue to pursue this matter, KGL intends to assert

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the proper defenses, as permitted and recognized under United States law, at the appropriate time based on advice of legal counsel" in light of the default judgment in this matter (Encl. 2).

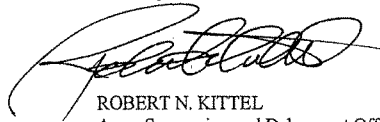
Defense Federal Acquisition Regulation Supplement (DFARS) 203.7000 states Government contractors must conduct themselves with the highest degree of integrity and honesty. The purpose of this letter is to solicit your response regarding KGL's knowledge of the above referenced civil judgment and any actions taken by KGL in response to it.

Please respond in writing not later than February 15, 2008, and provide any information that you believe is relevant to this matter. Your submission may include affidavits, certified records, letters, or other documents bearing on this issue. I will consider all timely submissions. All statements made must be true and accurate; false statements are punishable under Title 18, United States Code, Section 1001.

You should address your written submissions to: U.S. Army Legal Services Agency, Procurement Fraud Branch, ATTN: Mr. Brian A. Persico, 901 North Stuart Street, Suite 500, Arlington, Virginia 22203-1837.

If you have any questions, please contact Mr. Persico at (703) 696-1500.

Sincerely,



ROBERT N. KITTEL  
Army Suspension and Debarment Official

4 Enclosures:

- 1) Show Cause Letter, dated 22 Sep 07
- 2) Show Cause Response Letter, dated 18 Oct 07
- 3) Intent Not to Recommend Suspension or Debarment, dated 15 Dec 07
- 4) Opinion and Order, *Dominic F. Baragona, et. al. v. Kuwait Gulf Link Transport Company, et. al.*, dated 5 Nov 07

Copy Furnished:

Richard J. Bednar, Esq.  
Crowell and Moring LLP  
1001 Pennsylvania Avenue, NW  
Washington, D.C. 20004-2595

# Enclosure 1



REPLY TO  
ATTENTION OF  
Procurement Fraud Branch

DEPARTMENT OF THE ARMY  
UNITED STATES ARMY LEGAL SERVICES AGENCY  
901 NORTH STUART STREET  
ARLINGTON VA 22202-1837

September 22, 2006

VIA INTERNATIONAL  
EXPRESS MAIL

SUBJECT: Show Cause Letter

Ahmed Afifi  
Director, Legal Affairs  
Kuwait and Gulf Link Transport Company  
Shuwaikh Industrial Area, Block A  
Building No. 14-3rd  
Shuwaikh, Kuwait  
Tel: 011-965-888-700

Dear Mr. Afifi:

This is to advise you that the United States Army is considering Saeed Esmail Dashti and Kuwait and Gulf Link Transport Company for debarment from future contracting with agencies of the Executive branch of the United States Government under the authority of Federal Acquisition Regulation (FAR) section 9.406. The FAR is published at Title 48, Code of Federal Regulations, Chapter 1.

The Army is considering this action because of Mr. Dashti's and Kuwait and Gulf Link Transport Company's alleged failure to accept international service of process in a civil matter before the United States District Court for the Northern District of Georgia (Encl. 1). Specifically, Mr. Dashti, acting in his capacity as Chairman and Managing Director of Kuwait and Gulf Link Transport Company, is accused of purposely taking steps to frustrate delivery of court documents for the sole purpose of avoiding participation in lawsuits brought by the survivors of LTC Dominic R. Baragona. Copies of these documents, along with the determination by the District Court for the Northern District of Georgia that valid service was made on Kuwait and Gulf Link Transport Company on March 14, 2006, as well as supporting documents, are attached (Encls. 2, 3 and 4).

This conduct has cast doubt on Mr. Dashti's and Kuwait and Gulf Link Transport Company's present responsibility as a United States Government contractor and could provide a basis for debarment of both Mr. Dashti and Kuwait and Gulf Link Transport Company under the provisions of FAR 9.406. The purpose of this letter is to solicit your response before we make any recommendations to the Army's Suspension and Debarment Official. No recommendation or decision has been made regarding present responsibility at this time.

You may take advantage of this opportunity to demonstrate that Kuwait and Gulf Link Transport Company is a responsible contractor by responding in writing within thirty calendar days and providing any information you believe is relevant to this matter. Your submission may include affidavits, certified records, letters, or other documents bearing on this issue. We will

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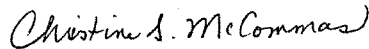
consider all timely submissions. All statements made must be true and accurate; false statements are punishable under Title 18, United States Code, Section 1001.

You should address your written submissions to: U.S. Army Legal Services Agency, Procurement Fraud Branch, ATTN: Brian A. Persico, 901 North Stuart Street, Suite 513, Arlington, Virginia, 22203-1837, USA.

Should you fail to respond to this letter within thirty calendar days of receipt, we will evaluate the case based on the information currently available to us. We may also consider your failure to respond as a factor affecting your present responsibility as a Government contractor.

If you have any questions, please contact Mr. Persico at 011-1-703-696-1550.

Sincerely,



Christine S. McCommas  
Chief, Procurement Fraud Branch

Enclosures:

- 1) Complaint (with Arabic Translation), *Dominic F. Baragona, et. al. v. Kuwait and Gulf Link Transport Co., et. al.*
- 2) Motion Regarding Service of Process, dated June 20, 2006
- 3) Order Regarding Service of Process, dated July 19, 2006
- 4) Letters from FEDEX Customer Relations, dated April 6 and 13, 2006

# Enclosure 2



KUWAIT & GULF LINK TRANSPORT COMPANY S.A.C.

شركة رابطة الكويت والخليج للنقل س.م.ك.

October 18, 2006

Mr. Brian A. Persico  
 Chief, Procurement Fraud Branch  
 Department of the Army  
 United States Army  
 Legal Services Agency  
 901 North Stuart Street Arlington, VA 22202-1837

Dear Mr. Persico:

RE: Show Cause Letter, Dated September 22, 2006

Kuwait and Gulf Link Transport Company ("KGL") has received the above-referenced letter requesting KGL to show cause why the U.S. Army should not consider debarment proceedings against KGL and Mr. Saeed Esmail Dashti ("Mr. Dashti"). This response is submitted on behalf of both KGL and Mr. Dashti.

KGL and Mr. Dashti strongly disagree with allegations made by the plaintiffs' lawyers in connection with the civil lawsuit filed by the representatives of LTC. Dominic R. Baragona. KGL and Mr. Dashti have neither failed to accept lawful service of process nor have taken steps to frustrate the lawful delivery of court documents in connection with that lawsuit.

As an initial matter, KGL and Mr. Dashti are providing a response to the above referenced letter without prejudice to or waiver of any legal defense in connection with the lawsuit. In addition, KGL would like to assure your office of its full cooperation and support for the government of the United States of America.



Page 1 of 3  
 رأس المال ١٥.٦١٥.٩٢١ دينار كويتي  
 هاتف: ٠٠٩٨٨٨٧٠٠ - فاكس: ٠١٨١٥٩٢٦ - ص.ب: ٢٤٥٦٥ الصفاة - ١٣١٠٦ الكويت  
 Tel.: 888700 - 2240019 - Fax: 4845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
 www.kglq8.com



PFB-0064

Contrary to what the legal counsel for the plaintiffs have represented to the Court and apparently to your office, KGL has not refused to accept lawful service of process. Under Kuwaiti law, all service of process must occur through the Kuwait Ministry of Justice. According to a letter from the Kuwait Ministry of Justice, dated June 28, 2006 (a copy of the letter in both Arabic and English are included as Attachment 1), the plaintiffs' first attempt to serve the documents failed because the plaintiffs supplied an incorrect name for the company when submitting translated copies of the court documents to the Ministry of Justice as required by the Kuwaiti Law.

The plaintiffs corrected their mistake and provided the Ministry of Justice with revised documents. In accordance with Kuwaiti law, the Ministry of Justice thereafter served the court documents on KGL and KGL accepted such documents on or about July 11, 2006 (a copy of the letter in both Arabic and English are included as Attachment 2).

Kuwait law does not recognize service of process by international mail carrier. All service of process must occur through the Kuwait Ministry of Justice. When adopting the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (the "Convention"), Kuwait objected to and did not adopt Articles 8 and 10 as permitted by individual signatories to the Convention. See Convention, Article 10 ("Provided the State of destination does not object . . ."). Absent such an objection, Article 10 allows judicial documents to be sent, among other methods, by "postal channels, directly to persons abroad . . ." The State of Kuwait objected to Article 10 when it enacted Law No. 7 of 2002 In Respect of Approval to Join the Convention of Serving and Notifying the Instruments Abroad in the Commercial and Civil Lawsuits (a copy of the law in both Arabic and English are included as Attachment 3). Therefore, the attempt by the plaintiffs' to serve the court documents by international mail carrier (e.g., FedEx) was in violation of Kuwaiti and international law. While KGL and Mr. Dashi disagree with the plaintiffs' factual allegations made in connection with







# Enclosure 3



DEPARTMENT OF THE ARMY  
 UNITED STATES ARMY LEGAL SERVICES AGENCY  
 901 NORTH STUART STREET  
 ARLINGTON VA 22202-1837

REPLY TO:  
 ATTENTION OF  
 Contract and Fiscal Law Division  
 Procurement Fraud Branch

December 15, 2006

VIA INTERNATIONAL  
 EXPRESS MAIL

SUBJECT: Intent Not to Recommend Suspension or Debarment

Ahmed Affi  
 Director, Legal Affairs  
 Kuwait and Gulf Link Transport Company  
 Shuwaikh Industrial Area, Block A  
 Building No. 14-3rd  
 Shuwaikh, Kuwait  
 Tel: 011-965-888-700

Dear Mr. Affi:

We have reviewed the information provided to this office in response to our letter dated September 22, 2006. Based upon that response and a review of the information available to us, this office does not intend to recommend suspension or debarment proceedings against Kuwait and Gulf Link Transport Company ("KGL"). This decision is based on the fact that the initial attempts to serve KGL with documents regarding a civil matter in the Federal District Court for the Northern District of Georgia were not accomplished in accordance with the procedures for service of process consistent with Kuwait's exercise of reservations to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. These documents were later properly served on KGL via the Kuwaiti Ministry of Justice on 11 July 2006 in a manner consistent with these reservations. Additional delays in service of these documents can be attributed to an improper translation of KGL's corporate name in the service of process documents.

We will continue to monitor the progress of this case in the future and may revisit this determination should additional information come to our attention regarding KGL's present responsibility as a Government contractor. Should you have any questions, you may contact Brian A. Persico, Attorney, Army Procurement Fraud Branch at (703) 696-1545.

Sincerely,

SAMUEL J. ROB  
 Colonel, U.S. Army  
 Chief, Contract and Fiscal Law Division

Copy Furnished:  
 Richard J. Bednar, Esq., Crowell & Moring LLP

Printed on Recycled Paper

# Enclosure 4

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**DOMINIC F. BARAGONA, et al.,**  
Plaintiffs,  
v.  
**KUWAIT GULF LINK  
TRANSPORT COMPANY, et al.,**  
Defendants.

1:05-cv-1267-WSD

**OPINION AND ORDER**

This matter is before the Court on Plaintiffs' Motion for Order Allowing the Submission of Affidavits [29] and Plaintiffs' Memorandum Regarding the Iraqi Law Report [36].<sup>1</sup>

**I. BACKGROUND**

This is a tort action brought by the parents of Lieutenant Colonel Dominic F. Baragona ("Lt. Col. Baragona"), seeking damages arising from the death of their son, who was killed in an automobile accident in Iraq while serving as an officer in the United States Army. The Defendants are Kuwait Gulf Link Transport Company ("KGL") and Mahmoud Muhammed Hessain Serour ("Serour"). The

<sup>1</sup> Having considered the affidavits submitted by Plaintiffs, Plaintiffs Motion for Order Allowing the Submission of Affidavits [29] is GRANTED.

accident occurred when the Army Humvee in which Lt. Col. Baragona was a passenger collided with a truck owned by KGL and driven by Serour, a KGL employee.

Plaintiffs have asserted an action for wrongful death based on the accident. This Court has determined in prior orders that it has subject matter jurisdiction over the action, and personal jurisdiction over Defendant KGL. At a hearing held on April 25, 2007, Plaintiffs presented evidence and expert testimony on damages.

In an order entered on July 16, 2007 ("July 16 Order"), the Court required Plaintiffs to submit briefing on the laws of Iraq as they relate to this case. The Court's purpose was to determine: (i) whether, under Georgia's conflicts of law rules, Georgia or Iraqi law applies to this action; (ii) whether, under the applicable law, Plaintiffs stated a viable cause of action sufficient to obtain default judgment; and (iii) what measure of damages, if any, is appropriate.

In light of the unique requirements of obtaining Arabic translation services and expert opinions on Iraqi law, the Court granted Plaintiffs a substantial amount of time to complete this briefing. On October 11, 2007, Plaintiffs filed the memorandum requested by the Court. Plaintiffs obtained the aid of Judge Raid Juhj Hamadi Al-Saedi, a former Iraqi judge, and Dr. Abdullah F. Ansary, a Saudi

professor of law with degrees from Harvard and the University of Virginia. Judge Al-Saedi and Dr. Ansary jointly drafted an expert report on Iraqi law, which Plaintiffs submitted pursuant to Federal Rule of Civil Procedure 44.1.<sup>2</sup> After reviewing this report, and for the reasons set forth below, the Court finds: (i) Iraqi law applies to this case; (ii) Plaintiffs' complaint states a cause of action under Iraqi law; and (iii) Plaintiffs are entitled to damages of \$4,907,048 under Iraqi law. The Court grants default judgment in this amount.

## II. DISCUSSION

### A. Georgia's Conflicts Rules

Federal courts sitting in diversity apply the forum state's choice-of-law principles. Klaxon Co. v. Stentor Elec. Mfg. Co., 313 U.S. 487 (1941). Under Georgia law, "the *lex loci delicti* determines the substantive rights of the parties." Risdon Enterprises, Inc. v. Colemill Enterprises, Inc., 324 S.E.2d 738, 740 (Ga. Ct. App. 1984). Georgia's *lex loci* rule is subject to a public policy exception if the harm occurred in a foreign state and the foreign state's rule "[c]ontravenes our

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<sup>2</sup> "The court, in determining foreign law, may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules of Evidence. The court's determination shall be treated as a ruling on a question of law." Fed. R. Civ. P. 44.1.

established public policy, or the recognized standards of civilization and good morals . . .” Alexander v. General Motors Corp., 466 S.E.2d 607, 609 (Ga. Ct. App. 1995), rev’d on other grounds at 478 S.E. 2d 123 (Ga. 1996). The public policy exception applies where “the foreign statute is designed to redress an injury, but prescribes a form of redress which is radically dissimilar to anything existing in our own system of jurisprudence.” Id. If the otherwise applicable forum law violates Georgia public policy, Georgia applies its own law. Id.

B. Georgia and Iraqi Law at the Time of the Accident

The accident in which Lt. Col. Baragona died occurred on May 19, 2003, in Iraq. Because Iraq is the place of the harm, Iraqi law governs under Georgia conflicts law unless it contravenes Georgia public policy. The Court has evaluated four principles of law that are necessary to determine the outcome in this case: liability for negligence resulting in wrongful death; respondeat superior; standing; and wrongful death damages. The Court concludes that Iraqi law does not contravene Georgia public policy in any of these areas. Iraqi law thus applies.



1. Liability for Negligence Resulting in Wrongful Death

Georgia law provides for recovery for wrongful death caused by negligence. O.C.G.A. § 51-4-1. Recovery for wrongful death is available “in all cases in which the death of a human being results from a crime, [or] from *criminal or other negligence . . .*” *Id.* (emphasis added). This includes cases where the wrongful death is caused by negligent unsafe driving. *See, e.g., Banks v. AJC Intern., Inc.*, 643 S.E.2d 780 (Ga. Ct. App. 2007).

Iraqi law similarly provides for a cause of action for wrongful death. Article 203 of the Iraqi Civil Law provides, “[i]n case of murder and in case of death resulting from wounds or any other injurious acts renders the perpetrator liable to pay compensation to the dependant of the victim who have been deprived sustenance on account of the murder or death.” Negligent unsafe driving is a source of injury that can give rise to a cause of action if it results in harm. Iraqi Civil Code No. 40, Article 227, provides that “every person has the right of passage on the public road provided he (observes) the safety (precautions) so that he will not cause injury to a third party or to himself in the cases where (safety) precautions may be taken.”

Plaintiffs allege that Serour violated Lt. Col. Baragona's right of safe passage on a public road by negligent driving that ultimately resulted in Lt. Col. Baragona's death. Because Serour's negligence resulted in death, a cause of action exists under Iraqi law. Iraqi law on this issue is thus not inconsistent with Georgia public policy.

2. *Respondeat Superior*

Georgia law provides for employer liability if an employee, acting within the scope of his employment, negligently causes harm in an auto accident. Bedford v. Awod, 545 S.E.2d 162 (Ga. Ct. App. 2001). Respondeat superior liability is presumed if the employer owns the vehicle involved in the collision. Id.

Iraqi law provides for vicarious liability in master-servant relationships. The Iraqi Court of Cassations has held that "every person who exploits an industrial or commercial enterprise [is] responsible for the damage (injury) caused by their employee if the injury resulted from an encroachment committed by them in the course of their service." Decision 33, Court of Cassations, January 27, 1982 (Iraq). This principle is also embodied in Article 219 of the Iraqi Civil Code. The complaint alleges that a KGL employee, in the course of his service to KGL, caused Lt. Col. Baragona's death. Georgia and Iraqi law both provide for

respondeat superior liability under the facts present in the complaint. Iraqi law on this issue is not inconsistent with Georgia public policy.

3. *Standing*

Under Georgia law, the parents of an adult child have standing to bring a wrongful death action “[i]f the deceased child does not leave a spouse or child . . . .” O.C.G.A. § 19-7-1(c)(2).

Under Iraqi law, a civil action for wrongful death may be brought by any heirs of the decedent. Article 5 of the Iraqi Code of Civil Procedure states, “[i]t is legally valid that one of the heirs can be an adversary in the lawsuit for . . . the dead . . . .” Article 89 of the Iraqi Law of Personal Status defines parents as “heirs.”

Georgia and Iraqi law both provide for standing on the part of the Plaintiffs in this case. Iraqi law on this issue is not inconsistent with Georgia public policy.

4. *Wrongful Death Damages*

Under Georgia law, damages for wrongful death can be recovered in the amount of “the full value of the life of the child.” O.C.G.A. § 19-7-1(c)(1). The full value of the wrongfully ended life “consists of both the economic value of the deceased’s normal life expectancy as determined by his expected lifetime

earnings,” as well as intangible non-economic factors “incapable of exact proof,” or even exact definition. Dept. of Human Resources v. Johnson, 592 S.E.2d 124, 131 (Ga. Ct. App. 2003) (quotation and citation omitted).

Under Iraqi law, Article 207 of the Iraqi Civil Code requires the court to determine damages “commensurately with the injury and the loss of gain sustained by the victim provided that the same was a natural result of the unlawful act. . . . Deprivation from (loss of) benefits of things will be included in the estimation of damages and the liability may cover the wage (fee/remuneration).” (Pls. Mem. at 7.) Assessing wrongful death damages under Iraqi law “involves a purely computational approach, related to the victim’s present and future career, work, and profits. Estimates are based on the deceased person’s age, as well as on work and economic variables that could affect his social and economic progress,” as well as “additional intangible value” (e.g., various positive attributes and hopes for the victims future.” (Pls. Mem. at 7-8.) Under Article 133 of the Iraqi (Prove) Law (No. 107) of 1979, the Court may, but is not required to, rely on expert opinions in estimating damages. Article 209 of the Iraqi Civil Code states that the Court must also “determine the method of payment of damages.”

Georgia and Iraqi law provide for similar, if not identical, measures of

damages in wrongful death suits. Georgia's "full value of the life of the decedent" standard is substantially similar in result to the Iraqi standard of "loss of gain sustained by the victim." Both theories consist primarily of two components: (i) a calculation of an economic value of the victim based on his age, life expectancy, qualifications, and career; and (ii) an estimation of "intangible value." Although the briefing provided suggests that Georgia's law of damages might not be based on precisely the same theory as the Iraqi law of damages, the Court is satisfied that damages in this case would be calculated in a substantially similar manner under either set of laws. Iraqi law on this issue is thus not inconsistent with Georgia public policy.

C. Damages

In default proceedings, "damages may be awarded only if the record adequately reflects the basis for award via a hearing or demonstration by detailed affidavits establishing the necessary facts." Adolph Coors Co. v. Movement Against Racism and the Klan, 777 F.2d 1538, 1544 (11th Cir. 1985) (quotation and citation omitted). A hearing is required if the damages claimed are not readily ascertainable from the pleadings and the record. United Artists Corp. v. Freeman, 605 F.2d 854, 857 (5th Cir. 1979).

On April 25, 2007, the Court held a hearing on damages in this case. At that hearing, Plaintiffs presented expert reports and testimony on the loss sustained as a result of Lt. Col. Baragona's death. At the damages hearing, Plaintiffs provided testimony by Dr. Charles Sodikoff, an expert on career management, and Pia Giralamo, a statistician and economist. The testimony at the hearing established the total economic loss from Lt. Col. Baragona's death to be in the range between \$3,907,048 to \$8,097,326. The expert reports and testimony presumed that Lt. Col. Baragona would have a life expectancy of 78 years, and would work until age 65.

The economic damage amount of \$3,907,048 was arrived at by assuming that Lt. Col. Baragona's income would remain consistent with his military salary until his retirement. The economic damage amount of \$8,097,326 was arrived at by assuming that Lt. Col. Baragona would enter the private sector in 2009 at a salary of approximately \$144,000 per year, and would enjoy salary increases to \$273,000 per year by 2014 and \$800,000 per year by 2019.<sup>3</sup> The Court finds that the estimates of Lt. Col. Baragona's potential salary in the private sector used to

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<sup>3</sup> These figures were discounted to present value. The figures also included allowances for fringe benefits.

calculate the higher damages figure is based primarily on speculation. Plaintiffs have not presented sufficient evidence for the Court to find that Lt. Col. Baragona would be likely to obtain a six-figure salary immediately upon leaving the military.

Having carefully considered the expert reports and testimony in this case, the Court finds that the record supports a computation of damages based on the "victim's present and future career, work, and profits" and "additional intangible value" in the amount of \$4,907,048.


### III. CONCLUSION

Accordingly,

**IT IS HEREBY ORDERED** that Plaintiffs Motion for Order Allowing the Submission of Affidavits [29] is **GRANTED**.

The Court enters **JUDGMENT** in the amount of \$4,907,048, to be paid by KGL in a single lump payment.

**SO ORDERED** this 5th day of November, 2007.

  
WILLIAM S. DUFFEY, JR.  
UNITED STATES DISTRICT JUDGE



# **EXHIBIT 5**



KUWAIT & GULF LINK TRANSPORT COMPANY K.S.C.

شركة رابطة الكويت والخليج للنقل ش.م.ك.

February 12, 2008

Brian A. Persico, Esq.  
U.S. Army Legal Services Agency  
Procurement Fraud Branch  
901 North Stuart Street, Suite 500  
Arlington, Virginia 22203-1837

**Re: Army Request for Information from Kuwait & Gulf Link Transport Company (KGL)/Baragona Matter**

Dear Mr. Persico:

We are pleased to respond to Mr. Kittel's December 19, 2007 letter, even though we do not understand the basis of official Army Procurement Fraud Division interest in this litigation between two private parties regarding a fatal highway accident in Iraq.

As we explained to you in our October 18, 2006 letter, we strongly disagree with the plaintiff's allegations in the civil suit filed. As we further explained, the plaintiff's lawyers attempted service of process on our company in Kuwait by international mail carrier, but Kuwait law does not recognize service of process by international mail as valid service. Later, the plaintiff's did follow Kuwaiti law and provided the Ministry of Justice with revised documents. The Ministry of Justice thereafter served the court documents on our company and our company accepted such documents on or about July 11, 2006. Thus, with respect to service of process and in all respects thereafter, KGL has acted fully within the requirements of Kuwaiti law. However, by the time our company was properly served under Kuwaiti law, the Federal court in Georgia had already found – incorrectly – that the prior attempt at service of process was sufficient and it was too late for KGL to make an appearance to contest jurisdiction.

The Plaintiffs chose to file this action not in Kuwait, but in the State of Georgia, which is a foreign jurisdiction in which KGL has no business, no assets, no agents and no business ties. Neither KGL nor any of its agents have ever visited Georgia. The Plaintiffs could have sued in Kuwait, and KGL would have defended itself on the merits there. While it is very tragic that Lieutenant Colonel Baragona died in the highway

شركة رابطة الكويت والخليج للنقل ش.م.ك.  
Kuwait & Gulf Link Transport Co. K.S.C.



رأس المال ٢٠,٥٩٤,٨١١/٤٠٠ دينار كويتي  
هاتف: ٨٨٨٧٠٠ - ٨٨٨٧٠٠ - ٢٢٤٠٠١٩ - فاكس: ٤٨٤٥٩٢٦ - من.تب. ٢٤٥٦٥ - الصفاة - ١٣١٠٦ الكويت  
Tel.: 888700 - 2240019 - Fax: 4845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
www.kglq8.com





KUWAIT & GULF LINK TRANSPORT COMPANY K.S.C.

شركة رابطة الكويت والخليج للنقل ش.م.ك.

accident, this case could have been litigated as an ordinary auto accident in the place where KGL is located.

Because the plaintiffs chose to bring suit in a foreign venue in circumstances where the court lacks personal jurisdiction over the defendant, any judgment against the defendant is void. For the court to require the defendant to go to Georgia to defend itself would be offensive to the fundamental notion of fair play and substantial justice. Therefore, KGL has instructed its attorneys to file a motion to vacate the default judgment, and this is what was meant in the letter dated 18<sup>th</sup> Oct 2008, which is the clarification requested in your letter. Enclosed is a copy of that motion and the supporting memorandum of law.

The record is unassailable that KGL at all times in this matter has acted within the law and with the highest integrity. We believe there is no basis for the Army Procurement Fraud Division to insert itself into this private litigation. We trust that the information provided will enable the Procurement Fraud Division to conclude its interest in this matter.

Respectfully yours,



Yaqoub Abdullah Al Wazzan  
Assistant Managing Director

شركة رابطة الكويت والخليج للنقل ش.م.ك.  
Kuwait & Gulf Link Transport Co. K.S.C.



رأس المال ٢٠٥٩٩,٨١١/٤٠٠ دينار كويتي  
هاتف: ٨٨٨٧٠٠ - ٨٨٨٧٠١ - ٢٢٤٠٠١٩ - فاكس: ٤٨٤٥٩٢٦ - ص.ب. ٢٤٥٦٥ - المضافة ١٣١٠٦ الكويت  
Tel.: 888700 - 2240019 - Fax: 4845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
www.kglq8.com



# **EXHIBIT 6**

PERLES LAW FIRM PC  
1146 19TH STREET, NW  
FIFTH FLOOR  
WASHINGTON, DC 20036  
202.955.9055  
FAX: 202.955.3806  
www.perleslaw.com

June 20, 2008

VIA FEDERAL EXPRESS  
Brian Persico  
United States Legal Services Agency  
Procurement Fraud Branch  
901 North Stuart Street  
Room 513  
Arlington, VA 22203-1837

RE: Baragona v. Kuwait Gulf, Link & Transport Company

Brian:

The United States Federal Court for the Northern District of Georgia issued an important order on June 18, 2008 in the proceeding initiated by the parents of Lt. Col. Baragona, Jr., deceased, against KGL on November 5, 2007. We have included a copy for your records.

The order deferred KGL's motion to vacate the final judgment to allow the parties to engage in jurisdictional discovery on the issue of jurisdiction, requires KGL to post a bond equal to the amount of the final judgment and sets forth a schedule for discovery culminating in an October 31, 2008 evidentiary hearing. This turn in the case was caused by the Court's lack of patience with KGL's bad faith conduct, which compelled the bond requirement. A bond requirement is highly unusual in the context of a motion to vacate as we have in this case. The Court ordered the placement of the bond as a result of KGL's "troubling" conduct in the proceeding. (Order at p. 20). KGL's behavior has not been that of a responsible contractor.

We have written to your office on a number of occasions to highlight KGL's irresponsible conduct vis-à-vis the United States District Court for the Northern District of Georgia and the Baragona family. Now even the Court has issued an order that echoes our assessment of KGL's conduct. The Court found that "KGL's conduct in this matter has been somewhat troubling, evasive and disruptive to the Court's consideration of a significant jurisdictional issue." (Order at 20). We stand here today because of KGL's arrogant refusal to meet with the Baragonas or enter into arbitration or mediation.

Brian Persico  
June 20, 2008

The debarment proceeding should proceed immediately. A federal judge has entered a finding that KGL has conducted itself in an entirely inappropriate manner in the lawsuit in U.S. federal court. KGL has also refused to honorably respond to the Baragona family's queries regarding its responsibility for the death of their son, a Lieutenant-Colonel in the US Army. KGL's disgraceful conduct is squarely at odds with the code of conduct required of responsible contracting partners with the United States government.

Of equal importance, the Court has not stayed its final judgment, which remains fully enforceable unless and until it is vacated. For that reason the debarment process should also go forward now. The Baragona are entitled at law to the full benefit of their final judgment. We request an immediate hearing on KGL's misconduct in the judicial proceeding.

Please let us know if any further information is required.

Sincerely,



Steven R. Perles

Enclosures: As stated.

CC: Brigadier-General Richard Bednar, (retired), counsel for KGL.

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

DOMINIC F. BARAGONA, et al.,

Plaintiffs,

v.

1:05-cv-1267-WSD

KUWAIT & GULF LINK  
TRANSPORT COMPANY, et al.,

Defendants.

OPINION AND ORDER

This is a wrongful death action brought by the parents of Lieutenant Colonel Dominic F. Baragona, who was killed when the United States Army vehicle in which he was riding collided on a highway in Iraq with a truck owned by defendant Kuwait & Gulf Link Transport Company ("KGL") and driven by defendant Mahmoud Muhammed Hessain Serour ("Serour"), a KGL employee. The matter is before the Court on KGL's Motion to Vacate Default Judgment [40], Plaintiffs' Motion to Require Defendant KGL to Post a Bond [49], and Plaintiffs' Motion for Bill of Costs [39].

**I. FACTUAL AND PROCEDURAL BACKGROUND**

On May 19, 2003, the United States Army vehicle in which Lt. Col. Baragona was riding collided with a truck owned by defendant KGL and which was driven by defendant Serour. Lt. Col. Baragona died of injuries sustained in the accident.

On May 12, 2005, Plaintiffs filed this negligence action against Serour and KGL. KGL is incorporated under Kuwaiti law and has its principal place of business in Kuwait. Defendant Serour is an Egyptian citizen. Plaintiffs assert that the Court has diversity jurisdiction over this action, 28 U.S.C. § 1332(a), and personal jurisdiction over the Defendants pursuant to Georgia's long-arm statute, O.C.G.A. § 9-10-91(1).

Pursuant to the Court's February 10, 2006 Order [4], Plaintiffs served KGL pursuant to international mail courier.<sup>1</sup> On March 15, 2006, KGL refused delivery

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<sup>1</sup> Plaintiffs initially attempted to serve KGL through the Kuwaiti Ministry of Justice, pursuant to the requirements of the Hague Convention of 1965 on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters, to which Kuwait acceded on May 2, 2002 and which the United States ratified on June 15, 1965. Plaintiffs moved for leave to serve via international courier after the Kuwaiti government failed to timely comply with its service obligations under the Hague Convention [3].



of the Complaint and summons.<sup>2</sup> On July 28, 2006, Plaintiffs moved for entry of default against KGL for KGL's failure to appear and failure to accept service [13]. Fed. R. Civ. P. 55(a). On August 21, 2006, the Clerk of the Court entered default against KGL.

On October 26, 2006, Plaintiffs moved for a second entry of default against KGL [15]. Plaintiffs had learned, with the assistance of the Procurement Fraud Branch of the Department of the Army and others in the United States government, that on July 11, 2006, KGL had accepted service from the Kuwaiti Ministry of Justice pursuant to the Hague Convention. The Clerk of Court entered a second default against KGL on January 10, 2007 [17].<sup>3</sup>

On January 30, 2007, the Court held a hearing to determine whether it has personal jurisdiction over KGL under the Georgia long-arm statute and the Due

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<sup>2</sup> Plaintiffs filed an identical action in the United States District Court for the Northern District of Alabama and attempted service in the same manner. See Baragona, et al. v. Kuwait Gulf Link Transport Co., et al., No. 05-cv-1049-CLS (N.D. Ala. May 19, 2005). On March 14, 2006, Saeed Esmail Dashti, KGL's Chairman and Managing Director, signed for and opened the Complaint in the Alabama action, which is nearly identical to the Complaint in this action. Mr. Dashti read the Complaint and returned it to the courier. KGL refused delivery of the Complaint in this action on the following day.

<sup>3</sup> Defendant Serour has not appeared in this action. Plaintiffs have not sought entry of default against Serour.

Process Clause of the Fourteenth Amendment. Although given notice of the hearing, KGL elected not to appear. At the hearing, the Court ordered further briefing from the Plaintiffs on whether it has personal jurisdiction over KGL.

On March 2, 2007, Plaintiffs submitted a memorandum addressing whether the Court had personal jurisdiction over KGL [22]. Plaintiffs attached to its memorandum the declaration of retired Army Lieutenant Colonel Paul Winston Schwartz, a former United States Army contracting officer and contracting expert. Lt. Col. Schwartz explained the contracting process of the Third Army, headquartered at Fort McPherson, Georgia. Lt. Col. Schwartz explained that the Third Army is the Army Component of U.S. Central Command, the joint forces command responsible for the Middle East. Also attached to the Plaintiffs' memorandum was a list of over one hundred contracts between KGL and the "U.S. Army Central Cmd - Kuwait." Lt. Col. Schwartz explained that each of those contracts would have been administered by the Principal Assistant Responsible for Contracting ("PARC") stationed at Fort McPherson. A Contracting Officer stationed at Fort McPherson or elsewhere would have been responsible for day-to-day administration of the contracts.

On April 9, 2007, the Court determined: "Plaintiffs submitted an affidavit setting forth a number of contacts between Defendants and the state of Georgia, including contracts formed between Defendants and government entities located at Fort McPherson, Georgia. Plaintiffs have shown a *prima facie* case that the Court has personal jurisdiction over the Defendants in this case." April 9, 2007 Order [24] at 2; see also Delong Equipment Co. v. Washington Mills Abrasive Co., 840 F.2d 843, 845 (11th Cir. 1988), cert. denied, 494 U.S. 1081 (1990).

On November 5, 2007, the Court entered default judgment against KGL in the amount of \$4,907,048 [37].

On December 5, 2007, Plaintiffs filed a motion for bill of costs seeking a total of \$3,483.35 in court reporter, translation, filing, and printing and copying fees incurred in this action [39]. KGL has not responded to the Plaintiffs' motion.

On February 15, 2008, KGL for the first time appeared in this action by filing its motion to vacate the judgment entered against it on November 5, 2007. KGL claims the judgment is void because the Court lacked personal jurisdiction over it [40].

On March 21, 2008, Plaintiffs moved for KGL to pay a bond in the amount of \$4,907,048 to secure its judgment against KGL pending a resolution of KGL's motion to vacate [49].

## II. DISCUSSION

The pending motion to vacate requires the Court to evaluate further, and on a different record, whether the Due Process Clause of the Fourteenth Amendment permits the Court to exercise *in personam* jurisdiction over a Kuwaiti corporation on the basis of contracts between the corporation and the United States military, where the cause of action is not related to those contracts. This question is of significant importance in light of the role foreign contractors play in the United States' ongoing military operations worldwide, particularly in the Middle East, and because of the increasing globalization of commerce.

### A. Motion To Vacate For Lack Of Personal Jurisdiction

#### 1. Governing Law

Federal Rule of Civil Procedure 60(b)(4) permits a defendant to move for relief from a final judgment on the grounds that the judgment is void. Fed. R. Civ. P. 60(b)(4). A final judgment is void against any defendant over which the Court lacks personal jurisdiction. Sloss Indus. Corp. v. Eurisol, 488 F.3d 922, 924 (11th

Cir. 2007). “Rule 60(b)(4) allows a litigant – even one who does not initially appear – to collaterally attack a judgment on the ground that it is void due to lack of personal jurisdiction.” *Id.* “Unlike motions pursuant to other subsections of Rule 60(b), Rule 60(b)(4) motions leave no margin for consideration of the district court’s discretion as the judgments themselves are by definition either legal nullities or not.” *Id.* at 925 (internal quotation marks omitted).

This litigation has been ongoing since 2005. KGL elected not to participate in this action until judgment was entered against it. KGL now decides to weigh in by moving under Rule 60(b)(4) to contest the Court’s exercise of personal jurisdiction over it. Because this Court’s judgment is valid only if it may exercise jurisdiction over KGL, the Court necessarily should review whether the additional information provided by KGL impacts the Court’s ruling that it may exercise jurisdiction over KGL. In conducting this evaluation, the Court considers Plaintiffs’ request to be allowed to conduct discovery on the jurisdictional issue.

“Personal jurisdiction generally entails a two-step inquiry.” *Sloss*, 488 F.3d at 925. In the matter before it, the Court must first determine whether the exercise of jurisdiction is appropriate under Georgia’s long-arm statute. *Id.* Second, the Court must examine whether exercising jurisdiction over the defendant would

violate the Due Process Clause of the Fourteenth Amendment, which requires that the defendant have minimum contacts with the forum state, *id.*, and that the exercise of jurisdiction not offend “traditional notions of fair play and substantial justice.” *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945).

In the context of a motion to dismiss for lack of personal jurisdiction where – such as here – defendant KGL failed to appear and contest personal jurisdiction, Plaintiffs bore the burden of establishing a *prima facie* case of personal jurisdiction over KGL. *Morris v. SSE, Inc.*, 843 F.2d 489, 492 (11th Cir. 1988); *DeLong*, 840 F.2d at 845. “A *prima facie* case is established if the plaintiff presents sufficient evidence to defeat a motion for a directed verdict. The district court must construe the allegations in the complaint as true, to the extent they are uncontroverted by the defendant’s affidavits or deposition testimony.” *Morris*, 843 F.2d at 492 (internal citations omitted).

On the basis of the Plaintiffs’ briefing and the affidavit of Lt. Col. Schwartz, the Court previously determined that Plaintiffs had shown a *prima facie* case of personal jurisdiction over KGL. April 9, 2007 Order [24] at 2. The Court necessarily determined that Georgia’s long-arm statute, O.C.G.A. § 9-10-91(1), “grants Georgia courts the unlimited authority to exercise personal jurisdiction

over any nonresident who transacts any business in this State,” id. (quoting Innovative Clinical & Consulting Servs., LLC v. First Nat’l Bank, 620 S.E.2d 352, 355 (Ga. 2005)), and that Plaintiffs had shown a *prima facie* case that the Georgia long-arm statute permitted the exercise of jurisdiction over KGL. KGL does not contest the Court’s determination that the exercise of jurisdiction over it is permitted by the Georgia long-arm statute. Def.’s Mot. to Vacate [40] at 5.

KGL does challenge whether the Court’s exercise of jurisdiction over it violates the Due Process Clause of the Fourteenth Amendment. “The Due Process Clause of the Fourteenth Amendment operates to limit the power of a State to assert *in personam* jurisdiction over a nonresident defendant.” Helicopteros Nacionales de Columbia, S.A v. Hall, 466 U.S. 408, 413-14 (1984). When a controversy is related to or arises out of the defendant’s specific contacts with a forum, a State is said to be exercising “specific jurisdiction” over the defendant. Id. at 414 n.8. “When a State exercises personal jurisdiction over a defendant in a suit not arising out of or related to the defendant’s contacts with the forum, the State has been said to be exercising ‘general jurisdiction’ over the defendant.” Id. at 414 n.9. Because Plaintiffs in this case do not allege that this action arises out of

or is related to KGL's alleged contacts with the State of Georgia, the question here is whether the Court has "general jurisdiction" over KGL.

To exercise general jurisdiction over a person, the Supreme Court requires that person to have "minimum contacts" with the State seeking to exercise jurisdiction over the Defendant. Helicopteros, 466 U.S. at 416. "Minimum contacts" is a requirement that necessitates "a showing of continuous and systematic general business contacts between the defendant and the forum state." Consol. Dev. Corp. v. Sherritt, Inc., 216 F.3d 1286, 1292 (11th Cir. 2000), cert. denied, 534 U.S. 827 (2001); accord Helicopteros, 466 U.S. at 416. Whether a defendant's general business contacts are sufficiently continuous and systematic to justify the exercise of general jurisdiction must be evaluated on a case-by-case basis. The Supreme Court has offered some guidance on what contacts are and are not sufficient to justify an exercise of general jurisdiction. For example, sending a corporate officer to a State for contract negotiations, accepting checks drawn on a State's banks, purchasing goods from the State, and sending personnel to the State for training purposes do not together constitute sufficient "continuous and systematic" general contacts to support an exercise of jurisdiction. Helicopteros, 466 U.S. at 416-17. The Supreme Court has reasoned that intentional contacts with



a forum State are what are required to be sufficient to justify the exercise of jurisdiction in that particular State. That is, unilateral activity by a plaintiff or a third-party will not suffice to establish continuous and systematic general contacts between the defendant and the forum state. Id. at 417.<sup>4, 5</sup> In each case the Court must determine on the record in that case whether the contacts are sufficient for general jurisdiction to be exercised over a defendant.

If the plaintiff shows that the defendant has sufficient minimum contacts, the Court must next consider whether the assertion of personal jurisdiction over the defendant would comport with “traditional notions of fair play and substantial justice.” Morris, 843 F.2d at 492 (quoting Int’l Shoe, 326 U.S. at 316). In

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<sup>4</sup> In Helicopteros, the Court stated: “Common sense and everyday experience suggest that, absent unusual circumstances, the bank on which a check is drawn is generally of little consequence to the payee and is a matter left to the discretion of the drawer. Such unilateral activity of another party of a third person is not an appropriate consideration when determining whether a defendant has sufficient contacts with a forum State to justify an assertion of jurisdiction.” Helicopteros, 466 U.S. at 416-17.

<sup>5</sup> KGL argues that it must have “purposely availed” itself of the privilege of conducting activities in the forum State, such that it could “reasonably anticipate being haled into court there.” See Hanson v. Denckla, 357 U.S. 235, 253 (1958); World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297 (1980). Those standards most commonly are applied in specific jurisdiction cases. Consol. Dev. Corp., 216 F.3d at 1291. General jurisdiction actually is a stricter standard, requiring continuous and systematic general contacts. Id. at 1292.

evaluating whether “fair play and substantial justice” permit the exercise of jurisdiction, the Court should consider the burden on the defendant in defending the lawsuit, the forum State’s interest in adjudicating the dispute, the plaintiff’s interest in convenient and effective relief, the interstate judicial system’s interest in efficient resolution of controversies, and the shared interest of the States in furthering fundamental substantive social policies. Madara, 916 F.2d at 1517 (citing Burger King Corp. v. Rudzewicz, 471 U.S. 462, 477 (1985)).

## 2. Analysis

Having now decided to participate in this litigation, KGL has submitted evidence it claims supports its argument that it does not have sufficient contacts with the State of Georgia for the Court to exercise personal jurisdiction over it. Specifically, KGL submitted the declarations of its Chairman and Managing Director. Accordingly, the Court must consider whether the Complaint’s allegations are controverted by KGL’s declarations, keeping in mind that even when the evidence submitted by the parties conflicts, the Court still must construe all reasonable inferences in favor of the Plaintiffs. Morris, 843 F.2d at 492; Madara v. Hall, 916 F.2d 1510, 1514 (11th Cir. 1990).

With the submission of KGL's declarations, the Court is confronted with a competing set of factual allegations. KGL alleges that it conducts its business, including its contracting activity, entirely outside of the United States. KGL has submitted a copy of one of its military contracts, which KGL argues shows that this and all other of KGL's contracts were with the Third Army's regional contracting office in Kuwait, not Fort McPherson in Georgia. This apocryphal evidence suggests that KGL engaged in its contracting activity outside of the United States.

Plaintiffs allege that KGL is a major contractor of the Third Army and that each of over one hundred contracts KGL entered into with the Army is or was administered by contracting officials at Fort McPherson in Georgia. Plaintiffs submitted the affidavit of Lt. Col. Schwartz to connect KGL's Army contracts to Fort McPherson. The Court has reviewed the Affidavit in detail. Unlike the evidence submitted and the generalizations made by KGL, Plaintiffs' evidence suggests that KGL's contacts with Georgia are substantial. Lt. Col. Schwartz explains that the contracts were administered out of Fort McPherson because the Third Army maintains its permanent headquarters there and because the PARC was stationed at Fort McPherson in Georgia. KGL, however, now asserts that it

negotiated and communicated with the Third Army's regional contracting office in Kuwait and that later the Army unilaterally choose to administer the contracts out of Fort McPherson.<sup>6</sup> KGL further alleges that it has no shareholders in the United States, is not licensed to do business in the United States, does not perform any business services in the United States, maintains no bank accounts in the United States, does not recruit from the United States, has never sent an employee to the United States, and has never contracted with anyone in Georgia. KGL also provides evidence that for at least one Army contract its communications were with the Third Army regional contracting office in Kuwait, not Georgia.

What neither party does is provide the detailed facts necessary for the Court to properly evaluate in this case the nature and scope of KGL's contacts with Georgia. The Court does not know who KGL communicated with for each

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<sup>6</sup> Lt. Col. Schwartz also asserts that KGL voluntarily submitted itself to federal law through the government contracting process, which mandates the resolution of disputes in the U.S. Court of Claims, located in Washington, D.C. Even if those contractual provisions could render KGL subject to United States jurisdiction for claims brought by a third party not related to the contract, venue for those disputes would be in Washington, D.C., not this district.

contract, where that person was located, to whom its bids were submitted, or where the Contracting Officer for each contract was stationed.<sup>7</sup>

The Court acknowledges that where the parties submit conflicting evidence, it should construe all reasonable inferences in favor of the Plaintiffs. The problem here is that the evidence submitted presents substantially different and controverted accounts of the relationship between KGL and the Third Army, and KGL's contacts with Georgia. There simply is insufficient detail for the Court to determine what, if any, inference should be made in Plaintiffs' favor.

The jurisdictional issue here is important, and to address this important jurisdictional issue thoroughly and responsibly, the Court needs more detailed information. A more developed record would aid the Court in evaluating the scope and nature of KGL's contacts, if any, with the State of Georgia. The jurisdictional issue here is important, and it could have broad impact on federal court jurisdiction over foreign entities in cases like the one before the Court.

The Court thus elects to exercise its discretion to allow discovery on the issue of jurisdiction in this case and conduct an evidentiary hearing in this matter.

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<sup>7</sup> KGL also does not adequately explain the relationship between it and Kuwait & Gulf Link Transportation Company ("KGLTC"), a KGL subsidiary that sent workers to the United States on at least two occasions.

Delong, 840 F.2d at 845; Consol. Dev. Corp., 216 F.3d at 1291; Central States, Se. & Sw. Areas Pension Fund v. Reimer Express World Corp., 230 F.3d 934, 946 (7th Cir. 2000), cert. denied, 532 U.S. 943 (2001). Because “[f]oreign nationals usually should not be subjected to extensive discovery in order to determine whether personal jurisdiction over them exists,” id., discovery necessarily must be constrained to the issue of personal jurisdiction.

Accordingly, the parties shall be allowed up to and including September 19, 2008 to conduct discovery on the nature of KGL’s contacts with the State of Georgia. To ensure the discovery anticipated to be conducted is limited to the issue of jurisdiction, the Court requires the parties to submit, on or before June 30, 2008, a specific plan for the discovery they intend to conduct. In the plan the parties shall state the date when written discovery should be served, the specific individuals or entities to be deposed, what specific topics are intended to be addressed with each deponent, and the dates on which each such deposition will be conducted. The plan shall provide for the completion of all jurisdictional discovery on or before September 19, 2008. Discovery shall be limited to the jurisdictional issue the Court will consider at the evidentiary hearing. Specifically,

the Court directs that discovery and the evidentiary hearing be limited to the following issues:

- (1) Contracts between KGL and the United States Army that have been entered into from January 1, 1998 to January 1, 2008, and for each contract:
  - (a) Where KGL directed its pre- and post-contract communications, contract bid, and administrative documents.
  - (b) Where the contract was negotiated and executed.
  - (c) Where the contract was administered.
  - (d) Any other contact(s) with Georgia during the performance of each identified contract.
- (2) The communications and contacts between KGL, its officers, directors, employees, and representatives and any person in the State of Georgia.
- (3) Each visit by any officer, employee, or representative of KGL to the United States and the location(s) visited.
- (4) The relationship between KGL and Kuwait & Gulf Link Transportation Company ("KGLTC") and the contacts, if any, between KGLTC and its officers, directors,

employees, or representatives and the State of Georgia.

- (5) Each occasion within the past ten (10) years in which KGL or KGLTC ordered equipment or service from any person or entity in the State of Georgia.<sup>8</sup>

The Court will conduct its evidentiary hearing on October 31, 2008.

**B. Motion For Bond**

Plaintiffs moved for an Order requiring KGL to post bond in the amount of the \$4,907,048 judgment against it because of Plaintiffs' alleged concern that KGL will attempt to evade enforcement of the judgment. Plaintiffs argue a bond is appropriate pursuant to Fed. R. Civ. P. 64(a), Georgia Farm Bldgs., Inc. v. Willard, 299 S.E.2d 181 (Ga. Ct. App. 1983), and O.C.G.A. § 5-6-46(b).

Federal Rule 64 provides: "At the commencement of and throughout an action, every remedy is available that, under the law of the state where the court is located, provides for seizing a person or property to secure satisfaction of the potential judgment. But a federal statute governs to the extent it applies." Fed. R. Civ. P. 64(a). Georgia law permits the Court to require payment of bond, not to

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<sup>8</sup> If the parties believe there is any other issue that should be the subject of discovery or on which evidence should be presented at the evidentiary hearing, the Court should be advised on or before June 20, 2008.



exceed \$25 million, as security “during the pendency of all appeals or discretionary reviews of any judgment . . . .” O.C.G.A. § 5-6-46(b).

Rule 64(a) provides plaintiffs with a way “to restrain a defendant’s assets with an eye towards satisfying a potential money judgment.” Rosen v. Cascade Int’l, Inc., 21 F.3d 1520, 1530 (11th Cir. 1994); e.g., Ga. Farm Bldgs., Inc. v. Willard, 299 S.E.2d 181, 182-83 (Ga. Ct. App. 1983) (affirming trial court’s discretionary order requiring bond where defendant tried to vacate default judgment). Trial courts commonly require a bond from the losing defendant during the pendency of the defendant’s appeal of judgment. E.g., Poplar Grove Planting & Refining Co., Inc. v. Bache Halsey Stuart, Inc., 600 F.2d 1189 (5th Cir. 1979); Fed. R. Civ. P. 62(d). Whether to grant relief pursuant to Fed. R. Civ. P. 64(a), even if a state’s statutory requirements are met, is within the discretion of the Court. Gen. Textile Printing & Processing Corp. v. Expromtorg Int’l Corp., 862 F. Supp. 1070, 1073 (S.D.N.Y. 1994).

The Court determines in its discretion to grant the Plaintiffs’ motion and require a bond in this case. The purpose of a bond requirement is to assure a defendant’s satisfaction of a judgment. A bond would serve that end here. Plaintiffs have few remedies available to them to prevent KGL from refusing to

comply with its judgment if the Court denies KGL's motion to vacate. Indeed, KGL's conduct in this matter has been somewhat troubling, evasive, and disruptive to the Court's consideration of a significant jurisdictional issue. It simply has elected for almost three years to refuse to participate in this case. Under the unusual circumstances here, bond is appropriate to secure the Plaintiffs' judgment if KGL's motion to vacate is not successful. A bond will not impose any burden on KGL. KGL already owes Plaintiffs a \$4,907,048 judgment, which, unless it is void, will have to be paid. If KGL prevails on its motion to vacate, the judgment itself will be void, and the bond will be dissolved. The Court determines, considering the scope of KGL's businesses, that a bond will not burden KGL. Thus, Plaintiffs' motion for bond is granted in the amount of \$4,907,048. KGL shall have the bond in place on or before June 27, 2008.

**C. Plaintiffs' Motion For Bill Of Costs**

Plaintiffs have moved for an award of costs incurred by them in pursuing this action. KGL has not responded to the motion, and the Court deems the motion unopposed. LR 7.1B, NDGa. The Federal Rules of Civil Procedure provide that, "[u]nless a federal statute, these rules, or a court order provides otherwise, costs – other than attorney's fees – should be allowed to the prevailing party." Fed. R. Civ.

P. 54(d)(1); see also LR 54.1, NDGa (procedures for filing bill of costs). Federal Rule 54(d) “establishes a presumption that costs are to be awarded to a prevailing party, and that to defeat the presumption and deny full costs, a district court must have and state a sound basis for doing so.” Holton v. City of Thomasville School Dist., 425 F.3d 1325, 1355 (11th Cir. 2005) (internal quotations omitted). The Court may only impose costs as authorized by statute. E.E.O.C. v. W&O, Inc., 213 F.3d 600, 620 (11th Cir. 2000).

Plaintiffs submitted receipts for the following categories of costs: photocopying fees, filing fees, translation fees, and court report expenses. The Court may impose the cost of “[f]ees for exemplification and copies of papers necessarily obtained for use in the case.” 28 U.S.C. § 1920(4). Based on the Court’s inspection of the submitted receipts, Plaintiffs incurred a total of \$423.83 in photocopying costs in preparing for the hearings in this action. Because these expenses were necessary for use in the case and authorized by statute, the Court taxes these photocopying costs on KGL.

The Court may impose fees of the clerk against the losing party. 28 U.S.C. § 1920(1). These fees include filing fees and other administrative fees required in an action. Plaintiffs seek a total of \$680.00 in filing fees. However, Plaintiffs request

reimbursement of filing fees incurred not only in this action, but also in the action Plaintiffs filed in the United States District Court for the Northern District of Alabama. See Baragona, et al. v. Kuwait Gulf Link Transport Co., et al., 05-cv-01049-CLS (N.D. Ala. May 19, 2005). The Alabama action was transferred to this District and consolidated with this action because the Plaintiffs conceded that personal jurisdiction over KGL did not exist in Alabama. Accordingly, Plaintiffs did not “prevail” in the Alabama action, and costs incurred in that action should not be reimbursed. The filing fee for the Alabama action was \$250.00. The Court therefore determines to tax only \$430.00 in filing fees.

Plaintiffs seek \$1,717.32 in translation fees incurred in this action and in the Alabama action. Translation expenses have been held to be “fees for exemplification . . . of papers” within the meaning of 28 U.S.C. § 1920(4) if necessary for use in the action. Studiengesellschaft Kohle mbH v. Eastman Kodak Co., 713 F.2d 128, 133 (5th Cir. 1983). Plaintiffs incurred a total of \$1,717.32 in translation costs for translating the summonses and complaints in this and the Alabama action into Arabic for service, as is required by Fed. R. Civ. P. 4(f)(1) and the Hague Convention, and in translating Iraqi law treatises and decisions into English for use in this action. Plaintiffs’ receipts evidence a total of \$93.45 was

incurred in translating materials for the Alabama action. The Court therefore determines to impose only \$1,623.87 in translation fees.

Plaintiffs also seek \$662.20 as costs incurred as fees of the court reporter in this action. Court reporter fees are reimbursable pursuant to 28 U.S.C. § 1920(2) if necessary for use in the case. Plaintiffs assert the transcripts of hearings in this action were necessary for preparation of subsequent court filings. The Court allows \$662.20 in Court reporter fees.

Plaintiffs' motion for bill of costs is granted in the total amount of \$3,139.90.

**III. CONCLUSION**

For the foregoing reasons,

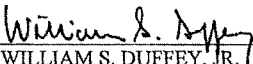
**IT IS HEREBY ORDERED** that Defendant KGL's Motion to Vacate [40] is **DEFERRED**. Discovery is allowed into the contacts between KGL and the State of Georgia. Discovery shall be completed on or before September 19, 2008. The parties shall submit their jurisdictional discovery plans on or before June 30, 2008. The issues on which discovery may be conducted are the issues specified in Section II(A) of this Order.

**IT IS HEREBY FURTHER ORDERED** that Plaintiffs' and Defendant's counsel shall appear before this Court for an evidentiary hearing on the Motion to Vacate. The hearing shall be held on Friday, October 31, 2008 at 10:00 a.m., in Courtroom 1705, United States Courthouse, 75 Spring Street, SW, Atlanta, Georgia, 30303. The parties shall present evidence relating to the issues set forth in Section II(A) of this Order.

**IT IS HEREBY FURTHER ORDERED** that Plaintiffs' Motion for Bond [49] is **GRANTED**. KGL shall, on or before June 27, 2008, post a bond in the Northern District of Georgia in the amount of **\$4,907,048.00**, in accordance with the requirements of LR 65.1.1, NDGa.

**IT IS HEREBY FURTHER ORDERED** that Plaintiffs' Motion for Bill of Costs [39] is granted in the total amount of **\$3,139.90**.

**SO ORDERED** this 18th day of June 2008.

  
\_\_\_\_\_  
WILLIAM S. DUFFEY, JR.  
UNITED STATES DISTRICT JUDGE

# **EXHIBIT 7**

June 26, 2008

Lt. Gen. Peter Chiarelli  
 Vice Chief of Staff of the United States Army  
 200 Army Pentagon  
 Washington, DC 20310-0700

Lt. Gen. Chiarelli:

On May 19, 2008, I had the honor of laying a wreath at the tomb of the Unknown Soldier. I did this on the Fifth Anniversary of my son's death. My son, Lt. Col. Dominic "Rocky" Baragona, died on May 19, 2003 on a road in Iraq. He was the Battalion Commander of the 19th Maintenance and extremely proud to answer our Nation's call to the mission in Iraq and did so with great pride and enthusiasm.

Rocky went to West Point from 1978 to 1982. He graduated at the top of his class and served with distinction until his death. While I am still crushed by the stupidity of his death, I can't tell you how proud I am of his service and what he did for his country. Unfortunately, I don't think the Army has been there for Rocky since his death.

Rocky was killed in a tragic, senseless traffic accident on May 19, 2003, in Iraq on his way home to the United States when a tractor trailer owned by a Kuwaiti Company -- Kuwait Gulf, Link & Transport Company ("KGL") -- jackknifed and crushed his HUMVEE. The official Army accident investigation found that accident was KGL's fault. KGL is the largest trucking company in the Middle East and earned hundreds of millions of US dollars from contracts with my government.

I understand that Rocky took certain risks when he put on the uniform and that there is no compensation for a great deal of those risks, but a traffic accident caused by a US government contractor isn't something they should be able to walk away from. KGL has ignored every non-legal attempt that we have made to arrange a meeting.

Senator Mike DeWine (R-OH) sent a letter to the Kuwaiti Ambassador to the United States asking for his assistance in resolving this case. The Ambassador claimed the Baragonas could only look to the Iraqi government for assistance. Iraq wasn't exactly a safe place for me to file a lawsuit against a Kuwaiti company. The Kuwaiti Police Minister also ignored a joint request from Senator DeWine and Senator Richard Lugar (R-ID), Chairman of Senate Foreign Relations Committee, for the assistance of the Prime Minister in amicable resolving the matter.

In an effort to avoid bringing a case against KGL, we also had a retired military intelligence officer try to arrange for a meeting with a representative of KGL. He was told by the KGL representative that KGL is headquartered in Kuwait and therefore, it is untouchable here, there is nothing to discuss. As a result of that discussion, we were forced to file suit in United States Court for the Northern District of Georgia.

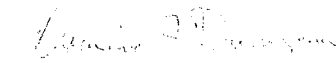


Lt. General Chiarelli  
June 20, 2008

The Court found for us in the amount of \$4,907,048.00 in damages but now KGI is arguing they should not have to pay because they are headquartered in Kuwait. If you ask me, it is despicable for a Kuwaiti company that makes tons of money from contracts with the US Army, which it then advertises to the public and its investors to further pad its bottom line, would then attempt to hide behind legal procedures after it killed a member of the US Army who was returning home, having bravely fought in a war to remove a dangerous threat to Kuwait. How can this be?

The US Army found that KGI killed my son but the debarment office has been unable to get started on that basis. Yet KGI has been banned from India for human trafficking and similar reports are emerging in the Philippines. Meanwhile, KGI continues to receive huge contracts for the US Army. How can this be?

Sincerely,



Dominic Baragona

# **EXHIBIT 8**



DEPARTMENT OF THE ARMY  
 UNITED STATES ARMY LEGAL SERVICES AGENCY  
 901 NORTH STUART STREET  
 ARLINGTON, VA 22203-1837

July 11, 2008

REPLY TO  
 ATTENTION OF

Office of the Commander

Mr. Dominic Baragona  
 7085 SE 173rd Arlington Loop  
 The Villages, Florida 32162

Dear Mr. Baragona:

Your letter to Lieutenant General Chiarelli, dated June 26, 2008, was referred to my office for response.

First, please accept my heartfelt condolences on the loss of your son. You are rightfully proud of his service and what he did for his country.

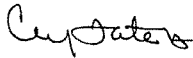
As you know, the government is not a party to the lawsuit against Kuwait & Gulf Link Transport ("KGL") that is pending in the U.S. District Court for the Northern District of Georgia. Army policy in litigation in which the Army is not a named or real party in interest is one of strict impartiality, notwithstanding the natural sympathies we feel in cases involving a fallen comrade in arms. Although the Army is not a party, attorneys in the Army's Litigation Division are actively monitoring this private litigation. Consistent with Army policy, our Litigation Division will continue to make unclassified and non-privileged Army information, such as Army documents and witnesses, available to the court and the parties in this litigation.

Since August 2006, when it first became aware of the allegations against KGL, the Army Procurement Fraud Branch (PFB) has maintained a case regarding the company and its participation in the lawsuit against it. PFB continues to monitor the progress of your case against KGL and the company's responses to the court's opinions and orders. Our understanding is that on June 18, 2008, the court issued an opinion and order giving the parties the ability to conduct discovery through September 19<sup>th</sup> regarding KGL's contacts with the State of Georgia with a hearing scheduled at the end of October on KGL's motion to vacate for lack of jurisdiction. In addition, the court ordered KGL to post a \$4.9 million bond to secure any judgment against the company. On June 24, 2008, PFB received confirmation from KGL's counsel that the company intended to post the bond in accordance with this order.

The Army Suspension and Debarment Official is not empowered to make a determination regarding KGL's tort liability in the death of your son. Such a determination is properly left to the Federal District Court for the Northern District of Georgia, or any other venue where action may be brought if jurisdiction does not exist in Georgia. I note that your letter contains new allegations regarding human trafficking that have not previously been brought to the attention of PFB. I invite you or your attorney to bring specific information on these allegations to the

attention of PFB's Mr. Brian Persico. If KGL has acted, or intends to act, in a manner inconsistent with sound business integrity or honesty, PFB will reexamine the case to determine if KGL is a presently responsible Government contractor and, if warranted, provide a recommendation for action to the Army Suspension and Debarment Official.

Sincerely,

Handwritten signature of Clyde J. Tate II in cursive script, followed by the text "B6, USA".

Clyde J. Tate II  
Brigadier General, U.S. Army  
Commanding

Copy Furnished: Steven R. Perles, Esq., Perles Law Firm, 1146 19th Street NW, Washington, D.C. 20036

# **EXHIBIT 9**

PERLES LAW FIRM PC  
1146 19TH STREET, NW  
FIFTH FLOOR  
WASHINGTON, DC 20036  
202.955.9055  
FAX: 202.955.3806  
www.perleslaw.com

July 18, 2008

VIA ELECTRONIC DELIVERY AND FIRST CLASS MAIL

Brian A. Persico  
Attorney, Procurement Fraud Branch  
Contract and Fiscal Law Division  
US Army Legal Services Agency  
901 N. Stuart Street, Room 513  
Arlington, VA 22203-1837

RE: Baragona v. KGL

Dear Mr. Persico:

We attach a copy of a letter Mr. Dominic Baragona received from Brigadier-General Clyde J. Tate II of the United States Army Legal Services Agency regarding the ongoing debarment process. Mr. Baragona appreciates that the debarment decision will transcend the sole question of whether the United States Court for the Northern District of Georgia rules that it has personal jurisdiction over KGL.

Referencing the concerns raised in the letter regarding KGL's conduct in India, we have retained the services of an Indian law firm to research the issues and to acquire the administrative record underlying KGL's ban from India. We are informed that such a process should be completed in less than 45 days. Once the process has been completed, we will analyze the findings and forward to your office the accumulated record with our comments.

Mr. Baragona wanted me to convey to you that aside from the negligence that caused his son's tragic death, he is convinced that KGL does not deserve the benefits of U.S. government contracting in light of KGL's callous and arrogant disregard for his family, questionable conduct during the legal proceeding and the emerging evidence of overseas misconduct.

With best regards,  
  
Steven R. Perles

SRP/

Enclosures: As stated.

CC: Brigadier-General Richard Bednar, (retired), counsel for KGL.  
Clifford Zatz, counsel for KGL

PFB-0114

# **EXHIBIT 10**

**Persico, Brian A Mr OTJAG**

**From:** Edward MacAllister [emacallister@perleslaw.com]  
**Sent:** Tuesday, September 23, 2008 1:31 PM  
**To:** Persico, Brian A Mr OTJAG  
**Cc:** Steve Perles  
**Subject:** baragona draft email to Persico

**Attachments:** Exhibit A.doc; Exhibit B.doc; Exhibit C.doc; Exhibit D.doc



Exhibit A.doc (361 KB)



Exhibit B.doc (277 KB)



Exhibit C.doc (315 KB)



Exhibit D.doc (485 KB)

Mr. Persico:

You have requested that we forward to you all available information regarding KGL's blacklisting in India for human trafficking. We recently received a report from India regarding this subject. KGL was placed on the Indian government's Prior Approval List "(PAC)", which functioned as a blacklist for any emigration by Indian nationals overseas based upon employment with KGL. This blacklisting was predicated upon KGL's hiring Indian nationals to work in Iraq upon the "pretext of deploying them to Kuwait."

Please find attached the following documents:

- \* Exhibit A, a letter from V.K. Bhatia Indian Ministry of Overseas Affairs to our consultant Shri C. Srikant in response to our inquiry as to the cause and meaning of KGL's placement on a Prior Approval List "(PAC)".
- \* Exhibit B, a copy of Letter dated July 3, 2001 sent by Ministry of Labor, Govt. of India, to Kuwait Embassy for India regarding the PAC status of KGL.
- \* Exhibit C - a second letter from V.K. Bhatia Indian Ministry of Overseas Affairs to our consultant Shri C. Srikant dated September 3, 2008 by Ministry of Overseas Indian Affairs, which explains why KG: was blacklisted for the second time in 2006 - because KGL was luring workers to Iraq on the "pretext of deploying them to Kuwait."
- \* Exhibit D - Letter sent by the Ministry of Overseas Indian Affairs to all Protectors of Emigrants, containing the reason for blacklisting KGL in 2006, because KGL was luring workers to Iraq on the "pretext of deploying them to Kuwait" and signed by the Undersecretary of the Indian Government.

Please let us know if you have any further questions or if there is any further information you would like us to acquire through our Indian consultants.

In light of the email transmission problems we have had in the past, please kindly confirm your receipt of this email

Thank you.

Edward



Edward MacAllister  
Perles Law Firm, PC  
1146 19th Street, NW  
Suite 500  
Washington DC 20036

[www.perleslaw.com](http://www.perleslaw.com)

Telephone 202.955.9055

Facsimile 202.955.3806

Admitted to practice in Maryland

Admitted to practice in the District of Columbia

Annexure A

**BY SPEED POST  
RTI Act Matter**

No. Z-11011/62/2008-PGE-1  
Government of India  
Ministry of Overseas Indian Affairs

\*\*\*\*  
Akbar Bhawan, Satya Marg, Chankyapuri  
New Delhi, Dated 24<sup>th</sup> August, 2008

To

Shri C. Srikant,  
Director,  
Epitome Consulting & Information Tecnology Pvt. Ltd.,  
# 7, 17<sup>th</sup> Cross, K. R. Road, Banashankari IIInd Stage,  
Benguluru-560 070  
(SRIKANTH EPITOMEcsrokanth@epitomeltd.com)

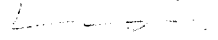
Subject: Regarding information under Right o Information Act, 2005.

Sir,

I am directed to refer to your letter dated 29<sup>th</sup> July, 2008 addressed to the Ministry of External Affairs on the above subject and to say that ---

- 1 & 2: M/s Kuwait and Gulf Link Transport (KGL) was placed under the Prior Approval Category (PAC) in 2001 vide letter No. Z-11025/ 23/ 2001-Emig. Dated 11-10-2001. Placing some foreign employer in PAC list means blacklisting them.
3. M/s Kuwait and Gulf Link Transport (KGL) was removed from PAC list vide letter No. C-11011/3/2001-PGE-II dated 30-11-2004 on the basis of decision taken in the meeting held under the Chairmanship of Secretary (Labour & Employment) on 10<sup>th</sup> November, 2004, but was again placed in PAC list in 2006.
4. KGL is in PAC list as on date.
5. For emigration clearance for deployment for KGL, prior approval of the Ministry of Overseas Indian Affairs is required.

Yours faithfully,



(V.K. Bhatia)  
Deputy Secretary to the Govt. of India/  
Central Public Information Officer

(Annexure-B)

11 11:10 01 01a 3718730

--- IND EMBASSY KWT 001

No. C-11011/5/95-PCH-II  
Government of India/Bharat Sarkar  
Ministry of Labour/Shram Mantralaya

New Delhi, dated 3rd July, 2001

FAX

Dear Embassy,

Please refer to Embassy's fax message No. Kuw/Lab/2275/2001 dated 19.6.2001 regarding placement of M/s KGL (Kuwait Gulf Link & Transport Co.) in the Prior Approval Category. It is stated that M/s KGL (Kuwait Gulf Link & Transport Co.) stands already placed in the Prior Approval Category vide letter number dated 13.2.2001. Embassy is requested to furnish names and full addresses of the Indian Recruiting Agencies involved in the recruitment of Indian workers to M/s KGL, Kuwait to this Ministry to process the matter further.

Yours faithfully,  
[Signature]  
[Name]

Embassy of India  
Kuwait,  
(Fax No.00-965-3525811)

May pl. see for a/c action.

Asaxg  
4/7/01

Att (CCS)

Replied

**(Annexure D)**

**BY SPEED POST  
RTI Act Matter**

No. Z-11011/62/2008-PGE-I  
Government of India  
Ministry of Overseas Indian Affairs

\*\*\*\*

Akbar Bhawan, Satya Marg, Chankyapuri  
New Delhi, Dated 3<sup>rd</sup> Sept., 2008

To

Shri C. Srikant,  
Director,  
Epitome Consulting & Information Tecnology Pvt. Ltd.,  
# 7, 17<sup>th</sup> Cross, K.R. Road, Banashankari IInd Stage,  
Benguluru-560 070  
(SRIKANTH EPITOMEcsrokanth@epitomeltd.com)

Subject: Regarding information under Right o Information Act, 2005.

Sir,

I am directed to refer to your letter dated 29<sup>th</sup> August, 2008 on the above subject and to inform you that ---

M/s Kuwait and Gulf Link Transport (KGL) was again placed in PAC list vide letter No. C-11011/18/2006-PGE-I dated 14<sup>th</sup> March, 2006 as the Embassy of India, Kuwait had recommended to place M/s Kuwait and Gulf Link Transport (KGL) in PAC list as the foreign employer was recruiting Indian workers for IRAQ on the pretext of deploying them to Kuwait.

1. A copy of this Ministry's letter No. C-11011/18/2005-PGE-II dated 14<sup>th</sup> March, 2006 is enclosed.

Yours faithfully,

(V.K. Bhatia)  
Deputy Secretary to the Govt. of India/  
Central Public Information Officer

(Annexure E)

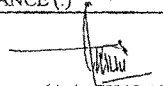
FAX

21

PROTECTOR GENERAL OF EMIGRANTS,  
MINISTRY OF OVERSEAS INDIAN AFFAIRS, NEW DELHI

ALL PROTECTORS OF EMIGRANTS

PROTECTORS OF EMIGRANTS DATED 14<sup>th</sup> MARCH, 2006 ( ) EMBASSY OF INDIA, KUWAIT HAS REPORTED THAT SOME COMPANIES BASED IN KUWAIT INCLUDING M/S KUWAIT AND GULF LINK TRANSPORT COMPANY (KGL) ARE RECRUITING INDIAN WORKERS TO IRAQ IN THE PRETEXT OF DEPLOYING THE WORKERS TO KUWAIT AND EMBASSY HAS RECOMMENDED THAT THIS FOREIGN COMPANY SHOULD BE PLACED IN PRIOR APPROVAL CATEGORY (PAC) LIST ( ) AS SUCH ALL PROTECTORS OF EMIGRANTS ARE DIRECTED NOT REPEAT NOT TO GRANT EMIGRATION CLEARANCE TO M/S KUWAIT AND GULF LINK TRANSPORT COMPANY (KGL) ( ) KINDLY ACKNOWLEDGE RECEIPT AND ENSURE COMPLIANCE ( )



(A.A. CHALAD)  
UNDER SECRETARY TO THE GOVT. OF INDIA  
FAX NO. 26874233

COPY TO:

1. EMBASSY OF INDIA, KUWAIT FOR INFORMATION (KIND ATTN: SHRI A.K. CHANDEHOKE, FIRST SECRETARY, (CONS & INF) (w.r.t. Fax Message No. Kuw/Lab/227/5/2001 dated 1/2/2006 (FAX NO.965 2525811/2571192/2573910).
2. JS / CPV, MINISTRY OF EXTERNAL AFFAIRS, PATIALA HOUSE, NEW DELHI
3. JS (GULF), MINISTRY OF EXTERNAL AFFAIRS, SOUTH BLOCK, NEW DELHI.



(A.A. CHALAD)  
UNDER SECRETARY TO THE GOVT. OF INDIA

Handwritten notes: 2/13

Handwritten notes: hence KC 2 2013

# **EXHIBIT 11**

PERLES LAW FIRM PC  
1146 19TH STREET, NW  
FIFTH FLOOR  
WASHINGTON, DC 20036  
202.955.9055  
FAX: 202.955.3806  
www.perleslaw.com

October 14, 2008

VIA ELECTRONIC DELIVERY  
Brian A. Persico  
Attorney, Procurement Fraud Branch  
Contract and Fiscal Law Division  
US Army Legal Services Agency  
901 N. Stuart Street, Room 513  
Arlington, VA 22203-1837

RE: Baragona v. KGL

Dear Mr. Persico:

A few issues have arisen as a result of information provided to us by KGL in court-ordered jurisdictional discovery.

KGL has produced a few of their contracts with the US Army, but they have refused to produce copies of any of the insurance contracts that US law requires that they carry on US government transportation contracts. KGL of course is required to certify the purchase of this insurance. If KGL bought these insurance policies, they should be able to produce them. Unless these insurance policies exist, each act of certification performed by KGL that they were submitting a conforming and responsive bid is a felony false certification and necessarily an act of procurement fraud. I respectfully suggest that this is an issue that you should examine in light of the fact that KGL continues to bid on and win US government contracts.

Also, during recent depositions of a KGL operations manager and a former lawyer, we learned that one can determine what particular contract the KGL truck was operating under when it killed LTC Baragona -- by matching the KGL truck's license plate to the bill of lading. We also learned that Kuwaiti law requires that a truck have a license plate on the front and the back of the truck when the truck begins its route. A photograph taken by US Army CID of the KGL truck after the accident shows that the front license plate was missing at the time of the accident. (see photos attached to email). We also know the truck couldn't have cleared the northbound Kuwait-Iraq

Brian A. Persico  
October 14, 2008

crossing without proper license plates. The license plate therefore must have been taken off after the truck crossed the Kuwait-Iraq border. The only reason to run a truck without plates is to engage in illicit activity. This becomes important from the perspective of criminal penalties—if the truck was on a smuggling run when it killed LTC Baragona, then the negligent death becomes a possible felony homicide. The US Army should investigate the reason for the missing license plate to determine whether the death of LTC Baragona was a felony murder.

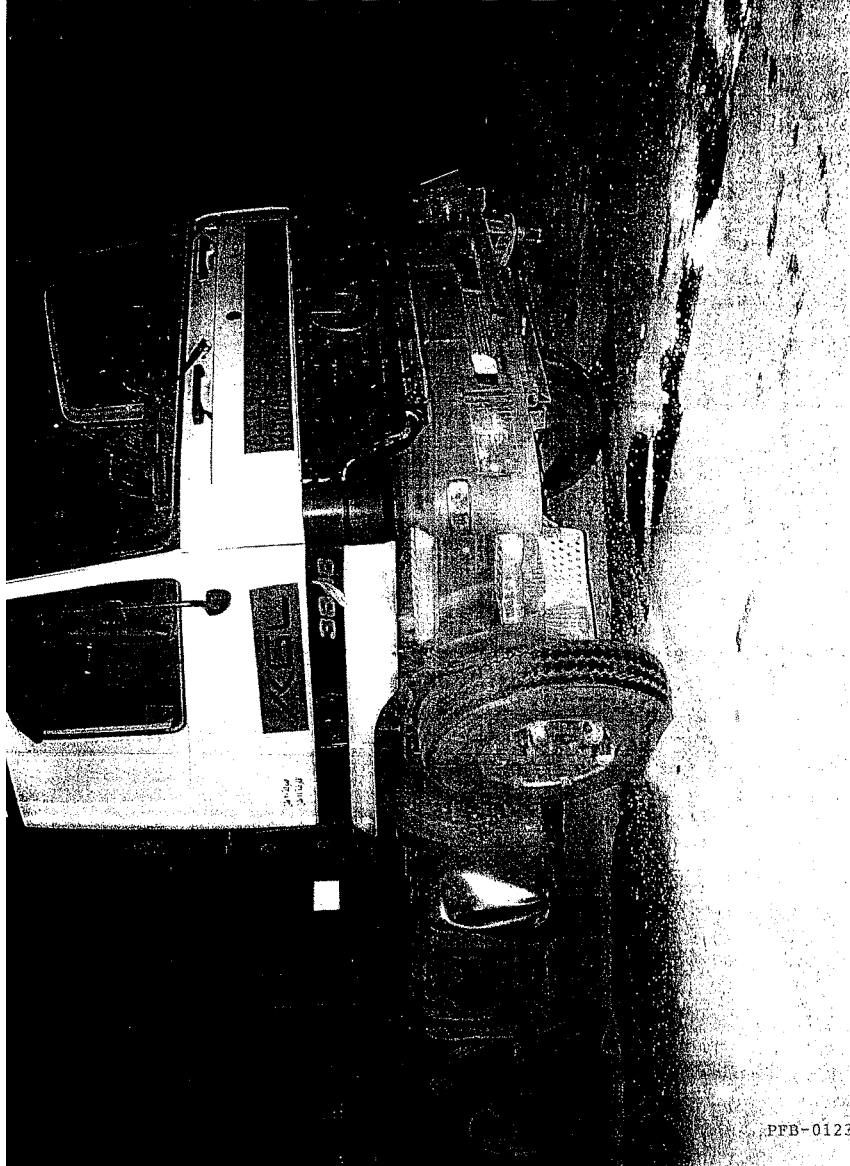
Thank you for your attention to this matter.

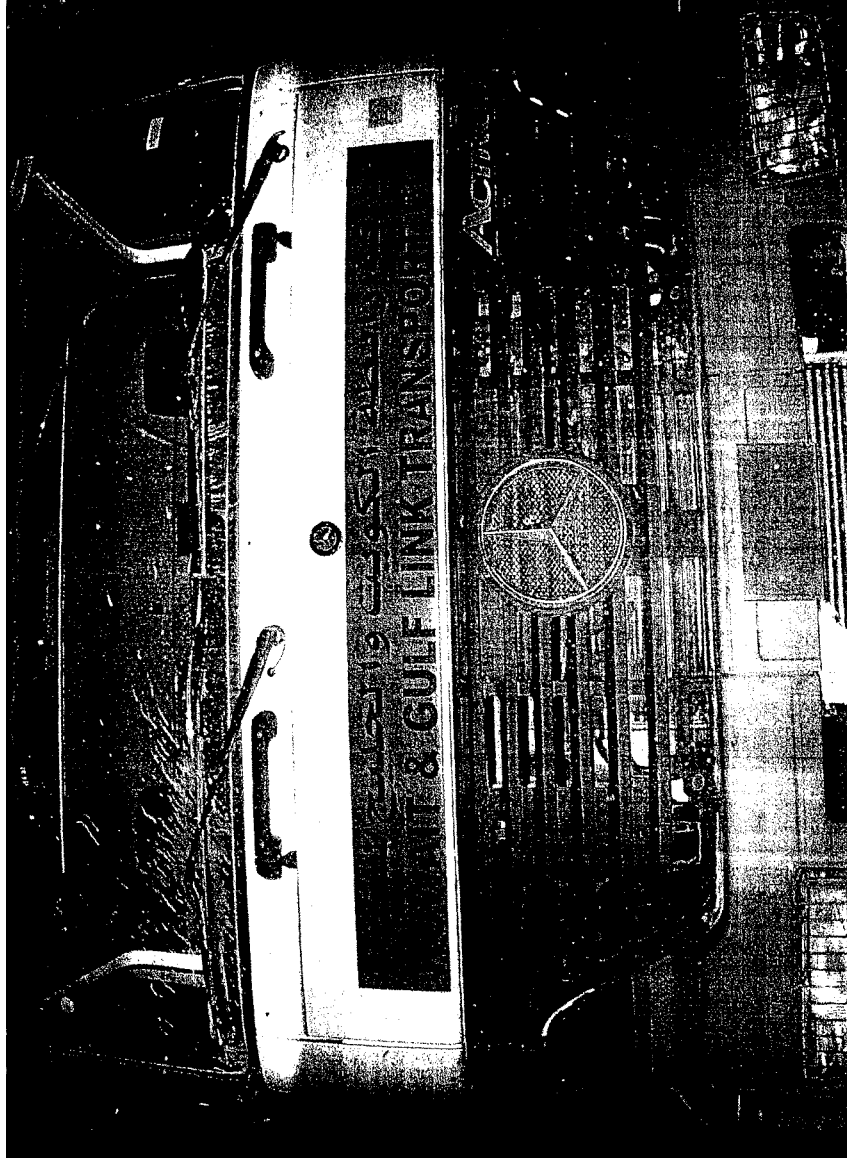
~~With best regards,~~

~~Steven R. Perles~~

SRP/







# **EXHIBIT 12**



**Persico, Brian A Mr OTJAG**

---

**From:** Edward MacAllister [emacallister@perlestlaw.com]  
**Sent:** Monday, November 24, 2008 5:31 PM  
**To:** Persico, Brian A Mr OTJAG  
**Cc:** Steve Perles  
**Subject:** baragona v. KGL

**Importance:** High

**Attachments:** WFP KGL contract.pdf; KGL ins. info .KGI 10352-10406.pdf

 WFP KGL contract.pdf (341 KB)  
 KGL ins. info .KGI 10352-10406...

Mr. Persico:

Thank you for the phone call last Friday evening regarding the Army's ongoing investigation of KGL.

I have attached to this email all of the insurance documents sent to us by KGL. I have also pasted below the specific requests that we posed to KGL regarding the production of this insurance information:

1. Provide a copy of every contract between KGL or KGLTC and the United States Army and any other entities of the United States government, including any amendments or modifications thereto, that have been entered into from January 1, 1998 to January 1, 2008.
2. Provide a copy of any common carrier insurance applicable to any of those contracts referenced in Plaintiffs' document request #1.
4. Provide a copy of the contract of insurance which was in effect on the KGL or KGLTC vehicle that was in the traffic accident that caused Lt. Col. Baragona's death on May 19, 2003.

KGL refused to produce the insurance documents requested by requests #2 and 4, which forced Plaintiffs to file a Motion to Compel. The Court consequently ordered production of contract insurance agreements entered into by KGL that were required for performance of US Army contracts. KGL's response, which is in fact inadequate and in violation of the Court's order for failing to have produced the actual insurance contracts, was ordered by the Court. The insurance documents provided make it clear that while KGL maintained insurance coverage for the carriage of goods into Iraq under its UN contract, KGL-1355-1360, KGL did not maintain insurance for the carriage of goods into Iraq under its US Army contracts. Their insurance for the carriage of goods under US Army contract specifically disclaims any liability for accidents that occur outside the State of Kuwait. KGL1353-1354.

I have also attached a copy of the UN world food program ("WFP")-KGL contract, which also includes a provision that mandates third party liability insurance for KGL's carriage of goods into Iraq. KGL maintains that the truck that killed LTC Baragona was operating under the WFP programme but offers no proof thereof and did not make an offer based upon the required insurance contract. KGL argues that a KGL truck with license plate number 12557 delivered good to Al Nassaria during the time of the accident but the photo of the crime scene shows a KGL truck that does not have a license plate. The insurance information produced by KGL (KGL 10356) shows that KGL carried insurance for the KGL truck with license plate number 12557 operation in Iraq under the WFP programme contract and therefore we presume that this insurance was for the carriage of goods under the WFP contract and have no way of knowing this to a certainty.

Lastly, do you have an estimate at this point as to the issuance of the Army's show cause letter to KGL?

As always, please feel free to contact us at any time for whatever information you might require.

Thanks.

Edward

Edward MacAllister  
Perles Law Firm, PC  
1146 19th Street, NW  
Suite 500  
Washington DC 20036

www.perleslaw.com  
Telephone 202.955.9055  
Facsimile 202.955.3806  
Admitted to practice in Maryland  
Admitted to practice in the District of Columbia

FROM : KGL

FRX NO. : +9654845926

Jun. 25 2008 12:32PM P 2



World Food Programme	Programa Mundial de Alimentos	Programme Alimentaire Mondial	بروگرام الاغذية العالمية
----------------------------	-------------------------------------	-------------------------------------	--------------------------------

The Food Aid Organization of the United Nations

**AGREEMENT FOR THE TRANSPORT OF WFP RELIEF CARGO**

KWT/TR/01/03

This agreement is made

between

The United Nations World Food Programme having its office at Kuwait, Block 12, Street 7, Villa 8, Jabriya, Kuwait City ("WFP")

and

Kuwait & Gulf Link Transport CO. K. S. C. having its offices at Kuwait P O BOX : 24565 safat - 13106 kuwait (the "Carrier")

**WHEREAS**

WFP wishes to transport cargo intended for emergency relief, such cargo consisting of cereals and lesser quantities of other commodities in bags, cartons or other packaging either loose or palletized and non-food items, such cargo having been consigned to WFP or to other relief agencies operating in the region.

The Carrier offers transport services or operates a fleet of vehicles within Kuwait. The Carrier is prepared to make trucking capacity available in the region for deployment by WFP. The Carrier can make available additional capacity if and when required by WFP.

WFP launched a request for offers on 16 March, 2003 and on receipt of offers made by the Carrier, it was agreed that this Agreement be concluded. In the execution of the agreement, only conditions stipulated herewith shall apply.

شركة الكويت والخليج للتجارة والنقل ك.م.س.  
Kuwait & Gulf Link Transport Co. K.S.C.

KGL 0000438

PFB-0127

## THE PARTIES AGREE AS FOLLOWS:

## 1 COMMENCEMENT AND DURATION

- 1.1 The Agreement will commence upon signature by WFP and shall continue for a period of four (4) months from the date at which the provision of the Services (as defined in clause 2) commence.
- 1.2 WFP has an option to renew the Agreement for any further length of time by giving the Carrier notice in writing of its intention to renew.

## 2 PROVISION OF TRANSPORT SERVICES

- 2.1 The Carrier shall upon activation of this Agreement by WFP, make available for the use of WFP 3000 MT trucking capacity per day in the form of truck/truck and trailer/semi-trailer units (referred to in this Agreement as "vehicles"). The Carrier shall use the vehicles to transport WFP relief cargo directly to the WFP destination warehouse in accordance with WFP instructions (the "Services");
- 2.2 The Carrier shall transport WFP relief cargo from FOT ex Shuwaikh port and/or Port of Shuaibah to designated warehouses in the 9 Iraqi Governorates indicated below in Clause 3. WFP shall within a period of four months from the date of this agreement give the Carrier 15 days notice for the activation of Services.
- 2.3 The Carrier shall transport, unload and stow the relief cargo at the WFP destination warehouses. Under no circumstances shall the Carrier allow intermediate storage, unless prior written consent from WFP head of logistics has been obtained.
- 2.4 WFP shall inform the Carrier with 5 days notice as to the actual trucking capacity required at any time. WFP shall with 5 days notice, call forward or release the amount of trucking capacity as required from the committed capacity of the Carrier described in Article 2.1 above.

## 3 PAYMENT

- 3.1 This Agreement is conditional upon the Carrier providing a performance bond in the amount of US\$1,000,000 valid for the period of this agreement and its extensions, in favor of WFP issued by a first class financial institution acceptable to WFP. This performance bond shall be forfeited to WFP, in full or in part at WFP discretion, in the event that Carrier fails to fulfill any of its contractual obligations after a written notice. WFP shall have the right to call the performance bond if the Carrier is unable to provide the capacity indicated above for 5 consecutive days from the due date. Upon satisfactory completion of the Agreement and final settlement of accounts, the bond shall be returned to Carrier.

2

شركة الكويت والخليج للتجارة والنقل  
Kuwait & Gulf Link Transport Co. K.S.C.

KGL 0000439

FROM : KGL

FAX NO. : +9654845926

Jun. 25 2008 12:33PM P 4

- 3.2 WFP shall pay the Carrier the following rates for the Services, which shall be inclusive of all salaries, fuel costs, insurance, tolls, taxes including VAT, handling charges including unloading and stowage, intermediate storage if needed by the carrier and accepted by WFP and all other expenses whatsoever relating to the transport of WFP relief cargo.

*US \$/MT to transport [mixed food commodities] as stipulated below*

Governorate	Destination	Rate/MT in SUS
Kerbala	Kerbala	30
Al Qadisiyah	Al Diwaniya	30
Basra	Basra	10
Missan	Amara	15
Muthana	Samawa	22
Najaf	Najaf	30
Thi-Qar	Al Nassiriya	15
Babel	Hilla	22
Wasit	Kut	30
Basra	Cross border point nearest to Um'Qasr	10
Kuwait	Cross border point nearest to Abdaly	10

- 3.3 If WFP requests further trucking capacity or renews the contract pursuant to clause 1.2, the same rates shall apply to the Services.
- 3.4 Payment shall be made based on delivered weight, according to the WFP waybills signed by the carrier and by WFP at dispatch and receipt points, and no payment shall be made against the weight of cargo lost or leaked in transit. WFP shall deduct from payments owing to the Carrier such amounts as required to cover any losses or damage to the commodities as outlined in clause. 5.1 below.
- 3.5 WFP shall pay the Carrier the amount of US\$100.00 per day per vehicle after the first 24 hours for any delays in loading/unloading the trucks which are not the fault of the Carrier.
- 3.6 The Carrier will invoice WFP bi-weekly, such invoices supported by relevant WFP waybills duly executed and accompanied by a delivery report listing quantities delivered, short and damaged as per WFP standard format. WFP shall effect payment by bank transfer to the Carrier's bank account in Kuwait within 21 days from receipt of invoice, it being agreed that no interest will be charged on any late payment.

3

شركة الكويت والخليج للتجارة والنقل  
Kuwait & Gulf Link Transport. Co. K.S.C.

KGL 0000440

PFB-0129



4 TERMINATION

- 4.1 WFP may terminate the Agreement by giving the Carrier 5 days notice in writing.
- 4.2 In the event of termination of this Agreement, the Carrier shall promptly deliver all WFP relief cargo in transit to the relevant destination stated in clause 2.1 and all outstanding invoices will be settled according with the payment provisions in clause 3 above.

5 CARGO LOSS AND DAMAGE

- 5.1 The parties agree that all missing or damaged commodities and any excess spillage or leakage during the period under the control of the Carrier will be debited against transport invoices based on the arrived commodity value or the market value at the final destination, whichever is greater. The arrived value at destination is calculated by adding all transport costs to the value of commodity at source.
- 5.2 For the purpose of this clause, leakage is defined as a shortage in the weight of bags/packages upon delivery at destination compared to their weight as declared on the relevant WFP waybill, signed by the carrier and by WFP at dispatch and receipt.
- 5.3 The Carrier shall not be obliged to load damaged cargo unless instructed by WFP or its agents and indicated on the WFP waybills.
- 5.4 The Carrier shall take all necessary precautions to safeguard WFP relief cargo loaded on his vehicles, including covering all commodities with intact tarpaulins, which shall be adequately secured.

6 THE CARRIER'S OBLIGATIONS

During the course of this Agreement, the Carrier shall:

- 6.1 Make available to WFP a sufficient number of roadworthy vehicles as necessary for the required daily off take trucking capacity, and ensure that vehicles and personnel carry all valid licenses and permits required to carry out the journeys lawfully and without hindrance and in this respect arrange promptly for local or Governmental authorizations and clearances for his vehicle and drivers and make all payments required. The Carrier shall pay WFP demurrage at the rate of US\$100.00 per day per vehicle after the first 24 hours if the Carrier fails to provide the capacity requested by WFP, in accordance with the call forward as defined in clause 2.4 above.

شركة كيروالث وليفك للخدمات والنقل ش.م.ك  
*Kirwallt & Guff Link Transport. Co. K.S.C.*

KGL 0000441

- 6.2 Take all necessary measures to ensure that the vehicles are at all times in good operational condition and undertake any repairs necessary during the transportation of WFP relief cargo.
- 6.3 Ensure that all transportation is carried out safely and as expeditiously as possible. The Carrier shall be responsible for recovering any vehicle and WFP relief cargo loaded on the vehicle in case of accident or mechanical failure of the vehicle.
- 6.4 Shall receive and deliver relief cargo based on WFP waybills accepted by certified WFP and the carrier which conform to the stipulations herein and the format of which is approved by WFP.
- 6.5 Ensure that only WFP cargo is carried in the vehicles made available under this Agreement. No other cargo or passenger may be carried without WFP's written consent.
- 6.6 Indemnify, hold and save harmless, and defend, at its own expense, WFP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including any claims arising from injuries, disability, death or loss and any associated costs and expenses, arising out of acts or omissions of the Carrier, or the Carrier's employees, officers, agents or sub-contractors, in the performance of this Agreement. The obligations under this Article do not lapse upon termination of this Agreement.
- 6.7 Maintain adequate civil insurance cover on his vehicles and his employees and/or servants at all times including insurance against third party liabilities.
- 6.8 Report to WFP in writing on the progress of deliveries as per WFP standard format.

7 FORCE MAJOR

If at any time during the course of this Agreement it shall become impossible for any of the parties hereto to perform any of its obligations for reason of force major, that party shall promptly notify the other in writing of the existence of such force major whereupon the party giving notice shall be relieved from such obligations as long as force major persists.

8 LIABILITY

WFP shall not accept any liability whatsoever to the Carrier or to third parties in respect of loss or injury or damage sustained for any reason whatsoever including any defect in the vehicles or negligent use thereof while the vehicles are being used to provide Services under this Agreement.

9 NOTICES

شركة زائفة الكويت والخليج للتقيل ع.م.ك  
Kuwait & Gulf Link Transport. Co. K.S.C.

KGL 0000442

Any notice to be given under this Agreement shall be validly sent if sent by facsimile or delivered by hand to the registered office of the party to be notified.

#### 10 ARBITRATION

Any dispute arising from this Agreement that is not settled by amicable discussion between the parties shall be referred to arbitration under UNCITRAL arbitration rules. The arbitration shall be conducted in London in the English language. The parties agree to be bound by any arbitration award rendered in accordance with the above, as the final adjudication of any such dispute.

In any arbitration, one arbitrator is to be nominated by WFP and the other by the Carrier. In case the arbitrators shall not agree, then the decision of an umpire to be appointed by the two arbitrators shall be final and binding upon both parties. If one party fails to appoint an arbitrator for 14 (fourteen) clear days after the other party, having appointed his arbitrator, has served the party making default with notice to make the appointment, the party who has appointed an arbitrator may appoint that arbitrator to act as sole arbitrator in the reference and his/her award shall be binding on both parties as if he/she had been appointed by consent.

#### 11 IMMUNITY CLAUSE

Nothing in this Agreement shall imply a waiver by United Nations World Food Program, the United Nations or any of its Agencies or Organizations of any privileges or immunity enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising out of this Agreement.

#### 12 ENTIRE AGREEMENT

This Agreement contains the entire agreement of the parties, which cannot be varied or amended except with the written consent of both parties.

#### SIGNED BY THE PARTIES DULY AUTHORISED REPRESENTATIVES

##### FOR WFP:

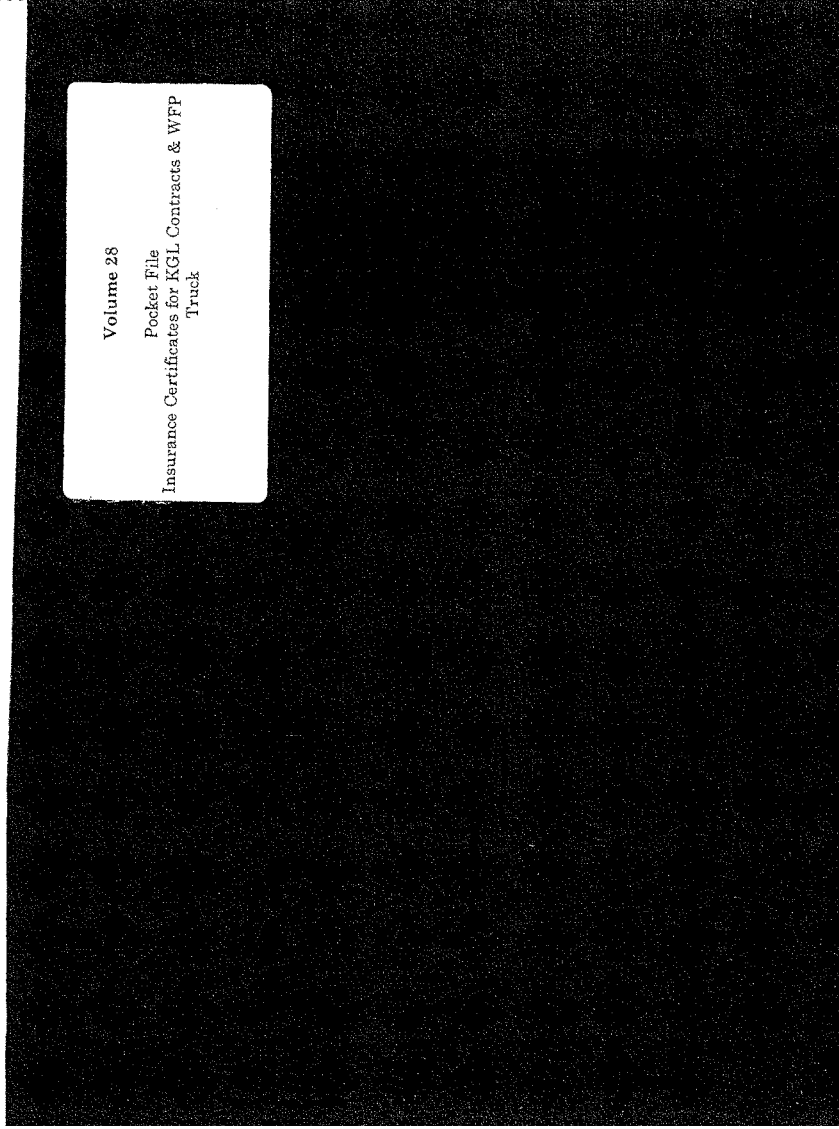
Name: JAVID MARTON  
 Signature: [Signature]  
 Place: Rome  
 Date: 4 April 2003

##### FOR THE CARRIER:

Name: SAEED DASHTI  
 Signature: [Signature]  
 Place: Kuwait  
 Date: April, 1, 2003

شركة رائدة الكويت والخليج للتجارة والنقل  
 Kuwait & Gulf Link Transport. Co. K.S.C.

KGL 0000443



Volume 28  
Pocket File  
Insurance Certificates for KGL Contracts & WFP  
Truck

Confidential: Under  
Protective Order.

**SkyLine** Pocket File FS MF306

*Insurance Certificates for K&L contracts & WFP Truck*

KGL 0010352

PFB-0134



## شركة الكويت للتأمين ش.م.ك

تأسست سنة ١٩٦٠  
 الرأسمال الاسمي والدفع: ١٠٠ مليون دينار كويتي  
 شركة خاضعة لأحكام قانون شركات ووكلاء التأمين  
 رقم (٢٤) لسنة ١٩٦٦  
 رقم اجازة التأمين (١) - رقم السجل التجاري ٧٦٤

التاريخ 2008/10/26

### لمن يهمه الأمر

بناءً على طلب شركة رابطة الكويت والخليج للنقل ، تشهد شركة الكويت للتأمين ( ش.م.ك ) بأنها قد قامت بإصدار عدد محدد من وثائق التأمين الإجباري ( ضد الغير ) خاصة بالمركبات المملوكة لشركة رابطة الكويت والخليج للنقل ، وذلك في الفترة من عام 1991 م وحتى تاريخه .

وكما هو متعارف عليه والمقرر قانوناً أن هذا التأمين الغرض منه هو تغطية المسؤولية المدنية للمؤمن له عن الحوادث التي تحدث من المركبات المؤمن عليها إذا وقعت في دولة الكويت بجميع حدودها الإقليمية - شريطة عدم مخالفة المؤمن له أو أي من تابعيه لقانون المرور ولائحته التنفيذية ، وشروط ووثائق التأمين الصادرة له .

وهذه شهادة منا لمن يهمه الأمر دون أدنى مسؤولية أو التزام على الشركة .

عن / شركة الكويت للتأمين



**Kuwait Insurance Company K.S.C**

Established on 1960

Nominal and paid-up capital KD19,404 Million

A company subject to the Provisions of the Insurance Companies & Agents Law No. 24/1961  
Insurance License No. 1, Commercial Registry No. 7645

Date: 26/10/2008

**To Whom it May Concern**

Upon the Kuwait & Gulf Link Transport Company's request, Kuwait Insurance Company (K.S.C.) hereby certifies that it has issued a specified number of compulsory insurance policies (Third Party) for the vehicles owned by the Kuwait & Gulf Link Transport Company during the period from 1991 till the present date.

As it is known and established by the law, the purpose of this insurance is to cover the Insured's civil liability against the accidents that may be caused by the insured vehicles if occurred in the State of Kuwait within all its geographical borders, provided that the Insured or any of its subordinates shall not violate the Traffic Law and its Executive Regulation and the conditions of the insurance policies issued for the same.

This is a certification from us to be submitted To Whom It May Concern without any responsibility or obligation on the Company.

**For/ Kuwait Insurance Company**

**Signature & Stamp**

**Confidential: Under  
Protective Order.**

HCOGR-27 Feb 09-151

**KGL0010354**

**PFB-0136**



**KUWAIT INSURANCE COMPANY S.A.K.**

Established 1960  
Authorised and paid up Capital K.D.19.404 Million  
Registered in accordance with the Insurance Companies and Agent  
Law No. 24 for 1961  
Insurance Licence No. 1 C.R. No. 7645

26<sup>th</sup> October 2008

**TO WHOM IT MAY CONCERN**

We "KUWAIT INSURANCE CO." hereby certify that "KUWAIT & GULF LINK TRANSPORT CO" is one of our Clients and we have issued for them General Liability and Workmen's Insurance Policies as per Kuwait Labour Law No. 38/1964, since the year of 1996, till now.

This Certificate is given to client upon his request without any prejudice.

for, **KUWAIT INSURANCE COMPANY (S.A.K)**

P.S - Specimen of the Policies are attached

YWS  
KTC



---

Head Office: Kuwait Insurance House, Abdulla Al Salem Street,  
Postal Address: P.O. Box: 769 Safat, 13008, Kuwait, Telephone: (965) 884433 - Fax: 2428530 & 2461855  
e-mail: info@kic-kw.com - Web - www.kic-kw.com

**Confidential: Under  
Protective Order.**

HCOGR-27 Feb 09-152

KGL 0010360

PFB-0137





**KUWAIT INSURANCE COMPANY S.A.K.**

Established 1960  
Authorised and paid up Capital K.D39.404 Million  
Registered in accordance with the Insurance Companies and Agent.  
Law No. 24 for 1961  
Insurance Licence No. 1 C.R. No. 7645

**TO WHOM IT MAY CONCERN**

We , Kuwait Insurance Company , hereby declare that vehicles stated owned by the insured , (Mastery/ Kuwait & Gulf Link Transport Co. ) are insured with our company for third party auto liability insurance as per the Kuwaiti law and our insurance policy terms & conditions from 17<sup>TH</sup> APR 2003 up to 16<sup>TH</sup> APR 2005. Bg (1) Sr (1 - 9) .

The certificate was given to the insured up on his request without holding our company liable to any party in giving such certificate .

For / Kuwait insurance company ( SAK )  
( Motor Insurance Dept ) .



Head Office: Kuwait Insurance House, Abdulla Al Salem Street,  
Postal Address: P.O. Box: 769 Safat, 13008, Kuwait, Cable: TAMINCO - KUWAIT  
Telephone: (965) 884433 - Fax: 2428530 & 2461853 Telex: 22104 & 44820 TAMINCO I

**Confidential: Under  
Protective Order.**

**KGL0010355**

**PFB-0138**

List of Trucks

SR	Type	Model	Plate No.	Chassi No.
1	Mercedes	2003	12561	808448
2	Mercedes	2003	12551	807987
3	Mercedes	2003	12557	808456
4	Mercedes	2003	12533	808000
5	Mercedes	2003	12640	803925
6	Mercedes	2003	12562	808363
7	Mercedes	2003	12648	803425
8	Mercedes	2003	12553	808886
9	Mercedes	2003	12649	803476



Confidential: Under  
Protective Order.

KCL0010356

PFB-0139



OVERLAND OILFIELD TRANSPORT SUBJECT

INVOICE SUMMARY

Invoice No.	Invoice Date	Origin	Destination	LT/Mod	Tonnage	Rate Per Ton	Amount
557	12540	12.05.03	Kuwait City	Nasiriyah	40.104	15	601.56
558	12552		Kuwait City	Nasiriyah	40.104	15	601.56
559	12557		Kuwait City	Nasiriyah	40.104	15	601.56
560	12561		Kuwait City	Nasiriyah	40.104	15	601.56
561	12564		Kuwait City	Nasiriyah	40.104	15	601.56
562	12568		Kuwait City	Nasiriyah	40.104	15	601.56
563	12546		Kuwait City	Nasiriyah	40.104	15	601.56
564	12550	14.05.03	Kuwait City	Nasiriyah	40.104	15	601.56
565	12551		Kuwait City	Nasiriyah	40.071	15	601.06
566	12553		Kuwait City	Nasiriyah	40.071	15	601.06
567	12555		Kuwait City	Nasiriyah	40.071	15	601.06
568	12534		Kuwait City	Nasiriyah	40.071	15	601.06
569	12530		Kuwait City	Nasiriyah	40.071	15	601.06
570	12534	12.05.03	Kuwait City	Nasiriyah	40.071	15	601.06
571	12531		Kuwait City	Nasiriyah	40.071	15	601.06
572	12531		Kuwait City	Nasiriyah	40.071	15	601.06
573	12544	12.05.03	Kuwait City	Nasiriyah	32.56	15	488.40
574	12545	12.05.03	Kuwait City	Nasiriyah	40.071	15	601.06
575	12545		Kuwait City	Nasiriyah	40.071	15	601.06
576	12545		Kuwait City	Nasiriyah	40.071	15	601.06
577	12545		Kuwait City	Nasiriyah	40.071	15	601.06
578	12545		Kuwait City	Nasiriyah	40.071	15	601.06
579	12545		Kuwait City	Nasiriyah	40.071	15	601.06
580	12545		Kuwait City	Nasiriyah	40.071	15	601.06
581	12545		Kuwait City	Nasiriyah	40.071	15	601.06
582	12545		Kuwait City	Nasiriyah	40.071	15	601.06
583	12545		Kuwait City	Nasiriyah	40.071	15	601.06
584	12545		Kuwait City	Nasiriyah	40.071	15	601.06
585	12545		Kuwait City	Nasiriyah	40.071	15	601.06
586	12545		Kuwait City	Nasiriyah	40.071	15	601.06
587	12545		Kuwait City	Nasiriyah	40.071	15	601.06
588	12545		Kuwait City	Nasiriyah	40.071	15	601.06
589	12545		Kuwait City	Nasiriyah	40.071	15	601.06
590	12545		Kuwait City	Nasiriyah	40.071	15	601.06
591	12545		Kuwait City	Nasiriyah	40.071	15	601.06
592	12545		Kuwait City	Nasiriyah	40.071	15	601.06
593	12545		Kuwait City	Nasiriyah	40.071	15	601.06
594	12545		Kuwait City	Nasiriyah	40.071	15	601.06
595	12545		Kuwait City	Nasiriyah	40.071	15	601.06
596	12545		Kuwait City	Nasiriyah	40.071	15	601.06
597	12545		Kuwait City	Nasiriyah	40.071	15	601.06
598	12545		Kuwait City	Nasiriyah	40.071	15	601.06
599	12545		Kuwait City	Nasiriyah	40.071	15	601.06
600	12545		Kuwait City	Nasiriyah	40.071	15	601.06



Confidential: Under Protective Order.

KGL0010358

PFB-0141

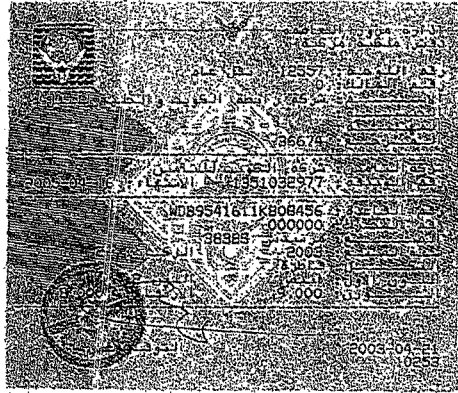


Plate Number

Chassis NO

Merced 2003

FROM : GLOBAL UNITED INS.SERV.CO FFX NO. :+955 2412937 Oct. 26 2008 01:21PM P. 1

Confidential: Under  
Protective Order.

KGL0010359  
PFB-0142

HCOGR-27 Feb 09-157

**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 15,404 Million  
C.R. No. 7643



شركة الكويت للتأمين ش.م.ك  
الراسمالي الاسمي والمدفوع 15.404 مليون دينار كويتي  
رقم التسجيل التجاري ٧٦٤٣

**WORKMEN'S COMPENSATION POLICY - SCHEDULE**

POLICY NO.	
Insured Name	: Ms/-----
Address	: Kuwait
Insured Business	:
Territorial Limits	: Kuwait
Period of Insurance	: 365 Day(s) From Date To be advised (Both Days Inclusive)
Law(s)	: Kuwait Labour Law No. 38/1984, Ministerial Order No. 66/1983 presently in force.
Initial Premium	: As Agreed ( Subject to adjustment in the terms of condition 6 ) The estimated amount of wages / salaries and other earnings, on which premium is based : As Agreed
<b>Place(s) of Employment and Description of work</b> This policy covers the Insured's employees against accidental bodily injury and death arising out of and in the course of their employment by the Insured, whilst -----	
<b>Conditions &amp; Clauses</b> 1) Explosive Exclusion Clause 2) Employers Liability Clause 3) Nuclear, Chemical & Biological Exclusion Clause 4) Cover includes whilst working on Fridays, public holidays, overtime & night shifts 5) Cover includes whilst going & coming to work provided a normal & direct route . 6) War & Terrorism Exclusion.	
Signed on behalf of <b>KUWAIT INSURANCE COMPANY-S.A.K</b>	

Confidential: Under  
Protective Order.

KGL0010361

PFB-0143

HCOGR-27 Feb 09-158

**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 19,404 Million  
C.R. No. 7645



شركة الكويت للتأمين شركة  
الراسمالي الاسمي والمدفوع ١٩.٤٠٤ مليون دينار كويتي  
رقم السجل التجاري ٧٦٤٥

**EXPLOSIVE EXCLUSION CLAUSE**

It is hereby expressly declared and agreed that this policy does not cover any bodily injury or death, directly or indirectly resulting from mines, bombs, missiles, ordnance and explosives or other weapons or articles of war remaining from hostilities or military exercises.

Subject otherwise to the same terms, conditions and limitations of the said policy.

for, KUWAIT INSURANCE COMPANY S.A.K.

Confidential: Under  
Protective Order.

HCOGR-27 Feb 09-159

KGL0010362

PFB-0144

**Kuwait Insurance Co. s.a.k.**

Authorised and Paid up Capital KD. 19,404 Million  
C.R. No. 7645



شركة الكويت للتأمين ش.م.ك

الراسم المال الاسمي والمدفوع ١٩.٤٠٤ مليون دينار كويتي  
رقم التسجيل التجاري ٧٦٤٥

#### EMPLOYERS LIABILITY INSURANCE COVER

It is hereby declared and agreed that notwithstanding anything to the contrary contained herein, if at any time during the 'Period of Insurance', any employee of the Insured, as detailed in the *policy schedule*, shall sustain *bodily injury or death* by accident, arising out of and in the course of his employment by the Insured, in the occupation stated and, provided the insured should adhere to safety & security conditions as stated in the policy, the Insurers will indemnify the Insured against all sums for which the Insured shall be legally liable to pay, and will in addition be responsible for all costs and expenses incurred with their consent in defending any claim for such compensation. The Limit of the Insurers' liability under this extension is **KD** -- any one occurrence and **KD** in aggregate.

It is also understood and agreed that this insurance shall be governed by Kuwaiti Law, and that the Kuwaiti Courts alone shall have jurisdiction in any dispute arising thereof.

Subject otherwise to the same terms, conditions and limitations of the said policy.

For, Kuwait Insurance Company S.A.K

Confidential: Under  
Protective Order.

KGL0010363

PFB-0145



**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 19,404 Million  
C.R. No. 7645



شركة الكويت للتأمين ش.م.ب.ك

الرأسمال الاسمي والمفوض ١٩.٤٠٤ مليون دينار كويتي  
رقم السجل التجاري ٧٦٤٥

#### Nuclear Chemical & Biological Exclusion Clause

Notwithstanding anything contained in the policy, or in any extension thereof, it is hereby declared and agreed, that an exclusion over-riding all other terms, this insurance does not cover any "bodily injury or death; loss destruction of; or damage to any property" resulting there from, caused by, or happening directly or indirectly through, or in consequence of Nuclear, Chemical & Biological Weapons.

##### For the purpose of this exclusion;

(I) Utilisation of Nuclear weapons of mass destruction means the use of any explosive nuclear weapon or device or the emission, discharge, dispersal, release or escape of fissile material emitting a level of radioactivity capable of causing incapacitating disablement or death amongst people or animals.

(II) Utilisation of Chemical weapons of mass destruction means the emissions, discharge, dispersal, release or escape of any solid, liquid or gaseous chemical compound which, when suitably distributed, is capable of causing incapacitating disablement or death amongst people or animals.

(III) Utilisation of Biological weapons of mass destruction means the emission, discharge, dispersal, release or escape of any pathogenic (disease producing) micro-organism(s) and/or biologically produced toxin(s) (including genetically modified organisms and chemically synthesised toxins) which are capable of causing incapacitating disablement or death amongst people or animals.

Also excluded hereon is any loss or expenses of whatsoever nature directly or indirectly arising out of, contributed to, caused by, resulting from, or in connection with any action taken in controlling, preventing, or suppressing any, or all of ( I ) to ( III ) above.

For, Kuwait Insurance Company (S.a.k)

Confidential: Under  
Protective Order.

KGL0010364

PFB-0146

**Kuwait Insurance Co. s.a.k.**

Authorised and Paid up Capital KD. 19,404 Million  
C.R. No. 7643



شركة الكويت للتأمين ش.م.ك.  
الرأسمال الاسمي والمدفوع ١٩.٤٠٤ مليون دينار كويتي  
رقم السجل التجاري ٧٦٤٣

**WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

2. any act of terrorism

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government, to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

for, KUWAIT INSURANCE COMPANY S.A.K.

08/10/01

NMA2918

Confidential: Under  
Protective Order.

KGL0010365

PFB-0147

HCOGR-27 Feb 09-162



Head Office :  
Kuwait Insurance House  
Abdullah Al-Salem Street  
Postal Address :  
Post Box 769  
13008 Safat - Kuwait

**Kuwait Insurance Company (S.A.K.)**  
Established 1960  
Authorized and Paid up Capital KD. 19,404 Million  
(Registered in accordance with the Insurance Companies and Agents  
Law No. 24 for 1981)

Tel. { 884433  
2420136 & 2420138  
2420021 TO 2420028  
Fax. : (885) - 2428530 - 2461855  
Telex : TAMINCO : 22104 & 44820 KT  
E-mail : info@kic-kw.com  
Website : www.kic-kw.com

**Workmen's Compensation Policy**

No: / / /

**WHEREAS** the Insured carrying on the Business described in the schedule and no other for the purpose of this insurance by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the **KUWAIT INSURANCE COMPANY S.A.K.** (Hereinafter called "the company") for the insurance herein after contained and has paid or agreed to pay the premium as consideration for such insurance.

**NOW THIS POLICY WITNESSES** that if during duty at any time during the period of insurance any employee in the Insured's immediate service shall sustain bodily injury by accident arising out of and in the course of his employment by the Insured in the Business and if the Insured shall be liable to pay compensation for such injury under the **Law(s)** set out in the schedule.

Then subject to the terms, exclusions and conditions contained herein or endorsed hereon, the Company will indemnify the Insured against all sums for which the Insured shall be so liable and will in addition be responsible for all costs and expenses incurred with its consent in defending any claim for such compensation.

**Provided** always that in the event of any change in the law(s) or the substitution of legislation, this policy shall remain in force but the liability of the company shall be limited to such sum as the Company would have been liable to pay if the Law(s) had remained unaltered.

**Confidential: Under Protective Order.**

**KGL0010366**

**PFB-0148**

## EXCLUSIONS

The company shall not be liable under this policy in respect of:

1. Any injury by or resulting from:

(a) War, Invasion, Act of foreign enemy, Hostilities or War like operations (whether war be declared or not), Civil War, Mutiny, Riots, Strikes, Civil Commotion assuming the proportions of or amounting to a popular rising, Military rising, Insurrection, Rebellion, Revolution, Military or Usurped power.

(b) Acts of Terrorism committed by a person or persons acting on behalf of or in connection with any organisation. For the purpose of this insurance "Terrorism" means the use of violence for the purpose of putting the public or any section of the public in fear.

(c) Nuclear Weapon or Material, Ionizing, Radioisotopes or Contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

2. The Insured's Liability to employees of Contractors to the Insured.

3. Any employee who is not a 'workman' within the meaning of the law(s).

4. Any liability of the Insured which attached by virtue of an agreement but which would not have attached in the absence of such agreement.

5. Any sums which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party.

6. Medical Expenses however arising.

7. Hernia and Sun/Heat Stroke & first day of Disablement.

8. Death or Disability due to any disease including Industrial Diseases.

9. The Insured will lose the right for compensation, if he did not enforce the reasonable precautions to prevent accidents and comply with the statutory obligations governed by the ministerial order nos. 43 for the year 1979 and 114 for the year 1996, regarding the necessary precautions and conditions required at the work sites to protect his employees from the risk of work. Particularly to protect the employees from electric shocks, sliding, harmful gasses and all other risks of work by all protection means specially in respect of dangerous parts of the machines, and not to perform maintenance while in operations, supporting, digging edges, provide side fences to scaffolding to prevent their falls and ensure training for unskilled labour prior to assign them for work which they are not fit to do.

Confidential: Under  
Protective Order.

KGL0010368

PFB-0149

**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 19,404 Million  
C.R. No. 7643



شركة الكويت للتأمين ش.م.ك

الرأسمال الاسمي والمدفوع 19.404 مليون دينار كويتي  
رقم الترخيص التجاري ٧٦٤٣

**THIRD PARTY LIABILITY - SCHEDULE**

<b>POLICY NO.</b>	:	
<b>Insured Name</b>	:	M/s.
<b>Address</b>	:	Kuwait
<b>Insured Business</b>	:	
<b>Geographical Area</b>	:	Kuwait
<b>Period Of Insurance</b>	:	385 Day(s)
		From Date To be advised ( Both Days Inclusive )
<b>Limit of Indemnity</b>	:	K.D 0.000 Per Occurrence (Legal)
<b>Deductibles</b>	:	KD000.-e.e.l in respect of property damage only.
<b>Premium</b>	:	As Agreed
<b>Premises / Contract</b>	:	This policy covers the legal liability of the Insured towards third parties in respect of property damage &/or bodily injury arising out of and in the course of carrying out-----
<p>The following Conditions &amp; Clauses are attached to and form part of this policy</p> <ol style="list-style-type: none"> <li>1) Special Endorsement</li> <li>2) Explosive Exclusion Clause</li> <li>3) Nuclear, Chemical &amp; Biological Exclusion Clause</li> <li>4) Underground Property Clause</li> <li>5) Cross Liability Clause</li> <li>6) War &amp; Terrorism Exclusion.</li> </ol>		
Signed on behalf of <b>KUWAIT INSURANCE COMPANY-S.A.K</b>		

Confidential: Under  
Protective Order.

HCOGR-27 Feb 09-165

KGL0010370

PFB-0150

**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 19 404 Million  
C.R. No. 7645



شركة الكويت للتأمين ش.م.ك  
الرأسمال الاسمي والمدفوع ١٩.٤٠٤ مليون دينار كويتي  
رقم التسجيل التجاري ٧٦٤٥

**SPECIAL ENDORSEMENT**

It is hereby understood and agreed that the policy Exclusion No.2- 'Damage to property caused by fire or explosion' is hereby deleted.

Notwithstanding the policy Exclusion No.4(b), it is hereby understood and agreed that this policy is hereby extended to cover the Insured's liability which might arise out of the use of the 'lifting equipment'.

**SPECIMEN**

Subject otherwise to the same terms, conditions and limitations of the said policy.

For, KUWAIT INSURANCE COMPANY, S.A.K.

Confidential: Under  
Protective Order.

HCOGR-27 Feb 09-166

KGL0010371

PFB-0151

**Kuwait Insurance Co. s.a.k.**  
Authorized and Paid up Capital KD. 18,404 Million  
C.R. No. 7645



شركة الكويت للتأمين ش.م.ك  
الراسمئال الاسمي والمدفوع 18.404 مليون دينار كويتي  
رقم السجل التجاري ٧٦٤

EXPLOSIVE EXCLUSION CLAUSE

It is hereby expressly declared and agreed that this policy does not cover any legal liability, directly or indirectly resulting from mines; bombs; missiles; ordnance and explosives or other weapons or articles of war remaining from hostilities or military exercises.

SPECIMEN

Subject otherwise to the same terms, conditions and limitations of the said policy.

for, KUWAIT INSURANCE COMPANY S.A.K.

cl-exp-1

Confidential: Under  
Protective Order.

KGL0010372

PFB-0152

**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 19,404 Million  
C.R. No. 7645



شركة الكويت للتأمين ش.م.ك  
الراسم المال الاسمي والمدفوع 19.404 مليون دينار كويتي  
رقم السجل التجاري ٧٦٤٥

**CROSS LIABILITY CLAUSE**

It is hereby understood and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in this policy or endorsed thereon, cover under this policy shall apply to the Insured parties named in the schedule, as if a separate policy had been issued to each party, provided that the Insurers shall not indemnify the Insured under this endorsement in respect of liability for :-

Fatal or non-fatal injury or illness of employees or workmen, who are or could have been insured under 'Workmen's Compensation and/or Employers' Liability Insurance except for accidents for non-fatal injury or illness caused to the employees of the Particular for which the Contractor shall be legally liable

The Company's total liability in respect of the Insured parties shall not however, exceed in the aggregate, for any one accident or series of accidents arising out of one event, the limit of indemnity, stated in the schedule.

Subject otherwise to the same terms, conditions and limitations of the said policy.

For, KUWAIT INSURANCE COMPANY S.A.K.

Cross-2-TPL

Confidential: Under  
Protective Order.

HCOGR-27 Feb 09-168

KGL0010373  
PFB-0153



**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 18,404 Million  
C.R. No. 7645



شركة الكويت للتأمين من ممتلكات  
البراهمة والاسمي والفروع ١٩٠٤-١٩٠٤ مليون دينار كويتي  
رقم السجل التجاري ٧٦٤٥

**UNDERGROUND PROPERTIES CLAUSE**

The Insurers shall not be liable under this policy to indemnify the Insured for loss or damage to existing underground properties of any kind unless prior to the commencement of works, the Insured has been notified by the relevant authorities in writing of the exact position of such properties.

The indemnity shall in any case be restricted to the actual repair costs of such underground properties, any consequential damage being excluded from the policy.

• Deductible : 20% (twenty percent) of each and every loss. Subject to a minimum of KD2, 500. - Each and every loss

Subject otherwise to the same terms, conditions and limitations of the said policy.

for, KUWAIT INSURANCE COMPANY S.A.K.

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Protective Order.

KGL0010374

PFB-0154

**Kuwait Insurance Co. s.a.k.**

Authorized and Paid up Capital KD. 19,404 Million  
C.R. No. 7645



شركة الكويت للتأمين شركة  
الراسمى الاسمى والتاسيس والتاسيس ١٩٤٤ ميلادى ديتار كويتى  
رقم السجل التجارى ٧٦٤٥

#### Nuclear Chemical & Biological Exclusion Clause

Notwithstanding anything contained in the policy, or in any extension thereof, it is hereby declared and agreed, that an exclusion over-riding all other terms, this insurance does not cover any "bodily injury or death; loss destruction of; or damage to any property" resulting therefrom, caused by, or happening directly or indirectly through, or in consequence of Nuclear, Chemical & Biological Weapons.

##### For the purpose of this exclusion;

(I) Utilisation of Nuclear weapons of mass destruction means the use of any explosive nuclear weapon or device or the emission, discharge, dispersal, release or escape of fissile material emitting a level of radioactivity capable of causing incapacitating disablement or death amongst people or animals.

(II) Utilisation of Chemical weapons of mass destruction means the emissions, discharge, dispersal, release or escape of any solid, liquid or gaseous chemical compound which, when suitably distributed, is capable of causing incapacitating disablement or death amongst people or animals.

(III) Utilisation of Biological weapons of mass destruction means the emission discharge, dispersal, release or escape of any pathogenic (disease producing) micro-organism(s) and/or biologically produced toxin(s) (including genetically modified organisms and chemically synthesised toxins) which are capable of causing incapacitating disablement or death amongst people or animals.

Also excluded hereon is any loss or expenses of whatsoever nature directly or indirectly arising out of, contributed to, caused by, resulting from, or in connection with any action taken in controlling, preventing, or suppressing any, or all of (I) to (III) above.

For, Kuwait Insurance Company (S.a.k)

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Protective Order.

HCOGR-27 Feb 09-170

KGL0010375  
PFB-0155

**Kuwait Insurance Co. s.a.k.**Authorized and Paid up Capital KD. 19,404 Million  
C.R. No. 7645شركة الكويت للتأمين ش.م.ك  
الراسمالي الاسمي والمدفوع 19.404 مليون دينار كويتي  
رقم السجل التجاري \* ٧٤٥**WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

2. any act of terrorism

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

for, KUWAIT INSURANCE COMPANY S.A.K.

08/10/01  
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KGL0010376

PFB-0156

HCOGR-27 Feb 09-171



Head Office :  
Kuwait Insurance House  
Abdullah Al-Salem Street  
Postal Address :  
Post Box 769  
13008 Safat - Kuwait

**Kuwait Insurance Company (S.A.K.)**

Established 1960  
Authorised and Paid up Capital KD. 19,404 Million  
(Registered in accordance with the Insurance Companies and Agents  
Law No. 24 for 1991)

Tel: 894433  
2420135 & 2420139  
2420021 TO 2420028  
Fax: (985) - 2428530 - 2428555  
Telex: TAMIWCO : 22104 S.44220 KWT  
E-mail: info@kic-kw.com  
Website: www.kic-kw.com

### Third Party Liability Policy

Where as the Insured carrying on the Business mentioned in the Schedule and no other for the purpose of this Insurance has by a Proposal and Declaration which it is hereby agreed shall be the basis of this contract and be considered as incorporated herein applied to the Kuwait Insurance Company S. A. K. (hereinafter called the Company) for the insurance hereinafter contained and has paid or agreed to pay to the Company the sum shown as the Initial Premium as consideration for such insurance.

Now this Policy witnesseth that the Company will indemnify the Insured against all sums which the Insured shall become legally liable to pay in respect of:

- (a) accidental bodily injury to any person (not being either a member of the Insured's family or a person engaged in and upon the service of the Insured at the time of the occurrence giving rise to such injury)
- (b) accidental direct damage to property (not being property belonging to or in the custody or under the control of the Insured or any person in the service of the Insured or upon which the Insured or any such person is or has been operating).

happening during the Period of Insurance and caused in the course of the Business at the Premises or elsewhere within the Territorial Limits.

Provided that the liability of the Company for all claims for compensation payable to any claimant or any number of claimants in respect of or arising out of any accident (which word "accident" shall be held to include a series of accidents occurring in connection with or arising out of one event) is limited to the limit of indemnity shown in the Policy Schedule.

The Company, will in addition where legal proceedings have been defended with its consent, pay all legal expenses for which the Insured may be liable.

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**KGL0010377  
PFB-0157**

9. Liability arising from technical or professional advice.
10. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
- a) nuclear weapons material
  - b) ionising, radiations or contamination by radioactivity from any waste from the combustion of nuclear fuel for the purpose of this Exclusion Combustion shall include any self sustaining process of nuclear fission.
11. Consequential loss of any kind or description whatsoever including penalties.

### CONDITIONS

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.

1. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.
2. Every notice or communication to be given or made under this Policy shall be delivered in writing at the Head Office or Branch Office or Agency of the Company with which the Insured has been in communication.
3. The Company shall not be liable if after the insurance has been effected the risk be increased from any cause whatsoever unless the Company has signified its assent thereto in writing.
4. The Insured shall exercise reasonable care that only competent employees are employed and shall take all reasonable precautions to prevent accidents and shall comply with all statutory or other regulations and shall take reasonable steps to maintain all premises, furnishings, fittings, appliances, and plant in sound condition. In the event of the discovery of any defect or danger the Insured shall forthwith cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.
5. If the first premium has been calculated on estimates furnished by the Insured, an accurate record shall be kept by the Insured of all matters for which Estimates have been furnished and the Insured shall at all times allow the Company to inspect such record within one month, of the expiry of each period of insurance. The Insured shall supply the Company with a correct account of the particulars necessary for assessing the premium and if the actual particulars shall differ from the Estimates upon which premium has been paid the difference in premium shall be met by a further proportionate payment to the Company or by a refund by the Company as the case may be.
6. The Insured shall give notice to the Company of any accident within three days after the accident comes to the knowledge of the Insured or the Insured's representative for the time being and shall

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KGL0010379

PFB-0158



C.R. 24982  
P.O. Box: 24282 Safat, 13103 Kuwait  
Shaikh - Alameel Al-Jaher Street  
Tel.: 2914000, 808181  
Fax: 2451974 / 2466131  
E-mail: warba@warbaonline.com  
WebSite: www.warbaonline.com

شركة وربة للتأمين (ش.م.ك)  
**WARBA INSURANCE COMPANY K.S.C.**

تأسست بموجب مرسوم أميري بتاريخ 14 أكتوبر سنة 1971  
رأس المال المصرح به والندفع كاملاً 16,456,071 ديناراً كويتياً  
Authorized & paid up Capital K.D. 16,456,071

سجل تجاري: 24982  
ش.م.ك 24282 المسجل - 13103 الكويت  
الشارع / شارع أحمد الجابر  
التل: 2914000, 808181  
فاكس: 2451974 / 2466131  
البريد الإلكتروني: warba@warbaonline.com  
الموقع: www.warbaonline.com

WICLD/GL/1457/08

23.10.08

Your Ref.....إشارتكم :

Our Ref.....إشارتنا :

Kuwait.....الكويت :

**Certificate**

TO WHOM SO EVER IT MAY CONCERN

This is to confirm that we have issued Group Life Policies, including Workmen's Compensation Insurance Coverage as per Kuwait Labor Law and Employer's Liability to M/s. Kuwait & Gulf Link Transport Company., covering all their employees as per policy term & condition.

These Policies are subject to waiver of Subrogation and Notice of cancellation clauses.

Yours Sincerely,

For Warba Insurance Co. S.A.K.



Attached :  
Copies of Policies Specimen

شركة خاضعة لإحكام قانون شركات بوكلاء التأمين رقم (24) لسنة 1961 - اجازة التأمين رقم 4  
Insurance Licence No.4 Registered in Accordance with the Insurance Companies & Agents Law No.24 For 1961

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KGL0010381

PFB-0159

HCOGR-27 Feb 09-174



شركة وربة للتأمين ك.س.ك.  
WARBA INSURANCE COMPANY K.S.C.

GROUP LIFE INSURANCE POLICY

POLICY NO. : GRP/

**W**HERE THE GRANTEEES described in the first schedule have made to the WARBA INSURANCE COMPANY S.A.K. (hereinafter called the company) a written proposal and declaration which together with any information or particulars from time to time supplied to the Company be the basis of this contract and be considered as incorporated herein.

It is hereby agreed that in consideration of the payment of the first premium and on condition that the subsequent premiums are paid in accordance with the provisions of the Second Schedule the Company agrees to provide the insurance cover as described in the Third Schedule or in any Endorsements attached hereto, provided that this Policy shall remain subject to the conditions stated in the Second Schedule hereto and any conditions and provisions endorsed or written hereon and signed for the Company as being relative hereto.

The due observance and fulfillment of the terms, provisions and conditions hereof or attached hereto by Insured insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the proposal, shall be conditions precedent to any liability of the Company to make any payment under this policy. No waiver of any of the terms, provisions or limitations contained in this policy or attached hereto shall be valid unless in writing by the Company.

Signed on behalf of

Signed on behalf of  
Warba Insurance Company S.A.K.



شركة وربة للتأمين ك.س.ك.  
WARBA INSURANCE COMPANY K.S.C.

FIRST SCHEDULE

Definitions

GRANTEES	: Kuwait,
DATE OF PROPOSAL AND DECLARATION	: As per Insured's letter dated
THE SCHEME	: The Group Life Insurance and Personal Accident Benefit Scheme including Workmen's Compensation Cover.
THE EMPLOYER	





شركة وربة للتأمين ك.س.ك.  
WARBA INSURANCE COMPANY K.S.C.

**SECOND SCHEDULE**

*In this Policy the following words and phrases have the following meanings.*

<i>The Grantees</i>	:	The Grantees described in the first schedule or any assignees of the Grantees notified to the Company.
<i>The Scheme</i>	:	The Scheme described in the First Schedule.
<i>A Member</i>	:	Any employee who is included in the Scheme.
<i>Commencement Date</i>	:	.....
<i>Scheme Anniversary Date</i>	:	..... the same day in every subsequent year.
<i>Scheme Year</i>	:	Any period of twelve months commencing on .....
<i>Revision Date</i>	:	..... and shall be considered as renewed from the renewal date for another period of one year unless the cancellation notice is submitted before thirty days of any renewal date, by either party.
<i>Normal Retirement Date</i>	:	The 65 <sup>th</sup> birthday for both male and female Members
<i>The Normal Inclusion Date</i>	:	The first date on which an employee has the right to be included in the Scheme.
<i>Date of Entry</i>	:	.....
<i>The Policy</i>	:	Policy No. GRP/.... together with any attached Endorsements issued by the Company.
<i>Premium</i>	:	KD..... (Including PF and ICF)



*In this Policy, where the context admits, the masculine gender includes the feminine gender and the singular number includes the plural and vice versa.*

**POLICY CONDITIONS**

1. A Member is included in the Policy from the commencement Date, or from the Normal Inclusion Date if later, and increases in sum insured for an existing Member are included from the date of increase without medical or other evidence of insurability being required, provided that:
  - a) Any sum insured on the life of a member in excess of KD. 3,000/- (the free Cover Limit) or in excess of the normal life insurance benefit applicable to the Member in accordance with the provisions of the Third schedule, shall be subject to underwriting assessment by the Company.
  - b) Any increase in sum insured over the free cover limit for an existing Member who has been accepted by the Company on normal terms is subject to underwriting assessment by the Company when the sum insured increase exceeds a bar. A bar is defined as KD. 13,000/- in excess of the sum insured last underwritten.
  - c) If any Member is, due to ill-health, not actively at work or is on normal leave on the Normal Inclusion Date the sum insured on his life will not come into force until he has returned to work and has been actively employed for a continuous (excluding periods of normal leave) period of two weeks. Similarly, if an existing Member is not actively at work or is on normal leave on the day his sum insured is due to increase then such increase will not come into force until he has returned to work and has been actively employed for a period of two weeks.
  - d) If a Member's Date of Entry is not the Normal Inclusion Date, any sum insured on his life will be subject to underwriting assessment by the Company.
2. Any Member not accepted by the Company for insurance on normal terms in respect of the whole or any part of the cover on his life may be included in this Policy on any special terms that may be agreed between the Grantees and the Company.

The Company will require satisfactory evidence of age before any benefit is paid to any claimant under this Policy. If after commencement of the cover date of birth of any Member proves to have been incorrectly notified to the Company, the company shall notify the Grantees of the adjustments to be made under the Policy as a result of the incorrect notification. In the case of a member whose age has been understated the Company shall not be liable

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PFB-0163



to pay any greater benefit under this Policy than that which would have been secured pro rata by the premiums paid for each benefit had his date of birth been correctly stated at the outset. In the event that the age of the Member has been understated and it actually exceeds the Normal Retirement Date, the Company shall not be liable to pay any benefit.

3. The contract and policy conditions for a Member whose date of birth has been misstated, as described in item 2 above, will otherwise apply in the normal way.
4. At inception and on each Scheme Anniversary Date an annual premium shall be calculated by the Company for the Scheme annually after the expiry of the one year. The method is to apply the appropriate rate(s) set out in the Fourth Schedule to the sum insured at the commencement of each Scheme Year of each Member whose life is insured under the policy at that time. The appropriate premium rate is determined by reference to the age next birthday of the member at the commencement of the scheme Year. The total annual premium for any Scheme Year will be payable annually in advance on the Commencement Date or on the Scheme Anniversary Date.

For any Member for whom the Date of Entry into the Scheme (or date of increase in benefit) is not Scheme Anniversary Date a pro rata premium calculated by the Company will be payable for the period between the Date of Entry (or date of increase) and the next Scheme Anniversary Date.

If a Member ceases to be covered by the Scheme prior to Normal Retirement Date other than as a result of an event involving payment of a benefit under this Policy, the Company shall make a pro rata refund to the Grantees for the period between the Date that the member left service and the next Scheme Anniversary Date.

The extra premium payable for any Member accepted by the Company on special terms shall be as determined by the Company.

Thirty days of grace are allowed for the payment of premiums under this Policy. If any premium is not paid within the thirty days of grace or any extended time that the Company might allow, the amount of the premium shall be increased by as much as the Company considers appropriate, having

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regard to the period from the due date until the date of payment. If any premium remains outstanding after the expiry of the time allowed by the Company, it has the right to cancel the policy with effect from the due date of such premium. The Grantees shall pay a proportion of the premium to cover the period until the date of cancellation.

5. The premium rate(s) specified in the Fourth Schedule shall apply until the Revision Date. On each Revision Date the Company will advise Grantees of the premium rates to apply during the following year, subject always to item no.6 below.
6. The Company reserves the right to vary the terms and provisions of this Policy on any of the following occurring:
  - a) There is a change in the basis used for calculating the benefits under this scheme.
  - b) There is a change in the eligibility conditions for membership of the Scheme.
  - c) An additional company is admitted as an employer, a company ceases to be an employer or there is a change of company being as the principal employer.
7. a) The cover on a Member terminates on the date on which he ceases to be actively employed by the Employer, except that, subject to the continued payment of premiums, the cover in respect of a Member shall continue:
  - i) In the event of temporary suspension or if leave of absence has been granted for reason other than ill health or disability, or
  - ii) If the absence was caused by ill-health or disability, so long as the Member is regarded as an employee of the Employer for a maximum period of one year.
- b) The insurance on the life of a Member terminates on the date on which:
  - i) He ceases to be in active employment with the Employer (employment means being in receipt of a regular salary from the Employer and carrying out normal duties at the direction of the Employer).
  - ii) He serves in any capacity for any Navy, Army or Air force.
  - iii) The cover in respect of any Member will in no event continue after the Member's Normal Retirement Date.
8. All money payable to or by the Company under this Policy shall be paid at the principal office of the Company as set out above and the payment by the Company to the Grantees of any sum due under the policy shall be a complete discharge to the Company in respect of that sum.

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KGL0010387  
PFB-0165



9. The Grantees shall hold the policy and receive all sum payable under it for the benefit of the Members or their beneficiaries.
10. The Company reserves the right, at any time, to require that the age of any Member included in the Policy is proved to its satisfaction.
11. The Grantees shall provide the Company with any date, information and evidence that the Company may reasonably require upon the occurrence of any event relating to this Policy.
12. In the event of any claim arising under this policy or any of the attached Endorsements, it shall be notified to the Company as soon as possible, but in any event not more than 90 days after the occurrence of the incident giving rise to the claim. To enable processing the claim without correspondence and delay thereon, the insured required is to submit the following documents:
- Birth certificate of the life assured or any other official document that proves the age.
  - In case of death, death certificate and a medical report giving the cause of death
  - In case of disablement of the life assured, the "Employer" shall notify the "Insurance Company" within three months of his knowledge thereof and submit all the relevant documents. In all cases it is necessary to prove:
    - the presence of the permanent disability
    - that the symptoms of the permanent disability which caused it were not present at the time of commencement of the insurance cover.
    - that the life assured was totally unaware of such disability at the time of commencement of the insurance cover.
- In case of total and permanent disablement as a result of incurable diseases it is a condition that the disease continues for at least six months without cure or improvement. The period of six months commences from the date at which the insurer ascertains the total and permanent disablement.
- Any other document the "Insurance Company" deems necessary for the settlement of the claim.



13. Any difference or dispute between the Grantees and the Company in respect of the Policy including its validity shall be referred to three arbitrators, one to be chosen by the Company, the second to be chosen by the Grantees and the third to be chosen by the first two arbitrators. The decision of the majority of the arbitrators shall be binding on both the parties.

The costs of the arbitration shall be at the discretion of the arbitrators, who shall have the power to establish all aspects of the procedure for the arbitration.

14. This Policy is subject to and shall be construed in accordance with the Law of Kuwait.

15. All monetary amounts specified in this Policy are expressed in the KD referred to herein as "Kuwaiti Dinars".

16. This policy does not cover any claim as a result of nuclear weapons or devices or chemical or biological agents.

17. This policy does not cover any claims as a result of accident or otherwise inside the territorial limits of Iraq



THIRD SCHEDULE

**BENEFITS**

The life benefits provided by the Policy are as follows:-

---Months salary for all Members earning monthly salaries.

Any ancillary benefits provided by the Policy will be as specified in any attached Endorsement(s).

SCHEDULE OF EXCLUSIONS APPLYING TO LIFE BENEFITS

A) Notwithstanding anything contained in any of the Endorsements attached to the policy, no benefit will be payable if death occurs either directly or indirectly as a result of any of the following causes :

**1. Active participation in war or in warlike operations:**

" Active participation " in warlike operations means being an active member of the of the military forces e.g. Army, Navy, Air Force , Territorial Army or of the Police force or any other special forces activated by Government or other public authorities to defend law and order in case of a warlike operation, or any other person who takes up arms in an active or defensive role.

" Warlike operations " means hostilities , mutiny , riot, civil commotion, civil war, rebellion, revolution, insurrection , conspiracy, military or usurped power and martial law or state of siege .

Passive war cover is excluded if an insured person is temporarily or permanently assigned to a country after war has been declared in that country or after it has been recognized as a war zone by the United Nations or where there are warlike operations, as described above



**FOURTH SCHEDULE**

The rate(s) of premium applicable under the policy are as set out below:

**1. Ancillary Benefits**

- a) *Accidental Death Benefits*
- b) *Permanent total disablement due to accident.*
- c) *Permanent total disablement due to sickness.*
- d) *Permanent partial disablement due to accident.*
- e) *Permanent partial disablement due to sickness*
- f) *Total temporary disablement due to accident.*
- g) *Repatriation Benefit*
- h) *Workmen's Compensation Cover*

Rate: As Agreed

**SCHEDULE OF EXCLUSIONS APPLYING TO ANCILLARY BENEFITS**

Notwithstanding anything contained in any of the Endorsements attached to the Policy, no benefit will be payable under any of those Endorsements if death or disability occurs either directly or indirectly as a result of any of the following causes:

1. War, invasion, act of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power or any act of any person acting on behalf of or in connection with any organisation actively directed towards the overthrow by force of any Government or to the influencing of it by terrorism or violence.





2. Attempted suicide or self-inflicted injury whilst sane or insane.
3. Any breach of the law by the Member or any assault provoked by him.
4. Being under the influence of alcohol or drugs other than in accordance with the directions of a registered medical practitioner.
5. Aviation, gliding or any other form of flight other than as a fare paying passenger of a recognised airline or charter service.
6. Participation in, or training for, any hazardous sport or competition or riding or driving in any form of race or competition.
7. Involvement in any underwater activity.
8. Injury caused by nuclear fission, nuclear fusion or radioactive contamination.
9. Serving in any capacity for any Navy, Army or Airforce.
10. Mental illness or disease.
11. Pregnancy, childbirth or abortion or any complications arising therefrom.
12. Any disease or medical impairment from which the insured was suffering or had a serious past history at the commencement of the cover or his date of entry if later.
13. Infection from any Human Immuno Deficiency Virus (HIV), Acquired Immuno Deficiency Syndrome (AIDS) or any AIDS related conditions.
14. Any injury caused inside the territorial limits of Iraq.



**ANCILLARY BENEFIT ENDORSEMENTS**

**ACCIDENTAL DEATH BENEFIT ( Outside Work )**

It is hereby declared that if the death of a Member occurs as the result of an accident the Company shall pay an additional amount equivalent to the basic life sum insured under the Policy for that Member, provided that:

1. The Policy is in force on the date of the accident and the deceased is a Scheme Member on that date.
2. The accident occurs prior to the attainment by the Member of age 65.
3. Death results solely, directly and independently of all other causes from bodily injury effected through external, violent, visible and accidental means or from a surgical operation necessarily consequent thereto, within 90 days of such accident.

This Endorsement is subject to the special conditions contained in the Schedule of exclusions applying to ancillary benefits.

**PERMANENT TOTAL DISABILITY (ACCIDENT BENEFIT (Outside Work)**

It is hereby declared that in the event of a Member being totally and permanently disabled as a result of an accident, to the extent of being unable ever again to follow his own occupation or any other occupation for which he is reasonably fitted by reason of training, education or experience, the company shall, following 12 months continuous disability as herein defined, pay the twice basic life sum insured under the Policy, provided that:

1. The Policy is in force and the disabled person is a Scheme Member on the date of the event resulting in the claim.
2. The accident occurs prior to the attainment by the Member of age 65.
3. The disability results solely, directly and independently of all other causes from bodily injury effected through external, violent, visible and accidental means or from a surgical operation necessarily, consequent thereto, within 90 days of such accident.
4. Acceptance by the Company of a claim under this Endorsement will automatically terminate the life cover in the Policy and all benefits applying under any other Endorsement thereto in respect of the Member.
5. If the Member qualifies for payment under this Endorsement and under any Permanent Partial Disability Endorsement the total payment shall not exceed the greater sum insured under the Endorsements. Any payment made under this Endorsement will be reduced by the sum of Total Temporary Disability benefit payments already made.

This Endorsement is subject to the special conditions contained in the Schedule of exclusions applying to ancillary benefits

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**PERMANENT TOTAL DISABILITY (SICKNESS) BENEFIT**

It is hereby declared that in the event of a Member being totally and permanently disabled through sickness, to the extent of being unable ever again to follow his own occupation or any other occupation for which he is reasonably fitted by reason of training, education or experience the company shall following 12 months continuous disability as herein defined, pay the sum assured equivalent to the basic life sum assured under this policy, provided that:

1. The Policy is in force and the disabled life is a Scheme Member on the date he first becomes disabled.
2. The first day of disability occurs prior to the attainment by the Member of age 60.
3. The disability results solely and directly from sickness and independently of bodily injury arising from external, violent, visible and accidental means.
4. Acceptance by the company of a claim under this Endorsement will automatically terminate the life assurance cover in the Policy and all benefits applying under any other Endorsement thereto in respect of the Member.
5. If the Member qualifies for payment under this Endorsement and under any Permanent Partial disability Endorsement the total payment shall not exceed the greater sum assured under the Endorsements. Any payment made under this Endorsement will be reduced by the sum of Total Temporary Disability benefit payments already made.

This Endorsement is subject to the special conditions contained in the Schedule of exclusions applying to ancillary benefit.

**PERMANENT PARTIAL DISABILITY (ACCIDENT) BENEFITS (Outside Work)**

It is hereby declared that in the event of a Member suffering, as a result of an accident, the loss by physical separation, or the total loss of use of, any limb or organ or the body or the total and irrecoverable loss of sight as set out in the attached scale, the Company shall pay the respective percentage of double basic life sum insured, provided that:

1. The Policy is in force and the disabled person is a Scheme Member on the date of the event resulting in the claim.
2. The accident occurs prior to the attainment by the Member of age 65.
3. The disability results solely, directly and independently of all other causes from bodily injury effected through external, violent, visible and accidental means or from a



- surgical operation necessarily consequent thereto, within 90 days of such accident.
4. The Member survives the accident and is alive 30 days thereafter or when payment of the claim is effected by the Company, whichever is later.
  5. Acceptance by the Company of a 100% claim under this Endorsement will automatically terminate the benefits applying under any other Endorsement to the Policy in respect of the Member.  
Any subsequent claim made under any Accidental Death or Permanent Total Disability Endorsement to the Policy in respect of death or disability arising from the same accident as gives rise to the claim under this Endorsement will be reduced by any amount already paid hereunder. If the Member qualifies for payment under this Endorsement and under any Temporary Total Disability Endorsement the combined payment shall not exceed the sum insured under this Endorsement.
  6. In no circumstances will the total amount payable under this benefit in respect of any one Member exceed 100% of the sum insured whether as a result of one accident or a number of accidents.

This Endorsement is subject to the special conditions contained in the Schedule of exclusions applying to ancillary benefits.



**PERMANENT PARTIAL DISABILITY(SICKNESS) BENEFITS (Outside Work)**

It is hereby declared that in the event of a Member suffering, as a result of a sickness, the loss by physical separation, or the total loss of use of any limb or the total and irrecoverable loss of sight as set out in the attached scale, the Company shall pay the respective percentage of basic life sum insured, provided that:

1. The Policy is in force and the disabled person is a Scheme Member on the date of the event resulting in the claim.
2. The first day of disability occurs prior to the attainment by the Member of age 60.
3. The disability results solely, directly from sickness and independently of bodily injury arising from external violent, visible and accident means.
4. Acceptance by the Company of a 100% claim under this Endorsement will automatically terminate the benefits applying under any other Endorsement to the Policy in respect of the Member.

Any subsequent claim made under any Permanent Total Disability Endorsement to the Policy in respect of disability arising from the same sickness as gives rise to the claim under this Endorsement will be reduced by any amount already paid hereunder. If the Member qualifies for payment under this Endorsement and under any Temporary Total Disability Endorsement the combined payment shall not exceed the sum insured under this Endorsement.

5. In no circumstances will the total amount payable under this benefit in respect of any one Member exceed 100% of the sum insured whether as a result of one accident or a number of accidents.

This Endorsement is subject to the special conditions contained in the Schedule of exclusions applying to ancillary benefits.



**SCHEDULE OF  
PERMANENT PARTIAL DISABILITY (ACCIDENT & SICKNESS)  
BENEFITS  
(OUTSIDE WORK) (% of basic Sum Insured)**

-Total and irrecoverable loss of sight of both eyes	100%
-Loss of both arms or both hands	100%
-Complete and permanent deafness of both ears or traumatic origin	100%
-Removal of lower jaw	100%
-Permanent loss of speech of traumatic origin	100%
-Loss of one arm and one leg	100%
-Loss of one arm and one foot	100%
-Loss of one hand and one foot	100%
-Loss of both legs	100%
-Loss of both feet	100%

**HEAD**

- Loss of osseous substance of the skull in all its thickness.	
Surface of at least 6 sq. cm	40%
Surface of 3 to 6 sq. cm	20%
Surface of less than 3 than sq. cm	10%
- Partial removal of the lower jaw, rising section in its entirety	
Half of the maxillary bones	40%
Loss of one eye	40%
Complete and permanent deafness of one ear	30%

**UPPER LIMBS**

	RIGHT	LEFT
-Loss of one arm or one hand	60%	50%
-Considerable loss of osseous substance of the arm (Definite and incurable lesion)	50%	40%
-Total paralysis of the upper limb (incurable lesion of the nerves)	65%	55%
-Total paralysis of the circumflex nerve	20%	15%
-Shoulder ankylosis	40%	30%
-Elbow ankylosis - in favourable position (15 degrees round the right angle)	25%	20%
-Extensive loss of osseous substance of the two bones of the forearm (definite and incurable lesion)	40%	30%
-Total paralysis of the median nerve	45%	35%
-Total paralysis of the radian nerve at the 16		

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WARBA INSURANCE COMPANY K.S.C.

torsion cradle	40%	35%
-Total paralysis of the forearm radial nerve	30%	25%
-Total paralysis of the hand radial nerve	20%	15%
-Total paralysis of the cubital nerve	30%	25%
-Anchylolosis of the wrist in favourable position (straight and in pronation)	20%	15%
-Anchylolosis of the wrist in unfavourable position (flexion or strained extension or supine position)	30%	25%
-Total loss of thumb	20%	15%
-Partial loss of thumb (ungual phalanx)	10%	5%
-Total anchylolosis of thumb	20%	15%
-Total amputation of forefinger	15%	10%
-Amputation of two phalanges of forefinger	10%	8%
-Amputation of the ungual phalanx of forefinger	5%	3%
-Simultaneous amputation of thumb and forefinger	35%	25%
-Amputation of thumb and a finger other than forefinger	25%	20%
-Amputation of two fingers other than thumb and forefinger	12%	8%
-Amputation of three fingers other than thumb and forefinger	20%	15%
-Amputation of four fingers including thumb	45%	40%
-Amputation of the median finger	10%	8%
-Amputation of a finger other than thumb, forefinger and medium	7%	3%
-Amputation of four finger excluding thumb	40%	35%
<b>LOWER LIMBS</b>		
-Amputation of thigh (upper half)		60%
-Amputation of thigh (lower half) and leg		50%
-Total loss of foot (fibio-tarsal) disarticulation		45%
-Partial loss of foot (Sub-ankle-bone disarticulation)		40%
-Partial loss of foot (Medio-tarsal disarticulation)		35%
-Partial loss of foot (Tarsio-metatarsal disarticulation)		30%
-Total paralysis of lower limb (incurable nerve lesion)		60%
-Complete paralysis of the external poplitic sciatic nerve		30%
-Complete paralysis of the internal poplitic sciatic nerve		20%
-Complete paralysis of two nerves (poplitic sciatic external and internal)		40%
-Anchylolosis of the hip	40%	
-Anchylolosis of the knee	20%	
-Loss of osseous substance from the thigh or both bones of the leg (incurable conditions)		60%

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-Loss of osseous substance of the knee-pan with considerable separation of the fragments and considerable difficulty of movements in stretching the leg	40%
-Loss of osseous substance of the knee pan while the movements are preserved	20%
-Shortening of the lower limb by at least 5 cm	30%
-Shortening of the lower limb by 3 to 5 cm	20%
-Shortening by 1 to 3 cm	10%
-Total amputation of all the toes	25%
-Amputation of four toes including big toe	20%
-Amputation of four toes	10%
-Anchylolysis of the big toe	10%
-Amputation of two toes	5%
-Amputation of one toe, other than the big tow	3%

This Endorsement is subject to the special conditions contained in the Schedule of exclusions applying to ancillary benefits.

**TOTAL TEMPORARY DISABILITY (ACCIDENT) BENEFIT**  
**(OUTSIDE WORK)**

It is hereby declared that in the event of a Member being totally unable to follow his normal occupation as a result of being continuously and totally disabled by reason of accident the Company shall pay a benefit of 52 weeks salary (excluding 1st day) of the Member for as long as such disability continues. The payment of benefits shall not in any event continue for more than 52 consecutive weeks and subject to a maximum of KD. 500<sup>00</sup> per week.

*Benefit is payable provided that:*

1. The Policy is in force and the disabled life is a Scheme Member on the date of the event resulting in the claim.
2. The accident occurs prior to the attainment by the Member of age 65.
3. The disability results solely, directly and independently of all other causes from bodily injury effected through external, violent, visible and accidental means or from a surgical operation necessarily consequent thereto, within 90 days of such accident.
4. If the Member qualifies for payment under this Endorsement and under the Permanent Total Disability and/or Permanent Partial Disability Endorsements the total payment shall not exceed the greatest sum insured under any one of the Endorsements.

This Endorsement is subject to the special conditions in the schedule of exclusions applying to ancillary benefits.





**REPATRIATION BENEFITS**

It is hereby declared that in the event of death of a Member, the Company shall reimburse the actual expenses incurred in transportation to his country of origin, subject to a maximum of KD 500/-.

This Endorsement is subject to the special conditions in the schedule of exclusions applying to ancillary benefits.

**WORKMEN'S COMPENSATION COVER**

THIS BENEFIT IS RESTRICTED TO THE MEMBERS WHO ARE FULL TIME EMPLOYEES OF THE COMPANY WHILE THEY ARE ON DUTY WITHIN THE TERRITORIAL LIMITS OF KUWAIT. THIS BENEFIT WILL NOT THEREFORE BE NOT AVAILABLE TO THE MEMBERS OF THE BOARD COVERED UNDER THE POLICY

It is hereby declared and agreed that if during duty at any time including Fridays, Public Holidays & Overtime during the period of insurance any life assured ( as per list attached to the policy ) in the Insured's immediate service shall sustain bodily injury by accident arising out of and in the course of his employment by the Insured in the business and if the Insured shall be liable to pay compensation for such injury under:- The Kuwait Labour Law 1964 as amended by Order No.8 of 14<sup>th</sup> November 1965 and Order No.66 of 1983.

Then subject to the terms, exceptions and conditions contained herein in the policy or endorsements, WARBA will indemnify the Insured against all sums for which the Insured shall be so liable.

Provided always that in the event of any change in the Kuwait Labour Law or the substitution of other Legislation this coverage shall remain in force but the liability of WARBA shall be limited to such sums as WARBA would have been liable to pay if the Law had remained unaltered.

It is further declared and agreed that in respect of any one occurrence any claim payable under this endorsement will be reduced by any amount that has been paid or will be paid or is payable under the Group Life Plan and/or the Personal Accident Plans as detailed in this policy and applicable endorsements.

It is hereby declared and agreed that this policy does not cover any bodily injury directly caused by missiles and/or bombs and /or other explosives.

This Endorsement is subject to the special conditions in the schedule of exclusions applying to ancillary benefits.

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Notwithstanding the above WARBA shall not be liable in respect of:-

1. Any injury caused by or resulting from:-
  - a. War, invasion , act of foreign enemies , hostilities or war-like operations (whether war be declared or not ). Civil war , mutiny , civil commotion assuming the proportions of or amounting to a popular rising , military rising , insurrection , rebellion , military or usurped power or any act of any person acting on behalf of or in connection with any organisation actively directed towards the overthrow by force of its Government or to the influencing of it by terrorism or violence .
  - b. Acts of Terrorism committed by a person or persons acting on behalf or in connection with any organisation . For purpose of this insurance "Terrorism" means the use of violence for the purpose of putting the public or any section of the public in fear.
  - c. Nuclear weapon or material , ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
2. Any life assured who is not an employee in the Insured's immediate service.
3. Any employee who is not a 'workman' within the meaning of the Law(s).
4. Any liability of the Insured which had attached by virtue of an agreement but which would not have attached in the absence of such agreement.
5. Any sums which the Insured would have been entitled to recover from any party but for a n agreement between the Insured and such party.
6. Medical Expenses however arising.
7. Hernia and Sun/Heat Stroke
8. Death of Disability due to any disease including Industrial Disease.
9. First day of disablement.

Signed on behalf of

Signed on behalf of  
Warba Insurance Company S.A.K.



شركة وربة للتأمين ش.م.ك.  
WARBA INSURANCE COMPANY k.s.c.

It is hereby declared and agreed that for the work related accidents for which compensation becomes payable under Workmen's Compensation Cover, and if the amount of compensation works out to less than that payable under the Group Life Scheme, then the latter shall be applicable and the Insured person is entitled to only one payment either under Group Life Benefits or under Workmen's Compensation Benefits.

Subject otherwise to the same terms and conditions of the Policy.

Signed on behalf of

Signed on behalf of  
Warba Insurance Company S.A.K.

SPECIMEN



WARBA INSURANCE COMPANY K.S.C.

EMPLOYER'S LIABILITY INSURANCE

ATTACHED TO AND FORMING PART OF POLICY NO.

SPECIMEN

Whereas the Insured carrying on the Business described in the Schedule and no other for the purpose of this insurance by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the WARBA INSURANCE COMPANY S.A.K. (hereinafter called "the Company") for the Insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such Insurance.

NOW THIS POLICY WITNESSETH that the Company will, subject to the terms, conditions and exclusions contained herein or endorsed hereon, Indemnify the Insured against all sums which the Insured shall become legally liable to pay by final Court Judgement and pays to any employee in his immediate service (or to employees legal heirs) because of Occupational disease or Accidental Bodily Injury arising out of and in the course of his employment by the Insured and happening during the Insurance period.

The Company will, in addition, pay all costs and expenses incurred with its written consent in defending any claim for obtaining a compensation from the Insured.

PROVIDED ALWAYS that the liability of the Company for all claims for compensation payable to any employee or any number of employees in respect of or arising out of any accident is limited to the limit of indemnity shown in the Policy Schedule.

SPECIMEN

SPECIAL CONDITIONS

1. WARRANTED that the Insured shall buy a Workmen's Compensation Insurance from the Company and shall maintain such Insurance as long as the Employers Liability Insurance is in existence.
2. Indemnities under Workmen's Compensation and Employers Liability Insurances are not cumulative in respect of same disease or accidental bodily injury and the Company shall only be liable to indemnify the Insured either under the Workmen's Compensation Insurance or the Employers Liability Insurance as the case may be.
3. In the event of the expiration of this insurance by reason of non-renewal and/or cancellation, this insurance shall extend to apply to claims made against the Insured and submitted to the Company during the three calendar months following immediately upon such expiration or cancellation but only for occupational disease or the accidental bodily injuries which may have been contracted or happened during the insurance period provided such diseases or injuries are not excluded from the coverage provided herein.

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4. In the event of any occurrence which may give rise to a claim under this policy the Insured shall immediately give notice thereof to the Company with full particulars. Every letter, claim, writ, summons and process shall be notified or forwarded to the Company immediately on receipt. Notice shall also be given to the Company immediately the Insured shall have knowledge of any impending prosecution, inquest or fatal enquiry in connection with any such occurrence as aforesaid.
5. No admission, offer, promise or payment shall be made by or on behalf of the Insured without the consent of the Company which shall be entitled if it so desired to take over and conduct in his name the defence or settlements of any claim or to prosecute in his name for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
6. The initial premium and all renewal premiums that may be accepted shall be adjusted in accordance with the total amount of wages and salaries and other earnings paid by the insured employees during each period of insurance. The name of every employee together with the amount of wages, salaries and other earnings shall be properly recorded and the insured shall at all times allow the Company to inspect such records and shall supply the Company with a correct account of all such wages, salaries and other earnings paid during any period of insurance within one month from the expiry date of such period of insurance. If the amount so paid shall differ from the amount on which initial premium has been paid, the difference in premium shall be met by a further proportionate payment to the Company or by a refund by the Company as the case may be, provided always that the refund premium to the insured shall not exceed 50% of the initial premium.
7. The Company as well as the insured may cancel this policy by sending seven days notice by registered letter to the other party at his last known address and in such event the premium shall be adjusted in accordance with Condition No.6.
8. The due observance and fulfillment of the terms, conditions and endorsements of this policy so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the Proposal shall be a condition precedent to any liability of the Company to make any payment under this Policy.
9. It is hereby understood and agreed that this insurance shall be governed by Kuwait Law and that the Kuwaiti Courts alone shall have jurisdiction in any dispute arising hereunder.

#### EXCLUSIONS

The Company shall not be liable under this policy in respect of:

1. Any liability of the insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement.
2. The Insured's Liability to employees of Contractors to the Insured or their Sub-Contractors.
3. Any employee who is not a 'workman' within the meaning of applicable Law(s).

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4. Any injury caused or resulting from :

- a) War, Invasion, Act of foreign enemy, Hostilities or War like operations (whether war be declared or not), Civil War, Mutiny, Riots, Strikes, Civil commotion assuming the proportions of or amounting to a popular rising, Military rising, insurrection, Revolution, Military or Usurped power.
- b) Acts of Terrorism Committed by a person or persons acting on behalf of or in connection with any organisation. For purpose of this insurance "Terrorism" means the use of violence for the purpose of putting the public or any section of the public in fear.
- c) Nuclear Weapon or Material, Ionizing, Radiation or Contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

CONDITIONS

- 1. This policy and the schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this policy or the schedule shall bear such specific meaning wherever it may appear.
- 2. Every notice or communication to be given or made under this policy shall be delivered in writing to the Company.
- 3. The Insured shall take reasonable precautions to prevent accidents and shall comply with all statutory obligations and in particular, has to comply with Provisions of the Ministerial Order No.43 for the year 1970 regarding the "necessary conditions required to protect the works from the risks of injuries and occupational diseases".

IMPORTANT NOTICE

If the Insured does not declare the wages and salaries paid to the workers for overtime or work on Public Holidays; and the Company did not receive the appropriate additional premium thereon, the Company shall not be liable for injuries (fatal or otherwise) sustained by the workers during said overtime or public holidays.

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PFB-0183

EMPLOYER'S LIABILITY SCHEDULE

ATTACHED TO AND FORMING PART OF POLICY NO.

Name of the insured :	As per Schedule attached
Limit of Liability :	
Territorial Limits :	State of Kuwait
Policy Period :	(both days inclusive).
Initial Premium (Subject to adjustment in the terms of condition 6)	: As per Policy No.
Estimated Amount of Wages/ Salaries and other earnings on which premium is based	: As per Policy No.
Place or places of Employment and Description of work	: As per Policy No.

For WARBA INSURANCE CO. K.S.C.

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PFB-0184

# EXHIBIT 13







DEPARTMENT OF THE ARMY  
 UNITED STATES ARMY LEGAL SERVICES AGENCY  
 901 NORTH STUART STREET  
 ARLINGTON VA 22202-1837

REPLY TO  
 ATTENTION OF

December 4, 2008

Contract and Fiscal Law Division  
 Procurement Fraud Branch

VIA INTERNATIONAL  
 EXPRESS MAIL

Mr. Ahmed Affi  
 Director, Legal Affairs  
 Kuwait and Gulf Link Transport Company  
 Shuwaikh Industrial Area, Block A  
 Building No. 14-3<sup>rd</sup>  
 Shuwaikh, Kuwait  
 Tel: 011-965-888-700

Subject: Request for Information

Dear Mr. Affi:

On September 22, 2006 and December 19, 2007, the United States Army Suspension and Debarment Official sent requests for information to your company, Kuwait and Gulf Link Transport Company (KGL), based on information disclosed by the plaintiff's attorney in the civil case of *Dominic F. Baragona, et. al. v. Kuwait Gulf Link Transport Company, et. al.*, in the United States District Court for the Northern District of Georgia. Both of these requests were for the purpose of determining KGL's present responsibility as a United States Government contractor. The first of these letters asked for information regarding KGL's acceptance of service of process in this matter while the second asked for the company's response to the default judgment entered against it regarding the May 19, 2003, death of LTC Dominic R. Baragona, USA. After each of KGLs' responses were received by the Procurement Fraud Branch (PFB), a determination was made to await the outcome of the ongoing civil case prior to making a recommendation of suspension or debarment to the Army Suspension and Debarment Official.

Since receiving KGL's last response, PFB has become aware that the Government of India has prohibited your company from recruiting its citizens for employment since at least March 14, 2006. The basis for this prohibition is an allegation that Indian citizens were recruited for work in Kuwait, but were instead sent to Iraq despite the Indian Government's ban on employing its citizens in that country. (Encls. 1 through 4.) Documents obtained from the Government of India's Ministry of Overseas Affairs (MOA) support this allegation and state that KGL had previously been prohibited from recruiting workers in India between June 19, 2001, and November 30, 2004 for similar reasons. On both occasions, KGL was included on the MOA's "Prior Approval Category List" (PAC List), as "blacklisted" from recruiting workers in India for employment overseas. (Encls. 5 and 6.) A review of the most recent PAC List shows that KGL remains "blacklisted" by the MOA. (Encl. 7.)

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PFB-0185

KGL's listing on the Indian Government's PAC List has caused concern about the company's present responsibility as a Government contractor. As a result, KGL is asked to provide the following:

- 1) An explanation of why the Government of India has taken action to prevent KGL from recruiting Indian citizens on two separate occasions based on allegations that it employed them in Iraq instead of Kuwait;
- 2) information regarding KGL's disclosure of its inclusion on the MOA's PAC list to the Government in light of the provisions of Sections 22.17 and 52.222-50 of the Federal Acquisition Regulation; and
- 3) the number Indian citizens employed by KGL as well as their geographic locations, duties and travel requirements to Iraq, as of December 1, 2008.

In addition, a separate issue has been raised regarding KGL's possession of liability insurance at the time of the death of LTC Baragona. A review of contracting files previously maintained by the Army Contracting Command, Kuwait, and presently under review by the Army Contracting Task Force, Warren, Michigan, has failed to locate any insurance certifications provided by KGL to the Army. As a result, we ask that KGL provide proof that it acquired liability insurance for contracts and subcontracts for services provided to the Department of Defense since October 1, 2002. This proof should be in the form of documentation received from KGL's liability insurance provider(s) notifying KGL that insurance coverage has been purchased, the effective dates of the insurance, the geographic locations where this insurance was effective and any additional information that would help verify that KGL has complied with liability insurance requirements as a Government contractor.

Section 3.10 of the Federal Acquisition Regulation states that Government contractors must conduct themselves with the highest degree of integrity and honesty. The purpose of this letter is to solicit your response regarding KGL's knowledge of the matters discussed herein.

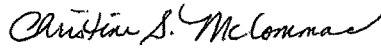
Please respond in writing not later than January 5, 2008, and provide any information that you believe is relevant to this matter. Your submission may include affidavits, certified records, letters, or other documents bearing on this issue. All timely submissions will be considered. All statements made must be true and accurate; false statements are punishable under Title 18, United States Code, Section 1001.

You should address your written submissions to: U.S. Army Legal Services Agency, Procurement Fraud Branch, ATTN: Mr. Brian A. Persico, 901 North Stuart Street, Suite 500, Arlington, Virginia 22203-1837.

If you have any questions, please contact Mr. Persico at (703) 696-1500. A copy of this letter has been provided to your previously identified legal counsel in the United States, Richard

J. Bednar, Esq., Crowell and Moring LLP, 1001 Pennsylvania Avenue, NW, Washington, D.C.  
20004-2595.

Sincerely,



Christine S. McCommas  
Chief, Army Procurement Fraud Branch

7 Enclosures:

- 1) Facsimile from A.A. Chalai, Protector General of Emigrants, Government of India Ministry of Overseas Indian Affairs, dated March 14, 2006
- 2) Memorandum from Mahesh Arora, Government of India Ministry of Overseas Indian Affairs, dated April 15, 2004
- 3) Memorandum from A.A. Chalai, Protector General of Emigrants, Government of India Ministry of Overseas Indian Affairs, dated September 27, 2004
- 4) Memorandum from G.C. Rout, Government of India Ministry of Overseas Indian Affairs, dated May 22, 2007
- 5) Letter from V.K. Bhatia, Government of India Ministry of Overseas Indian Affairs, dated August 25, 2008
- 6) Letter from V.K. Bhatia, Government of India Ministry of Overseas Indian Affairs, dated September 3, 2008
- 7) Blacklisted Foreign Employers (PAC) List, dated May 18, 2007

# Enclosure 1

PFB-0188

(Annexure E)

FAX

PROTECTOR GENERAL OF EMIGRANTS,  
MINISTRY OF OVERSEAS INDIAN AFFAIRS, NEW DELHI

ALL PROTECTORS OF EMIGRANTS

No. C-11011/18/2005-PGE-II DATED 14<sup>th</sup> MARCH, 2006 (.) EMBASSY OF INDIA, KUWAIT HAS REPORTED THAT SOME COMPANIES BASED IN KUWAIT INCLUDING M/S KUWAIT AND GULF LINK TRANSPORT COMPANY (KGL) ARE RECRUITING INDIAN WORKERS TO IRAQ IN THE PRETEXT OF DEPLOYING THE WORKERS TO KUWAIT AND EMBASSY HAS RECOMMENDED THAT THIS FOREIGN COMPANY SHOULD BE PLACED IN PRIOR APPROVAL CATEGORY (PAC) LIST (.) AS SUCH ALL PROTECTORS OF EMIGRANTS ARE DIRECTED NOT REPEAT NOT TO GRANT EMIGRATION CLEARANCE TO M/S KUWAIT AND GULF LINK TRANSPORT COMPANY (KGL) (.) KINDLY ACKNOWLEDGE RECEIPT AND ENSURE COMPLIANCE (.)

(A.A. CHALAI)

UNDER SECRETARY TO THE GOVT. OF INDIA  
FAX NO. 26874233

COPY TO:

1. EMBASSY OF INDIA, KUWAIT FOR INFORMATION (KIND ATTN: SHRI A.K. CHANDEHOKE, FIRST SECRETARY, (CONS & INF) (w.r.t Fax Message No. Kuw/Lab/22715/2001 dated 1/2/2006 (FAX NO.965 2525811/2571192/2573910).
2. JS / CPV, MINISTRY OF EXTERNAL AFFAIRS, PATIALA HOUSE, NEW DELHI
3. JS (GULF), MINISTRY OF EXTERNAL AFFAIRS, SOUTH BLOCK, NEW DELHI

(A.A. CHALAI)

UNDER SECRETARY TO THE GOVT. OF INDIA

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# Enclosure 2

HCOGR-27 Feb 09-206

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No.Z-11025/46/2003-Emig.  
Government of India/Bharat Sa'rkar  
Ministry of labour/Shram Mantralaya.  
(Emigration Division)

By Fax

98

New Delhi, the 15<sup>th</sup> April 2004.

To,

All the Protector of Emigrants.

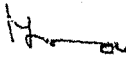
Sub: Grant of Emigration clearance for Iraq - Reg.

Sir,

In supersession of this Ministry's letters No. Z-11025/10/2003-Emig dated 12.06.2003 and Z-11025/46/2003-Emig. dated 04.08.2003, I am directed state that in view of the deteriorating security situation in Iraq it has been decided on the recommendations of the Ministry of External Affairs to temporarily suspend grant of Emigration Clearance by all POEs to Indian citizens applying for going to Iraq.

2. You are. Therefore, requested not to grant ECR, ECNR and ECRS clearances to any Indian national applying for visiting Iraq with immediate effect and until further orders. You are also requested to exercise due caution while giving emigration clearance for proceeding to Kuwait and Jordan as some workers may try to reach Iraq through these countries.
3. Kindly acknowledge receipt and confirm action taken.

Yours faithfully,

  
(Mahesh Arora)  
Deputy Secretary to the Govt. of India  
Telefax: 2375 3079

Copy to:

1. The Ministry of External Affairs [Kind Attn: Shri R. Dayakar, JS (Gulf/Haj)], South Block, New Delhi].
2. The Ministry of External Affairs [Kind Attn: Dr. Ashok K. Amrohi, JS (CPV)], Patiala House, New Delhi],
- 3o. Embassy of India, Iraq / Kuwait / Jordan
- 6-7. PCSR-I/PGR-II Section.

(Mahesh Arora)  
Deputy Secretary to the Govt. of India

# Enclosure 3

**PFB-0192**



By Fax

**No. Z-II025/50/2004-Emig. (i)**  
**Government of India/Bharat Sarkar**  
**Ministry of Labour and Employment/Shram aur Rojgar Mantralaya**  
**(Emigration Division)**  
**New Delhi, dated the 27<sup>th</sup> September, 2004**

✓ To

1. Protector of Emigrants, Mumbai
2. Protector of Emigrants, Chennai
3. Protector of Emigrants, Delhi
4. Protector of Emigrants, Cochin
5. Protector of Emigrants, Thiruvananthapuram
6. Protector of Emigrants, Hyderabad
7. Protector of Emigrants, Chandigarh
8. Protector of Emigrants, Kolkata

Sub: Grant of emigration clearance to persons going to Kuwait - Reg.

Sir,

I am directed to state that in view of the continuing unstable security situation in Iraq and the fact that people in the past have bypassed the ban on going to Iraq by going through Kuwait, it has been decided that **prior attestation of all employment documents by the Embassy of India, Kuwait in respect of all categories of workers should be insisted upon by the POEs** before considering grant of emigration clearance to the persons going to Kuwait for employment,

2. All the POEs are requested to place a copy of these instructions on their Office Notice Board for information of the Recruiting Agents and the public. Wide publicity may also be given to these instructions.

Yours faithfully,



(A.A. Chalai)

Under Secretary to the Govt. of India

Tel: 2375 3083

Copy to:

1. The Joint Secretary (Gulf and Haj), Ministry of External Affairs, New Delhi.
2. The Joint Secretary (CPV), Ministry of External Affairs, New Delhi.

(A.A. Chalai)

Under Secretary to the Govt. of India

# Enclosure 4



No.Z-11025/90/07-Emig.  
Government of India Ministry of  
Overseas Indian Affairs

Akbar Bhawan, Chankyapuri New  
Delhi, the 22 May,2007

To

All the Protectors of Emigrants  
Ministry of Overseas Indian Affairs

Subject: Grant of emigration clearance to workers going abroad for employment.

Sir,

I am directed to say that instructions have been issued in the past from time to time with regard to grant of emigration clearance by the POEs to workers going abroad for employment purposes. The matter has been reviewed with a view to simplifying the procedure and in supersession of all earlier orders/instructions in this regard, it has been decided that henceforward the Protectors of Emigrants (POEs) will grant emigration clearance up to 100 workers for UAE, Qatar, Malaysia and Kuwait, for heavy duty drivers/Trailer drivers up to the limit of 100 and up to 500 workers for other ECR countries. Proposals beyond the aforesaid limit will be referred to the Ministry for permission.

2. The exercise of the above powers by the POEs will be subject to the following conditions:

- a) The employment documents ( specimen employment contract, power of attorney and demand letter) should be attested by the Indian Missions concerned in respect of seven countries viz. Yemen, Lebanon, Libya, Jordan, Sudan, Kuwait and Brunei.
- b) The employment documents should be attested by the Indian Missions concerned in respect of vulnerable categories i.e. housemaid/domestic servants and unskilled labours for all ECR countries.
- c) All demand for 500 or more workers should be verified for the genuineness of the demand as well as the Foreign Employer before grant of clearance.
- d) All demands for Kuwait, which are already attested by the Indian Mission as per present stipulation, should be verified for the genuineness of the attestation before grant of clearance.
- e) All demands from Recruiting Agents in the Watch List of the Ministry should be attested by the Indian Missions concerned before grant of clearance.
- f) No clearance should be granted against demand received from a foreign employer already placed in the PAC list of the Ministry.

Contd.2

PFB-0195


10

-2-

- (g) No clearance should be granted against demand specifically recommended against by the Indian Mission abroad,
- (h) An affidavit is to be obtained from the Recruiting Agent concerned, to the effect that there is no complaint pending against the RC holder and he/she will be liable for action under the Emigration Act in case the declaration turns out to be false.

3. POEs shall conduct usual checks and adopt adequate caution while granting emigration clearance and shall also keep in view other requirements/instructions issued from time to time in this regard.

Yours faithfully,



(G. CRout)

Under Secretary to the Government of India

# Enclosure 5

Annexure A

BY SPEED POST  
RTI Act Matter

No. Z-11011/62/2008-PGE-I  
Government of India  
Ministry of Overseas Indian Affairs

\*\*\*\*  
Akbar Bhawan, Satya Marg, Chankyapuri  
New Delhi, Dated 24<sup>th</sup> August, 2008

To

Shri C. Srikant,  
Director,  
Epitome Consulting & Information Technology Pvt. Ltd.,  
# 7, 17<sup>th</sup> Cross, K.R. Road, Banashankari II<sup>nd</sup> Stage,  
Benguluru-560 070  
(SRIKANTH EPITOMEcsrokanth@epitomeltd.com)

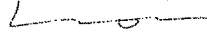
Subject: Regarding information under Right o Information Act, 2005.

Sir,

I am directed to refer to your letter dated 29<sup>th</sup> July, 2008 addressed to the Ministry of External Affairs on the above subject and to say that ---

- 1 & 2: M/s Kuwait and Gulf Link Transport (KGL) was placed under the Prior Approval Category (PAC) in 2001 vide letter No. Z-11C25/ 23/ 2001-Emig. Dated 11-10-2001. Placing some foreign employer in PAC list means blacklisting them.
3. M/s Kuwait and Gulf Link Transport (KGL) was removed from PAC list vide letter No. C-11011/3/2001-PGE-II dated 30-11-2004 on the basis of decision taken in the meeting held under the Chairmanship of Secretary (Labour & Employment) on 10<sup>th</sup> November, 2004, but was again placed in PAC list in 2006.
4. KGL is in PAC list as on date.
5. For emigration clearance for deployment for KGL, prior approval of the Ministry of Overseas Indian Affairs is required.

Yours faithfully,



(V.K. Bhatia)  
Deputy Secretary to the Govt. of India/  
Central Public Information Officer

PFB-0198

# Enclosure 6

**(Annexure D)**

**BY SPEED POST  
RTI Act Matter**

No. Z-11011/62/2008-PGE-I  
Government of India  
Ministry of Overseas Indian Affairs

\*\*\*\*  
Akbar Bhawan, Satya Marg, Chankyapuri  
New Delhi, Dated 3<sup>rd</sup> Sept., 2008

To

Shri C. Srikant,  
Director,  
Epitome Consulting & Information Tecnology Pvt. Lt  
# 7, 17<sup>th</sup> Cross, K.R. Road, Banashankari IInd Stage,  
Benguluru-560 070  
([SRIKANTH EPITOMEcsrokanth@epitomeltd.com](mailto:SRIKANTH EPITOMEcsrokanth@epitomeltd.com))

Subject: Regarding information under Right o Information Act, 2005.


Sir,

I am directed to refer to your letter dated 29<sup>th</sup> August, 2008 on the above subject and to inform you that ---

M/s Kuwait and Gulf Link Transport (KGL) was again placed in PAC list vide letter No. C-11011/18/2006-PGE-I dated 14<sup>th</sup> March, 2006 as the Embassy of India, Kuwait had recommended to place M/s Kuwait and Gulf Link Transport (KGL) in PAC list as the foreign employer was recruiting Indian workers for IRAQ on the pretext of deploying them to Kuwait.

1. A copy of this Ministry's letter No. C-11011/18/2005-PGE-II dated 14<sup>th</sup> March, 2006 is enclosed.

Yours faithfully,

  
(V.K. Bhatia)  
Deputy Secretary to the Govt. of India/  
Central Public Information Officer

PFB-0200



# Enclosure 7

## BLACKLISTED FOREIGN EMPLOYERS (PAC) LIST AS ON 18.5.2007

## COUNTRY-WISE BREAK UP

SL.NO.	NAME OF THE COUNTRY	NO. OF FOREIGN EMPLOYERS PLACED IN PAC
1	AZERBAIJAN	1
2	BAHRAIN	57
3	BRUNEI	2
4	JORDAN	7
5	KENYA	4
6	KUWAIT	21
7	LIBYA	2
8	MALAYSIA	122
9	MALTA	2
10	MAURITIUS	1
11	OMAN	7
12	QATAR	18
13	SAUDI ARABIA	58
14	UGANDA	2
15	UKRAINE	10
16	UNITED ARAB EMIRATES	14
17	YEMEN	2
	TOTAL	330

PFB-0202

## COUNTRY-WISE DETAILS

AZHERBAIJAN		
	1	CASPIANPETROLEUM PROJECT,BAKU, Azerbaijan
BAHRAIN		
	1	24 MAINTENANCE AND CONSTRUCTIONS, PO.BOX38341BAHRAIN
	2	ABDULLA AHMED NASSPO.O. BOX 669
	3	AHMED ABDULLA KHALID AL KHAJA CR 883-10BAHRAIN
	4	AHMED ABDULLA KHALID CONTRACTING ESTABLISHMENT, CR 883-BAHRAIN
	5	AL ABRAJ CARPENTARY WORKSHOPBAHRIN
	6	AL ASAIL CONSTRUCTION,BAHRAIN
	7	AL BENGERY LADIES TRAININGBAHRIN
	8	AL DAHRANI CONST.,P.O. BOX NO. 5763
	9	AL DAWOOD CONTRACTING EST.BAHRAIN
	10	AL KHAJAH EST., P.O. BOX NO. 5042, BAHRIN
	11	AL MANAZEL WORKERS SERVICES,BAHRIN
	12	AL QASEEM CONTRACTING EST., PO BOX 2930,TEL 17257329BAHRAIN
	13	AL RABHA CONTRACTING EST.BAHRIN
	14	AL RAZI CONTRACTING COMPANYBAHRAIN
	15	AL RIFFA CONTRACTORSBAHRAIN
	16	AL-SALAM ALUMINIUM COMPANY, PH 39419977BAHRAIN
	17	ALTAF CONSTRUCTION CO.,BAHRIN
	18	AWAL AC AND REFRIGERATION WORKSHOP PO BOX 955, CR NO.883-01
	19	AWAL REFRIGERATION AND AIRCONDITIONING P.O. BOX 955, BAHRAIN
	20	AWAL WORKSHOP A/C AND REFRIGERATIONS REPAIRS, BAHRAIN
	21	BAHRIAN SAUDI BANK,BAHRAIN
	22	BINIL MECHANICAL CONTRACTING BAHRIN
	23	CONNECTION CONTRACTING CO.,WLL
	24	CONSOLIDATED CONTRACTORS CO.,P.O. BOX 583
	25	EBRAHIM ABDUL AAL GROUPP.O. BOX 20418, MANAMA, BAHRIN
	26	FAHAD KHALID ISMAIL ALALAWI ESTABLISHMENTBAHRAIN
	27	FAIRMECH W.L.L.,PO 54108, BAHRIN
	28	FIVE STAR EST FOR CONSTRUCTIONBAHRIN
	29	GARIMECH WLL, PO BOX 54108TEL.17268, 200BAHRAIN
	30	GEODATA,803, DIPLOMAT TOWER, DIPLOMATIC AREA, MANAMABAHRIN
	31	GRANDIUM CONSULTANTS WLL.P.O. BOX NO. 3201
	32	HASSAN ABDUL MAJEED ABDUL HASSAIN AL SATTI ESTAB.BAHRIN
	33	IMI ENGINEERING COMPANY- RASTI ELECTRICALBAHRAIN
	34	JONYAH FOODSTUFF CR 883-09BAHRAIN

	35	KINGDOM TOWERS BUILDING CONST.,PO BOX 30993
	36	LEGEND CONTRACTING CO.,BAHRIN
	37	M.A. CONSTRUCTION PROBAHRIN
	38	MAJEED ABDULLA HASAN AL MUTAWEHBAHRIN
	39	MALUK BUILDING CONSTRUCTION,BAHRIN
	40	MASTER CONSTRUCTIONP.O. BOX NO. 15122
	41	MODERN CRAFT BAHRAIN
	42	MOHAMMED IBRAHIM MOHD. EST.BAHRAIN
	43	MSC CONSTRUCTION S.P.CBAHRIN
	44	NABLAH CONTRACTINGBAHRIN
	45	RELITY CONSTRUCTION CO., WLLBAHRIN
	46	ROBODH CONTRACTING EXT.,P.O. BOX 26228
	47	ROYAL TOWERS CONSTRUCTIONSBHRIN
	48	S. PROJECTS CONSTRUCTBAHRIN
	49	S.A. PROJECTS CONSTRUCTBAHRIN
	50	SALAAH ABDUL KARIM MOHAMMED ALZEKRI EST.BAHRAIN
	51	SATTAR TRADINGP.O. BOX NO. 519
	52	SHAIK ABDUL KARIM MOHAMMED AL ZEKRI ESTABLISHMENTBAHRIN
	53	SPECTRUM BUILDERSPO BOX 20024, BAHRAIN
	54	SYED KADHEM AL DURZI CONSTRUCTIONBAHRIN
	55	TRANS WORD INTERNETBAHRIN
	56	WAQIF GARAGE,BAHRIN
	57	ZAEDON BUILDING CONSTRUCTIONP.O. BOX NO. 50063
<b>BRUNEI</b>		
	1	M/S RBJ INDUSTRIES Brunei
	2	RAJA ISTERI PENIGIVAN ANAK SAHTBA HOSPITAL, Brunei
<b>JORDAN</b>		
	1	JERUSALEM FACTORY FOR CAN BNOXES CO AMMAN Jordan
	2	LAMA GARMENT FACTORY, IRBID JORDAN IRBID, JORDAN Jordan
	3	M/S AL SHTIEA BUREAU OF CONST SERVICES AMAN Jordan
	4	M/S PANORMA/RELIANCE GARMENT INDUSTRY 55, QIZ, AL DULYAL ZARQA, AMMAN, JORDAN
	5	M/S UNITED GARMENT CO. PVT. LTD. JORDAN
	6	THE 4 CATERING COMPANY Jordan
	7	UNITED GARMENT CO. PVT. LTD. JORDAN

KENYA		
	1	M/S INDUSTRIAL PLANT LTD. NAIROBI KENYA KENYA
	2	MACK CONSTRUCTION COMPANY P.O.BOX 2755 NAKURU, KENYA
	3	OPTICA KENYA LTD. NAIROBI KENYA
	4	RICHFIELD ENG. LTD. NAIROBI Kenya
KUWAIT		
	1	AL ATEEQ COMPANY POBOX NO.5646, SAFAT, CODE NO.13057 KUWAIT
	2	AL BLASEM GENL TRADING & CONST. CO. Kuwait
	3	AL WELAYA TRAVEL TOURISM Kuwait
	4	AL-TAN GENER TRAD&CONT. AND mANTECHSERV ICES GROUP SAFAT Kuwait
	5	ASAHI GENL TRADING & CONTRACCO. KUWAIT
	6	FINESCO INTERNATIONAL TRDG.& CONTRTG.CO KUWAIT
	7	FIRST KUWAITI COMPANY KUWAIT
	8	GERSEN GENRAL TRAD& CONT. CO. KUWAIT
	9	GHAZWAN TRADING & CONTRACTING CO. KUWAIT
	10	GOLDEN SHAHIN GROUP OF COMPANIES KUWAIT
	11	GULF INTERNATIONAL CONTRACTING CO. Kuwait
	12	KUWAIT AND GULF LINK TRANSPORT KUWAIT (KGL)
	13	FIRST PROJECTS GENERAL TRADING & CONTRACTING CO., PO BOX NO. 47027, FAHAHEEL, KUWAIT FAHAHEEL Kuwait
	14	SAAD MASHOOD AGENCY JLEEB ALSHUWAIKH, AYYED AYYAD COMPLEX, FIRST FLOOR, OFFICE NO.22, KUWAIT
	15	PEARAL CATERING SERV. KUWAIT
	16	RIC COOLEX REFRIDGERATION INDUSTRIES CO SHWWAK KUWAIT, PO BOX NO.2261 SAFAT KUWAIT
	17	AL ESSA MEDICAL & SCIENTIFIC EQUIPMENT COMPANY, KUWAIT [FILE NO.I-11011/5356/99-PGE.I DATED 16.10.2006]
	18	LONDON GROUP OF MEDICAL SERVICES, PO.BOX20, SAFAT -13001, KUWAIT -11011/17/2005-pge.i DATED 4.12.2006
	19	AL SAQLAWI INTERNATIONAL CO., KUWAIT I-11011/5009/97-PGE.I DATED 11.12.2006
	20	AJIAD ARABIAN COMPANY GENERAL TRADING AND CONTRACTING I-11011/5271/99-PGE.i DATED 13.03.2007

	21	M/S SAAD MUTLAK DAKHNAN FOR HOMR CARE SERVICES, SALMIYA, KUWAIT ( I.11011/70/2007-PGE-I dated 18.5.2007)
<b>LIBYA</b>		
	1	AL-SHEHAB CO-MISUARTA, Libya
	2	ORGANISATION OF NAHAR AL HAYAH FOR CONST RUCTION AND INVESTMENT TRIPOLI Libya
<b>MALAYSIA</b>		
	1	ACTION op RENOUNED NO. 198, LEVEL 3, JALAN TUN SAMBANTHAN, BRICKFIELDS, 50470 KUALA LUMPUR KUALA LUMPUR Malaysia
	2	AKESORI SDN, BHD NO. 35, LENGKONG RISHAH, 1, KAWASAN PERINDUSTRIAN SILLBIN, 30100 IPOH, PERAK Malaysia
	3	ANDALAS MEDICAL CENTRE 77, PERISARAN TENGGU AMPUAN RIHIMAH 41200 KLANG SELANGOR Malaysia
	4	ARTERIAL RESOURCES SDN. BHD LOT 2353-12, JALAN KEMPAS LAMS, OFF JALAN SKUDAI, 81300 JOHOR Malaysia
	5	AUSTRAL ENTERPRISES BERHAD 24-31, JALAN SETIAWANGSA 8, TAMAN SETIAWANGSA, 54200 KUALA LUMPUR Malaysia
	6	AYUB RESTORAN NO. 33, JALAN SUGU, TAMAN DAYA JOHOR Malaysia
	7	B.W. LUCKY ENTERPRISES LOT 173, JALAN KAMPUNG AIR KUNING, 34000 TAIPING, PERAK PERAK Malaysia
	8	BANENG INDUSTRIES SDN, BHD BATU 2 1/2, JALAN TRANJUNG LABOH, 83000 BATU PAHAT, JOHOR Malaysia
	9	BERESTU ENTERPRISE SDN BHD NO.16, JALAN 9, AMPANG JAYA, 68000 AMPAN SELANGOR MALAYSIA
	10	BERESTU ENTERPRISE SDN. BHD. KLANG, SELANGOR Malaysia
	11	BIO AXIS SDN. BHD NO. 6A LORONG ARA KIRI 3, LUCKY GARDEN BANGSAR, 59000 KUALA LUMPUR Malaysia
	12	BOON KOON VEHICLES INDUSTRIES SDN. BHD 1177 JALAN DATO KERAMAT, 14300 NIBONG TEBAL, SEBARANG PERAL SELATAN, PALAU PINANG MALAYSIA
	13	CHINWELL FASTNERS CO. SDN. BHD. NO. 1583 MK 11, LORONG PERUSAHAAN UTAMA 1, BUKIT TENGAH INDUSTRIAL PARK, 14000 BUKIT MERTAJAM, PENANG Malaysia
	14	CLASSIC ADVANTAGE HOSTEL AND CANTEEN JOHAR JOHAR Malaysia
	15	COSMO ENGINEERING SDN, BHD 30, JLN, TRAMING 4, TMN, TAMING JAYA JLN BELAKONG, SERI KEMBANGAN, SELANGOR MALAYSIA
	16	DATABUDI ENGINEERING SDN BHD RON YING/MR. MASOOD HOSSAIN/GANESAN 41-A, JALAN SS. 19/6, 47500 SUBANG JAYA MALAYSIA
	17	DIGITAL CONSTRUCTION SDN BHD

		NO. 14-A, JLN. SG. 3/2, TAMAN SRI GOMBAK BATU CAVES, SELANGOR MALAYSIA
	18	DIGITAL CONTINENTAL NO. 32, JALAN SS 10/6C, 47500 SUBANG JAYA SELANGOR, MALAYSIA
	19	DIGITAL POWER PROJECTS SDN. BHD NO. 44-A, JLN. 1/19 PETALLING JAYA, 46000 SELANGOR, MALAYSIA
	20	DURGA CHARITABALE TRUST BERDAFFER K. TRENGGANU, TRENGGANU, SRI ARUMUGHA VINAYAGAR TEMPLE, NO. 9 SG., TUAH BATU CAVES, SELANGOR MALAYSIA
	21	EMINENT CAPITAL SDN. BHD LEVEL 32, MENARA SHAHZAN INSAS, 30, JALAN SULTAN ISMAIL, 50520 KUALA LUMPUR KUALA LUMPUR Malaysia
	22	EURO PRESTAS SDN. BHD 48-2, 2ND FLOOR, JALAN 1/27F SECTION C-7 PUSAT BANDAR, WANGSA MAJU, 53300 KUALA LUMPUR Malaysia
	23	EUROSA FURNITURE (M) SDN. BHD LOT 334, OFF JALAN HOSPITAL SUNGAL BULOH 47000 SUNGAL BULOH SELANGOR SELANGOR Malaysia
	24	EXCEL MOULD MANUFACTURING SDN. BHD NO. 84, SUBANG LIGHT INDUSTRIAL PARK, BLOCK E, LOT 546 OFF JALAN SS 13/AK 4750 PETALING JAYA SELANGOR Malaysia
	25	F.W. FURNITURE SDN, BHD 8, JALAN 1/4, KWS. PERINDUSTRIAN PENGKALAN 2, FASA 1, 31550 PUSING PERAK Malaysia
	26	FUDEX RUBBER PRODUCTS (M) SDN, BHD JA 9158, JASIN INDUSTRIAL PARK, 77000 JASIN MELAKA MELAKA Malaysia
	27	G.K.K. IMPORT EXPORT SDN. BHD. NO. 21, JALAN DATO HAMZAH, 41000 KLANG SELANGOR Malaysia
	28	GALLANT ELECTRONIC CO. (M) SDN, BHD LOT 1899 BATU 13, JT BALAKONG 43300 SERI KEMBANGAN, SELANGOR SELANGOR Malaysia
	29	GARDEN CITY HOTEL SDN, BHD NO. 213, & 214, JALAN BUNUS OFF JALAN MASJID INDIA, 50100. KUALA LUMPUR Malaysia
	30	GOPAL CONSTRUCTIONS IM) SDN. BHD 2634, JLN. SIMPANG KUKUT, PORT DICKSON, N. SEMBILAN Malaysia
	31	GRACEFUL TRANSFORMERS SDN. BHD NO. 202, BATU KG, TOK MUDA, JALAN KAPAR, 42200 KALANG SELANGOR Malaysia
	32	GRADO OPNE SDN, BHD NO. 45E, 5TH FLOOR, BANGUNAN BANGSA RIA JALAN MAAROF, KLANG, SELANGOR Malaysia
	33	GREATPAC SDN. BHD JASA EXPRESS, LOT 2222/2223 JALAN HOSPITAL, SUNGAL BULOH INDUSTRIAL AREA, 47000 SELANGOR Malaysia
	34	HANORA SDH. BHD 265 A. JLN. MAHKOTA, TMN. MALURI, CHERAS 55100 KUALA LUMPUR Malaysia
	35	HOTLINE WOODEN FURNITURE SDN, BHD

		LOT NO. 9, JALAN 7 KAWASAN PERUSAHAAN CHERAS JAYA, BATU 9, JALAN BALAKONG CHERAS, 43200 SELANGOR Malaysia
	36	HYLEX APPARELS JALAN KUALA LUMPUR Malaysia
	37	HYPER SPEED (M) SDN, BHD NO. 1, JAL 16/13C, SECTION 16 SHAH ALAM & NO. 27-A, JALAN TUN SAMBANTHAN, 4, BRICKFIELDS, KUALA LUMPUR Malaysia
	38	HYTEX APPARELS SDN, BHD LOT 25, JALAN E1/5, KAWASAN PERINDUSTRIAN TAMAN EHSAN, PETI SURAT NO. 6, KEPONG 52100 KUALA LUMPUR Malaysia
	39	IDEAL SKILLS (M) SDN, BHD 61-A, JALAN SG. 3/1, PUSAT BANDAR SRI GOMBAK, 68000 GOMBAK, KUALA LUMPUR Malaysia
	40	INSTANT GLORY SDN. BHD MEGAN PHILEO AVENUE, SUITE B-17-7, NO. 12, JALAN YAP KWAN SENG, MALAYSIA
	41	INTISARI BAKERY LOT 1328, JALAN 11, KG. BARU AMPANG TAMBAHAN AMPANG Malaysia
	42	IVORY PEARL SDN, BHD LOT 5, PERISIARAN PERINDUSTRIAN KANTHAN 5, ESTEL PERINDUSTRIAK KANTHAN 31200 CHEMOR PERAK Malaysia
	43	J.M.I. ENTERPRISES 15-3-08, SRI JOHOR FLAT, 21/2 MILES CHER A 56000 KUALA LUMPUR Malaysia
	44	JOOLEN ENTERPRISES SDN. BHD NO. 3B, LORONG BUKIT KUDA, OFF JALAN BATU TIGA LAMA, 41300 SELANGOR Malaysia
	45	JOVA INDUSTRIES SDN, BHD LOT 10, LORONG PERUSAHAAN 4A, KULIN INDUSTRY ESTATE, KULIM KEDAH Malaysia
	46	JUST SECES, LOT 2353-12, JALAN KEMPAS LAMA, OFF JALAN SKUDAI, 81300 JOHOR Malaysia
	47	K. ARGO FARM PRODUCTS ENTERPRISES NO. 30, TAMAN SAUJANA, BATU GAJAH PERAK Malaysia
	48	KERIS VIJAYA SDN BHD Malaysia
	49	L.Y.K. CLEANING SERVICES SDN. BHD 101B MAIN STREET AMPANG, AMPANG, 68000 SELANGOR Malaysia
	50	LAL QUILLA RESTAURANT SDN. BHD NO. 9, & A, PERISIARAN ARA KIRI, TAMAN LUCKY BANGSAR, 59100 KUALA LUMPUR Malaysia
	51	LEE SENG POTTERY SDN, BHD LOT 81, PLOT 115728, JLN. CERAMIC CHEPR, 11/11 CHEMOR, PERAK Malaysia
	52	LIAN SENG WELDING SHOP MCLD PIASAU ROAD, P.O. BOX 669, 98007 MIRI SARAWAK Malaysia
	53	M.G.M. CATERER NO. 316, JLN. 24/39, TMN. PETALING KEPONG BARU, KUALA LUMPUR Malaysia



54	MACLEAN SERVICES SDN, BHD 384, JALAN 5/59 TAMAN PETALING 46000 PETALING JAYA SELANGOR Malaysia
55	MALIS7NDO MULTI-RESOURCES SDN. BHD 7A, JALAN TANDOK, OFF JALAN MAAROF, BANGSAR 59000 KUALA LUMPUR Malaysia
56	MAN CHIN L60EE POTERY WORKS LOT 65360 BATU 5, GOPENG, TO BATU GAJAH, PERAK Malaysia
57	MANJAMAS TIMES SDN, BHD 4, 2ND FLOOR JLN. 1/128, HAPPY GARDEN 58200 KUALA LUMPUR Malaysia
58	MAXLIN GARMENTS SDN, BHD LOT 4979, BATU 2 1/2, JALAN TANJUNG LAHOBH 83000 BATU PAHAT, JOHORE Malaysia
59	MEGA JUMBO PORT SERVICES SDN, BHD 5211-C 3RD FLOOR, PERISIARAN RAJA MUDA MUSA, 42000 PORT KLANG SELANGOR Malaysia
60	METAL WAY FURNITURE INDUSTRIES (M) SDN. AL-283, JALAN KAMPUNG BARU, SUNGAI BULOH SELANGOR Malaysia
61	MODERN PLANING LOT 2354-6, JALAN KEMPAS LAMA, 81300 SKUDAL, BAHRU JOHOR Malaysia
62	MOHANA RESTORAN NO. 119, JALAN TUANKU KELANA KLANG Malaysia
63	MR. MOORTHY A/1, MUTHU, 1C NO. 630724-10-5064, PNK ADVANCE ENTERPRISES, NO. 26-A JALAN 17/23, SECTION 17, SHAH ALAM SELANGOR Malaysia
64	NGAL CHEONG METAL INDUSTRIES SDN. BHD LOT 41730 BATU 14, JALAN PUCHONG 47100 PUCHONG SELANGOR Malaysia
65	OMEGA SEMICONDUCTORS SDN, BHD 8760, LOT 8, BATU BERENDAM FTZ, PHASE III, 75350 MELAKA MELAKA Malaysia
66	OZ-X-NET SDN, BHD 15-3A, UOA, II JALAN PINANG 50450 KUALA LUMPUR Malaysia
67	PERAI COATINGS (M) SDN. BHD 4, JLN. PADI MAHANUR 13, BANDAR BARU UDA, JOHOR BARU Malaysia
68	PINE-JATI CORPORATION SDN. BHD WISMA YOON CHENG, NO. 726 A-5-1A BATU 4 1/2 JLN.IPOH KUALA LUMPUR Malaysia
69	PROMTCON ENTERPRISE SDN. BHD AL 77 SUNGAI BULOH NEW VILLAGE, 47000 SUNGAI BULOH, SELANGOR Malaysia
70	Q 440, JALAN TALANG TAMAN PRAI, 13600 PRAL, PULAU PINANG Malaysia
71	R.V. SALOON NO. 5, JALAN SARAWAK 17, KLANG SELANGOR Malaysia
72	RAJESUWARI AGENCY MUNIANDI, 182, LALUAN SUGEL PARI, 7 TELUK KURIAN, 30100 IPOH, Malaysia

73	RAZIMCO SDN. BHD NO. 96, JALAN PINANG GADING 3, TAMAN PINANG GADING 70400 SEREMBAN N. SEM, NILAN Malaysia
74	RESTAURANT HOUSE OF INDIA 61, GROUND FLOOR, JALAN TELUK SISEK, 25000 KUANTAN PAHANG Malaysia
75	RESTORAN AKBAR SHAH 26 & 28A, PERSIARAN ARA KIRI, LUCKY GARDEN, 59100 KUALA LUMPUR Malaysia
76	RESTORAN EHSAN NO. 74, JALAN YANG KALSON, 30250 IPHON PERAK Malaysia
77	RESTORAN JAYA HARI VILAS NO. 88, JALAN DATO DAGANG, KUALA PILAH 72000 NEGERI SEMBILAN, Malaysia
78	RESTORAN KAMPUNG BAIDURI NO. 11, JALAN PULAU KEMPAS 28/3, TAMAN ALAM MEGA, 40000 SHAH ALAM SELANGOR Malaysia
79	RESTORAN NASI KANDAR NO. 50, LEBOH AMPANG, 50100 KUALA LUMPUR Malaysia
80	RESTORAN WANGSA UKAY NO. 2, WANGSA 2, BUKIT ANTARANBANGSA 68000 JALAN ULU KLANG, SELANGOR Malaysia
81	RHODEN (M) SDN. BHD LOT. 1, JALAN 2, NORTH KLANG STRALTS, TA WANES INDUSTRIAL PARK, 42000 PORT KLANG SELANGOR Malaysia
82	S&L DESIGN PLANNER 50-A, JLN. TUN MOHD FUAD 1, TMN. TUN DR. ISMAIL 60000 KUALA LUMPUR Malaysia
83	S.J. MEDICAL PRODUCTS (M) SDN, BHD LOT 723, BATU 5 1/2, JALAN KAPAR 42100 KLANG, SELANGOR Malaysia
84	SALURAN PERSONA SDN. BHD 36-B, 2ND FLOOR, JLN. SS 15/8, SUBANG JAYA SELANGOR Malaysia
85	SAMPOORNA CURRY HOUSE 262, JALAN TUN SAMBANTHAN 50470 KUALA LUMPUR Malaysia
86	SAN HIN LOONG ENGINEERING WORKS SDN, BHD PLO 100, BT. PERINDUSTRIAN JALAN, GENUNANG, 85000 SEGAMAT JOHOR Malaysia
87	SASA-AR ENTERPRISE SDN, BHD NO. 46, JALAN PBS 14/3, TAMAN PERINDUSTRIAN BUKIT SERDANG, 23300 SERI KEMBANGAN SELANGOR Malaysia
88	SIGNIVEST INDUSTRIES SDN. BHD LOT 788, JALAN TELUK MENGKUONG, 42500 TELUK PUNGLIMAGORAND, KUALA LANGAT, SELA SELANGOR, DAUL EHSAN, Malaysia
89	SIM TEE CHUNG SDN, BHD LOT 2439, DYNASTY CENTRE, MIRI BINTULU ROAD, MIRI, SARAWAK MALAYSIA
90	SIMMAH LIVESTOCKS SDN, BHD AG5730, ALOR GAJAH INDUSTRIAL ESTATE 78000 ALOR GAJAH, MELAKA Malaysia
91	SION HEN SDN, BHD LOT 93, PARIT BUNTAR, INDUSTRIAL ESTATE, PARIT BUNTAR, PERAK Malaysia

92	SIVAPERUMAL CONSTRUCTOR POWER LINE, NO. 9, TAMAN CIVIL, 35500 BIDOR, IPOH, MALAYUSIA, SUB CONTRACTOR FOR SIM TREE CHUNG SDNN. BHD MALAYSIA
93	SMART GLOVE SDN, BHD LOT 6487, BATU 5 3/4, SEMENTA JALAN KAPAR, 42100 KLANG SELANGOR Malaysia
94	SOLID AUDIO SDN, BHD 1650, MK, 13, JURU ESTATE, BUKTI MERTAJAM, 14000 PULAU PINANG PINANG Malaysia
95	SOON LEE ENTERPRISES 17-A, TMN. TENGKU MALIK, JLN. SCUDAL JOHOR Malaysia
96	SOUTH ISLAND GARMENTS SDN. BHD 2468, SOLOK PERUSAHAAN DUA, KAWASAN PERUSAHAAN PERAL, 13600 PRAL, PENANG PENANG Malaysia
97	SREE JAYAM CURRY HOUSE NO. 7, JALAN HELANG 13, BANDAR OCHONG JAYA, 47000 PUCHONG, SELANGOR Malaysia
98	SRI PURVANESHWARAN RESTORAN NO. 40, JALAN KEMUJA, OFF JALAN BANGSAR, 59000 KUALA LUMPUR Malaysia
99	SRI TAMA ENTERPRISE NO. 20-A, JALAN CEMPAKA, 81750 JOHOR Malaysia
100	STEP FURNITURE MANUFACTURER SDN. HD LOT NO. 102-103, JALAN PERUSAHAAN LAMA TAMAN PERINDUSTRIAN MAHKOTA BEHRANG 63700 SELANGOR Malaysia
101	STEVIC PRECISION MOUNLDING CO. LOT 39, JIN. TAM MING 4, RAM MING JAYA INDUSTRIAL ESTATE, 43300 SERI KEMBANGAN SELANGOR Malaysia
102	SUKWON IDCHE ENGINEERING SDN. BHD 1080-1, TINGKAT 2, JL. SULTAN SULAIMAN, 20000 KUALA TERENGGANU, TERENGGANU Malaysia
103	SWARGA ENTERPRISES SDN. BHD NO. 1506, 1ST FLOOR, JALAN RASAH, 70300 SEREMHAN, N. SEMBILAN Malaysia
104	TATEAMA AUTO MACHINE CO.,(M) SDN. BHD LOT 2, JALAN PELABUR, 23/1, SEKSYEN 23, 40300 SHAH ALAM SELANGOR Malaysia
105	TETRACON ENGINEERING SDN. BHD LOT 106 & 110, RAWANG INTEGRATED INDUSTRIAL PARK, 48000 RAWANG SELANGOR Malaysia
106	THIRU SANDALWOOD SDN. BHD LOT 6537, BATU 6, OFF JALAN KAPAR, P.O. BOX. 125, KLANG SELANGOR Malaysia
107	TIARATAN INDUSTRIES SDN. BHD NO. 20, JALAN NAGIRI-1, VAIDOR LIGHT INDUSTRIAL ESTATE, 14200 SUNGAI BAKAP PENANG Malaysia
108	TIMES OFFSET (M) SDN. BHD BANGUNAN TIMES PUBLISHING, LOT 46, SELANGOR HI TECH INDUSTRIAL PARK, BATU CAVES, SELANGOR Malaysia
109	TOKYO ALUMI MFG.(M) SDN. BHD ØT 28, JALAN LADA HITAM, SECTION 16/12, 40000 SHAH ALAM SELANGOR Malaysia
110	TOMMILINSON COLLECTION SDN. BHD. B1, WISMA TOMILINSON, ONE AMPANG BUSINES AVENUE, JIN AMPANG UTAMA, 1/2, 68000 AMPANG JAYA, KUALA

		LUMPUR Malaysia
	111	TONG HENG FARMING & TRADING CO. NO.707, PADANG TEMUSU, 08000 SUNGAI PETANI, KEDAH Malaysia
	112	TONG YONG METAL SDN. BHD. LOT 5781 & 5782, TAMAN SELAMAT, ALMA, 14000 BUKIT MERTAJAM PENANG Malaysia
	113	TRANSFAME SDN. BHD., 1, TMM. TUN DR.ISMALL, KUALA LUMPUR Malaysia
	114	triple j, TRIPLE J,(MR.GURUNATHAN@NATHAN@ZALNAL@JA YGURU),(a)4-B JLN WATAN4, TMM SRI WATAN, KL (B) TRIPPLE J CUSTOMER SERVICES PROMPT BLDG.JLN SULTAN KL Malaysia
	115	TUCK SING ENGRG. & CONS. LOT 9-102, KAWASAN PERINDUSTRIAN SEMAMBU 24550 KUANTAN, PAHANG Malaysia
	116	TWIN FURNITURE MANUFACTURER SDN BHD LOT 9-102 KAWASAN PERINDUSTRIAN SEMAMBU KAUNTAN PAHANG Malaysia
	117	UNITED INDUSTRIES SDN BHD. BANGUNANUNITED INDUSTRIES, 5 -1/2,MI LES,JALAN MERU,41050 KALANG, SELANGOR SELANGOR Malaysia
	118	UNITED SANOH INDUSTRIES SDN. BHD. 5 1/2 MILES, JALAN MERU, 41050 KLANG SELANGOR Malaysia
	119	UNR TOOLING SYSTEM SDN. BHD. LOT NO. ALP 12, 5TH MILE, JALAN INJAP 34/4, JALAN BUKIT KEMUNING, KLANG SELANGOR Malaysia
	120	WOODLANDER WOOD PRODUCTS SDN. BHD., LOT 266, BATUU 221/2, SUNGAI LALANG, 43500 SEMENYIH, SELANGOR Malaysia
	121	WRP ASIA PACIFIC BHD., LOT 1, JLN 3, KAWASAN PERUSAHAAN, BANDAR BARU SALAK TINGGI, 43900 SEPANG Malaysia
	122	YE CHIU METAL SMELTING BERHAD LOT 5781 & 5782, TAMAN SELAMAT, ALMA, 14000 BUKIT MERTAJAM PENANG Malaysia
<b>MALTA</b>		
	1	M/S ALBERTA ,MALTA
	2	M/S INCCO , MALTA Malta
<b>MAURITIUS</b>		
	1	SWET & SUN LTD. MAUTIOUS ,Mauritius
<b>OMAN</b>		
	1	AL-DAHLEEJ MANPOWER AGENCY AL KHUWAIR, SULTANAT OF OMAN
	2	DARWISH-AST LLC, Muscat Oman
	3	DARWISH AST LIC MUSCAT Oman
	4	MUSCAT INDIAN CO. LTD.

		OMAN
	5	MUSCAT INDUSTRIES CO. LTD. Oman
	6	SILVER SANDS HOTEL WADI KABIR, MUSCAT OMAN
	7	SINGH AND COMPANY PO BOX NO.2138,PC 111,CPO SEEB OMAN
<b>QATAR</b>		
	1	AJJAJ ENGINEERING CO. P.O. BOX 7407, DOHA Qatar
	2	AKC CONTRACTING AND SUPPLY Qatar
	3	AL OBAITAY CONTRATING CO. Qatar
	4	AL-DARWESH ENGG COMPANY DOHA Qatar
	5	AL-SAIF CONSTR & BUI Qatar
	6	AL-SARH TRADING CONT.CO. Qatar
	7	AMLON LTD. Qatar
	8	ASIAN TRADING & CONTRACTING CO. Qatar
	9	CANDLE TRADING & CONTING CO. Qatar
	10	CITY TRADING & CONTING CO. Qatar
	11	FIRST TOUCH TRADING , DOHA Qatar
	12	GEMCO, DOHA Qatar
	13	INTERNATIONAL ENG. & GENL. CONST. DOHA Qatar
	14	LIBERATION GARMENTS FAC. QatarDOHA Qatar
	15	PRESTIGE APPARELS INDUSTRY WLL DOHA Qatar
	16	WESTERN APPAREL INFA DOHA Qatar
	17	QATAR BUILDING ENGINEERING COMPANY, DOHA, QATAR c-11011/17/2005 DATED MARCH, 2006 (ENTRY ON 14.02.2007)
	18	SHARIKA HANDSA AL AMMARATHUL-QATARIYA, No. I-11 011/4498/95-PGE-I dated 21 <sup>st</sup> February, 2007
<b>SAUDI ARABIA</b>		
	1	ABDULLAH AL HAMRI JUBAIL JUBAIL Saudi Arabia
	2	ABDULR Saudi Arabia
	3	AL EKHWAH EST FOR TDG JEDDAH Saudi Arabia
	4	AL FAISAL CLINIC RIYADH Saudi Arabia
	5	AL HASSAS JUBAIL Saudi Arabia
	6	AL HESAB CONGT EST RIYADH Saudi Arabia
	7	AL KHAREP OPERATION COP. RIYADH Saudi Arabia
	8	AL MUBARAZ JUBAIL Saudi Arabia
	9	AL MUMAI GROUP JEDDAH Saudi Arabia
	10	AL OMRAN EST RIYADH Saudi Arabia
	11	AL REHMAN TRADE EST, DAMMAM DAMMAN Saudi Arabia
	12	AL YEZEED CONSTRUCTION EST RIYADH Saudi Arabia
	13	AL-COMET TRADING AND CONTG. EST. JUBAIL-31961 Saudi Arabia
	14	AL-FAHYA EST FOR GEN. TRG & CONT. Saudi Arabia

15	AL-GOZAR GROUP EST. RIYADH Saudi Arabia
16	AL-JAREER EST FOR TRDG. RIYADH Saudi Arabia
17	AL-SAGRI TRDG & CONT. EST Saudi Arabia
18	AL-THAMER EST FOR TRADING & COMP PO BOX 6304, JEDDAH Saudi Arabia
19	AL-TURKI EST. Saudi Arabia
20	AMIRA ABDU HASSAN DAHAB EST. RIYADH 11311,P.O.BOX 92 DABAB ST, OPPOSITE SAUDIHOLOLANDI BA RIYADH Saudi Arabia
21	AMIRA MEDICAL EST RIYADH DAHBAB ST, OPPOSITE SAUDIHOLOLANDI BANK RIYADH Saudi Arabia
22	ARABIAN GULF CO FOR MAINT & CONTR. Saudi Arabia
23	ARIFF CONSTRUCTION EST RIYADH RIYADH Saudi Arabia
24	AYED NASER AL-QHATARI SONS CO. AL-KHOBAR Saudi Arabia
25	DALLAH GROUP CO. JEDDAH Saudi Arabia
26	DASHEN CONTG. EST. Saudi Arabia
27	Deloitte NASIR AL MATRAP RECRUTING OFFICE, Saudi Arabia
28	FAEIH BIN MOTAIB HASAN AL SUPATHI RIYADH Saudi Arabia
29	HAMAS CONT. EST Saudi Arabia
30	KHALLED MEERA EST JEDDAH Saudi Arabia
31	M.AM AL KHARAFI EST. RIYADH Saudi Arabia
32	M/S SAAD AHMED AL ZAHARANIPST ALKHOBAR ALKHOBAR Saudi Arabia
33	M/S THRIYA HAMDAD NASPER EST ALKHOPAR ALKHOPAR Saudi Arabia
34	MARWAN AL FAZAL TRDG EST RIYADH Saudi Arabia
35	MOHD. H. BABTEEN EST. JEDDAH Saudi Arabia
36	MOHSIN MOHAMMED AL QAHTANI RIYADH Saudi Arabia
37	NAIF AL SADDON EST. DAMMAM Saudi Arabia
38	NAJID & HIJAS DISPENSARY DAMMAM Saudi Arabia
39	RABYA LANDSCAPING CO. JUBAIL Saudi Arabia
40	REFUSE EQUIPMENT MANUF RIYADH Saudi Arabia
41	RUBEIAN FACTORY RIYADH Saudi Arabia
42	SAAD AHMAD AL-ZAHARANI EST ALKHOBAR Saudi Arabia
43	SAAD AHMED MOHD AL MOOBIL RIYADH Saudi Arabia
44	SAP GENERAL P. RIYADH Saudi Arabia

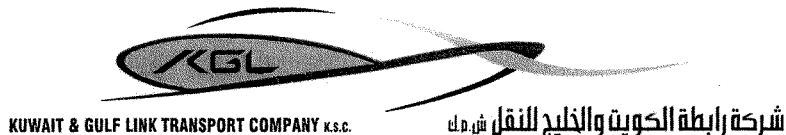
	45	SAUDI HILLS P.O.BOX 30671, AL-JUBAI 31951 KSA Saudi Arabia
	46	SAUDI OPERATING & MAINTENANCE CO. RIYADH Saudi Arabia
	47	SEDER GROUP TRADING & CONT. P.P. BOX 8896, RIYADH Saudi Arabia
	48	SHAYEA AL ALI SHAUEA AL SHAYEA CONTRACTING EST. RIYADH Saudi Arabia
	49	SULAIMAN AL-REDAI TRDG. EST. RIYADH Saudi Arabia
	50	TASHELET COMMERCIAL EST RIYADH Saudi Arabia
	51	TASHELET COMMERCIAL EST. RIYADH ROYADH Saudi Arabia
	52	TAWAIK EST. RIYADH Saudi Arabia
	53	THIYA HA DAD NASPER EST ALKHOPAR Saudi Arabia
	54	TOLODO COMPANY & TRADING CONTRACTING RIYADH Saudi Arabia
	55	SAUD AL MWAISHEER ESTT. AL JOUF, SAUDI ARABIA I.11011/2804/90-Pge.II dated 23.11.2006
	56	ALBATIAN P.O. BOX 86179, AL-ARUBA SREET, AL- SULAMANIA, RIYADH 11622, C-11011/70/2006-PGE.1 DATED 12.05.2006
	57	ELAF RECRUITMENT OFFICE, SAUDI ARABIA [I-11011/418/84-PGE.1 DATED 05.12.2006]
	58	TWAIK CO. LTD, RIYADH, I-11011/4029/94-PGE.II DATED 28.12.2007
<b>UGANDA</b>		
	1	KAPAKWATA SAWMILLS LTD, KAMPALA ,Uganda
	2	M/S WHITE POWER HO TRISHUL CENTRE, KAMPALA KAMPALA, Uganda
<b>UKRAINE</b>		
	1	AL-MAJD GENERAL MAINTAK CO. Ukraine
	2	AL-NAJAF MARINE SHIPPING LLC Ukraine
	3	BESCO INTERNATIONAL (LLC) Ukraine
	4	CLEANCO TRADING IMPORTING & SERVICES Ukraine
	5	DUBAI TRANSPORT, Ukraine
	6	EURO EMIRATES ELECTRICAL AND MACHANICAL DUBAI Ukraine
	7	MASOOD OIL INDUSTRIES SUPPLIES & SERVICE ABU-DHABI Ukraine
	8	MILLENIUUM SHIP TRADING CO. PO BOX NO.20333 DUBAI Ukraine
	9	NEW CLEANING EST Ukraine

	10	STALLION MARINE ENGG LLC P.O.BOX 20985 SHARJAH Ukraine
<b>U.A.E</b>		
	1	AL MAJAD GENL. MAINTENANCE CO. DUBAI United Arab Emirates
	2	AL NAJAT MARINE SHIPPING LLC SHARJAH United Arab Emirates
	3	AL-KHATRI TRADING BUILDING CONTRACTING ESTABLISHMENT SHARJAH United Arab Emirates
	4	BESCO INTERNATIONAL LLC. DUBAI United Arab Emirates
	5	BIN FADHIL AL MAZROUI CONTRACTING CO. ABU DHABI ABU DHABI United Arab Emirates
	6	CLEANCO TRADING IMPORTING&SERVICES ABUDHABI United Arab Emirates
	7	EURO EMIRATES ELECTRICAL & MECH. DUBAI DUBAI United Arab Emirates
	8	HOSPITALITY CATERING & SERVICES, AL AIN UAE United Arab Emirates
	9	MILLINIUM SHIP TRADING CO. DUBAI DUBAI United Arab Emirates
	10	NEW CLEANING EST. UAE UAE UAE United Arab Emirates
	11	PRIME PROJECT INTERNATIONAL GENERAL TRAD LLC DEIRA, DUBAI, United Arab Emirates
	12	SEACOR ENVIRONMENT SERVICES MIDDLE EAST P.O. BOX NO. 3600 FUJAIRAH United Arab Emirates
	13	WEST COAST EST. ABUDHABI United Arab Emirates
	14	REALWAY RECRUITMENT AGENCY, BRIDGMURAR, DHERA DUBAI, UAE (I/11011/17/2005-PGE-I dated 9.5.07)
<b>YEMEN</b>		
	1	M/S NATIONAL CO. LTD., SANNAYAMAM SANA Yamen
	2	NATIONAL CO. LTD. SANNA Yamen



# EXHIBIT 14





January 5, 2009

**Via International Express Mail**

U.S. Army Legal Services Agency  
 Procurement Fraud Branch  
 ATTN: Mr. Brian A. Persico  
 901 North Stuart Street  
 Suite 500  
 Arlington, VA 22202-1837

Re: Request for Information from Kuwait &amp; Gulf Link Transport Company

Dear Mr. Persico:

Kuwait & Gulf Link Transport Company ("KGL") is pleased to respond to your office's 4 December 2008 letter requesting information regarding KGL's (1) recruitment and employment of Indian nationals and (2) possession of liability insurance under U.S. government contracts. KGL's responses are set forth below.

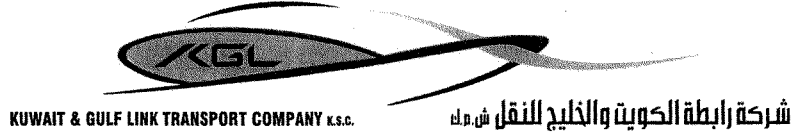
As an initial matter, your letter requests certain information on KGL employment activities "as of December 1, 2008." Please be advised that KGL reorganized its operations in May 2005. As part of that reorganization, KGL spun off its operational activities to other companies beginning in mid-2004 in order to allow each company to efficiently concentrate on one market. KGL today has only about twenty employees, no operations of its own, and completed its last U.S. Government contract in 2005.

The 4 December 2008 letter stated that your office is waiting for the outcome of the ongoing civil case prior to making a recommendation of suspension and debarment to the Army Suspension and Debarment official. Federal District Court for the Northern District of Georgia held an evidentiary hearing on 5 December 2008 regarding KGL's Motion to Vacate the Default Judgment for lack of



رأس المال ٢٦,٤٢٧,٢٠١/٢٤٠ دينار كويتي  
 هاتف: ١٨٨٨٧٠٠٠ - ١٩ - ٢٢٢٤٠٠١٩ - فاكس: ٢٤٨٤٥٩٢٦ - ص.ب. ٢٤٥٦٥ الصفاة - ١٣١٠٦ الكويت  
 Tel.: 1888700 - 22240019 - Fax: 24845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
 www.kglq8.com





jurisdiction.<sup>1</sup> Enclosed is a copy of the transcript from that hearing (Attachment 1). Also enclosed are the Defendant's 2 January 2008 post hearing brief (Attachment 2), which supports that KGL does not have sufficient contacts with the State of Georgia to satisfy Due Process, and a copy of the Plaintiffs' post hearing brief (Attachment 3). We will notify your office when the court issues its decision on this matter.

*Recruitment of Indian Citizens.*

We do not agree that the Government of India has prohibited KGL from recruiting Indian citizens in India. The Government of India did not provide KGL with any notice before or after KGL was placed on a Prior Approval Category ("PAC") list. KGL has obtained advice from an Indian lawyer that the PAC list does not result in a prohibition or blacklisting from recruitment activities in India (Attachment 4). Instead, the PAC list means that a company must obtain prior permission from India's Ministry of Overseas Indian Affairs ("MOA") to recruit in India. KGL is free at anytime to request permission from the MOA to recruit workers in India for employment outside of India, except in countries where the Indian Government prohibits employing its citizens. Because KGL never received notice of the company's name appearing on the PAC list and because of the 2005 reorganization mooted the need for KGL to recruit transportation personnel, KGL has not found it necessary to request permission from the MOA to recruit in India. Nevertheless, KGL is attempting to determine the reason for placing KGL's name on the PAC list and to correct any misinformation.

KGL does not currently employ Indian nationals. Prior to the May 2005 reorganization, one of KGL's core businesses was the transportation of supplies. KGL recruited and employed drivers to transport supplies within Kuwait and to surrounding countries. Each transportation assignment depended on the specific request of the customer. Because of nature of KGL's transportation operations, it did not recruit transportation personnel to work within a specific country.

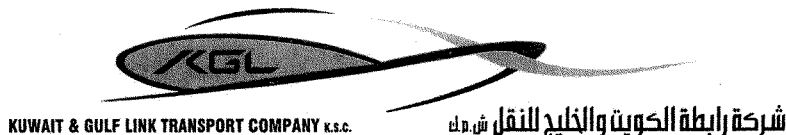
Over the last 40 years, KGL employed approximately 5,080 Indian nationals in a variety of positions. KGL contracted with independent recruiting agents in India. To KGL's knowledge and belief, the recruiting companies hired by KGL were

<sup>1</sup> The legal counsel for the Plaintiffs introduced your office's 4 December 2008 letter at the 5 December 2008 evidentiary hearing. The judge characterized the Plaintiffs' use of the letter at the evidentiary hearing as "scurrilous" and not relevant to the jurisdictional issue.



رأس المال ٢٦,٤٢٧,٢٠١/٢٤٠ دينار كويتي  
 هاتف: ١٨٨٨٧٠٠١٩ - فاكس: ٢٤٨٤٥٩٢٦ - ص.ب. ٢٤٥٦٥ الصفاة - ١٣١٠٦ الكويت  
 Tel: 1888700 - 22240019 - Fax: 24845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
 www.kglq8.com





properly licensed under India law to perform such activities and did so in compliance with all applicable laws. Under KGL's personnel policies (Attachment 5, Section 5.3), such recruiting companies were required to "to provide clear explanation regarding business of the company, related activities, employee contract and remuneration." KGL has never recruited Indian citizens or persons of any other nationality for work specifically in Iraq. Nor has KGL recruited workers under a pretext of working only in Kuwait, but then deploying the workers to Iraq.

Under KGL's recruitment and employment policies, recruits for transportation positions were informed as part of the hiring process that they may be asked to transport goods within Kuwait and to surrounding countries. Those policies also required the company to ensure the employee's willingness and capability to accept the mission (see Attachment 5, Section 5.7). If an employee disagreed to take an assignment, KGL would decide whether to offer another job to match his/her capabilities (see Attachment 5, Section 5.7). Likewise, KGL employees were free to decline to accept a specific assignment, including any assignment involving travel in Iraq. On many occasions, KGL drivers and other personnel declined assignments due to security, safety, health, or other concerns. Moreover, KGL's personnel policies included a mechanism for employees and third parties to file complaints alleging that KGL did not act in compliance with applicable laws and regulations, followed by an investigation by the company (see Attachment 6). KGL did not receive any allegations such as those in your 4 December 2008 letter.

In regard to FAR Part 22.17 and 52.222-50 (Aug. 2007), KGL has not engaged in any trafficking of humans in violation of those provisions. Even if FAR 52.222-50 (Aug. 2007) were included in a KGL contract (the clause became effective after KGL's 2005 reorganization), KGL activities would have fully complied with those FAR provisions because KGL has never engaged in any of the prohibited conduct, including "involuntary servitude" or "coercion" in connection with its hiring or employment practices. KGL is not aware of any allegation that KGL has engaged in any conduct prohibited under those FAR provisions. Therefore, even if FAR 52.222-50 applied to KGL, there was no need to notify the contracting officer.

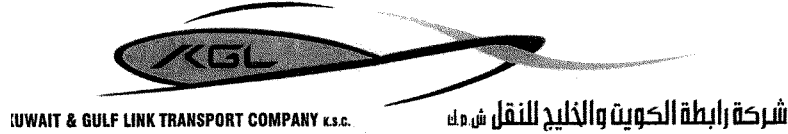
*KGL's Liability Insurance:*

Your office's 4 December 2008 letter stated that an issue has been raised regarding KGL's possession of liability insurance at the time of the death of LTC



رأس المال ٢٦,٤٢٧,٢٠١/٣٤٠ دينار كويتي  
 هاتف: ١٨٨٨٧ - ٢٢٢٤٠٠١٩ - فاكس: ٢٤٨٤٥٩٢٦ - ص.ب. ٢٤٥٦٥ الصفاة ١٣١٠٦ الكويت  
 Tel.: 1888700 - 22240019 - Fax: 24845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
 www.kglq8.com





Baragona" and asked for documentation from KGL's liability insurance provider that KGL obtained such insurance. First, your office may not be aware that the traffic accident that resulted in the tragic death of LTC Baragona involved a KGL truck operating under a transportation contract with the United Nations and not under a U.S. Government contract. Second, KGL interprets your request to provide documentation that it procured the liability insurance coverage in the amounts required by FAR 52.228-8, Liability and Insurance – Leased Motor Vehicles (May 1999), that was included in KGL's U.S. Government contracts for transportation.

Under Kuwaiti law, KGL is not required to keep copies of third party liability insurance policies after three years when no third party claims have been asserted. Therefore, neither KGL nor its insurance carrier has copies of the liability insurance policies that provided the coverage specified in FAR 52.228-9. However, as permitted by your office's 4 December 2008 letter, enclosed is documentation from KGL's insurance carrier, Kuwait Insurance Company, s.a.k., representing that it issued and maintained third party liability insurance on KGL vehicles with coverage in the amounts required under FAR 52.228-9 for the period 2002 through 2005 (Attachment 7). This period includes the starting date identified in your office's letter (i.e., October 1, 2002) and an ending date of 2005 when KGL would have completed its last U.S. Government transportation contract.

KGL hopes this information answers your office's questions. Please be advised that KGL's legal counsel has been informed that the Plaintiffs will continue to pressure the U.S. government to take action against KGL unless the company pays the Plaintiffs an unspecified amount of money in settlement of the civil lawsuit. KGL believes that the Plaintiffs' attempt to use the Government's oversight powers as leverage to extract a civil settlement is improper. Notwithstanding the Plaintiffs' motivations, KGL understands that your office will respond to allegations that raise potential issues of present responsibility. KGL trusts that your office will continue to handle allegations by the Plaintiffs and their legal counsel in a fair and impartial manner.

\* While your office is not the proper forum to litigate a tort action, it is important to note that because of the default judgment, the issue of KGL's negligence has never been reviewed by a court and the Army's internal report on the accident does not conclude that KGL was negligent.

شركة رابطة الكويت والخليج للنقل ش.م.ك.  
KUWAIT & GULF LINK TRANSPORT COMPANY K.S.C.



رأس المال ٢٦,٤٢٧,٢٠١/٢٤٠ دينار كويتي  
هاتف: ١٨٨٥٧٠٠١٩ - فاكس: ٢٢٢٤٠٠١٩ - ص.ب. ٢٤٨٤٥٩٢٦ - الصفاة ١٣١٠٦ الكويت  
Tel.: 1888700 - 22240019 - Fax: 24845926 - P.O. Box: 24565 Safat - 13106 Kuwait  
www.kglq8.com





KUWAIT & GULF LINK TRANSPORT COMPANY K.S.C.

شركة رابطة الكويت والخليج للنقل ش.م.ك.

KGL believes that it performed its U.S. Government contracts with the highest degree of integrity and honesty. Enclosed are certificates of appreciation from its U.S. Government customers attesting to KGL's dedication and commitment to providing quality service (Attachment 8). Please let us know if you have any further questions.

Respectfully submitted,

Yaqouh Abdulah Al Wazzan  
Assistant Managing Director

شركة رابطة الكويت والخليج للنقل  
Kuwait & Gulf Link Transport. Co. K.S.C.



رأس المال ٢٦,٤٢٧,٢٠١/٢٤٠ دينار كويتي  
هاتف: ١٨٨٨٧٠٠ - ٢٢٢٤٠٠١٩ - فاكس: ٢٤٨٤٥٩٢٦ - ص.ب. ٢٤٥٦٥ الصفاة - ١٣١٠٦ الكويت  
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PFB-0221

**SHIV K. SURI**  
ADVOCATE-ON-RECORD  
SUPREME COURT OF INDIA

Suite #202, Arunachal Building  
19, Barakhamba Road  
Connaught Place  
New Delhi-110001  
Phone: +91-11-41571111

Chamber No.30  
Supreme Court of India  
New Delhi-110001  
Cell: +(91) 98103-70732  
Email: surishtv@yahoo.com

To

December 27, 2008

Mr. Yaqoub Al-Wazzan  
Assistant Managing Director  
Kuwait and Gulf Link Transport Company  
Shuwaikh Industrial Area, Block A  
Building No 14-3<sup>rd</sup>  
Shuwaikh,  
Kuwait

Sub: Prior Approval Category

Dear Sir:

You have asked us to review whether Kuwait and Gulf Link Transport Company ("KGL") is prohibited by the Government of India from the recruitment personnel in India. Based on review of the relevant documents and laws, this is to state that Government of India has not prohibited KGL from recruiting its citizens from employment in Kuwait. This is to further state that currently there is no ban by the Indian Government on employing its citizens in Kuwait.

KGL had previously been stopped from recruiting Indian citizens from June 19, 2001 to November 30, 2004, and from March 14, 2006 for work in Iraq because there was a ban by Indian Government on employing its citizens in Iraq and which ban was equally applicable to all foreign employers for recruitment overseas.


It is clarified that inclusion of KGL in Ministry of Overseas Indian Affairs' Prior Approval Category List ("PAC List") only means that KGL is supposed to obtain prior permission from Government of India's, Ministry of Overseas Indian Affairs ("MOA") and KGL is free and at liberty to request permission of MOA for recruiting workers in India for employment overseas except in countries where there is Indian Governments' ban on employing its citizens in that country.

It may further be stated that prior approval by KGL of MOA is also required for emigration clearance from the Protector of Emigrants , Ministry Of Overseas Indian Affairs, for employment overseas which in any case is required by all foreign employers whether included in PAC List or not in regard to workers going overseas for employment purposes.

Please feel free to let us know if there are any additional questions or clarifications.

Thanking You

Yours truly

  
(Shiv K Suri)

Advocate



**SHIV K. SURI**  
**ADVOCATE-ON-RECORD**  
**SUPREME COURT OF INDIA**

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To

December 27, 2008

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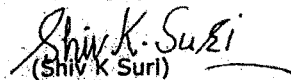
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Thanking You

Yours truly

  
(Shiv K. Suri)

Advocate

PFB-0225

 <p>KUWAIT &amp; GULF LINK TRANSPORT COMPANY S.S.C. شركة الكويت والخليج للنقل والبريد العامة</p>	Rev No: 04 Date: 30/05/2005 Ref. No.: PAD 02
<h3>Human Resources Management Process</h3>	

**1.0. PURPOSE**

- Recruiting manpower locally and overseas of right competence based on their education, training and experience at the right time to meet the business needs of the Company both in the short term and in the long term.
- Providing the induction training and other required training based on the identified training needs to bridge the performance gaps and encourage employees to improve their skills and knowledge, thereby increasing the competency and the expected level of productivity.
- To train drivers in a professional manner achieving a high standard performance and compliance to traffic regulations expected by KGL to save both life and company assets.

**2.0. SCOPE**

- The scope of this process includes local and overseas recruitment, induction, training, agencies, deployment and security of the KGL employees.

**3.0. RESPONSIBILITY**

- Human recourse manager
- Respective functional heads and projects managers
- Other HR Associates
- Training Manager
- Senior Trainer
- Driver Trainer


Note: the task specific responsibilities are specified along the process description.

**4.0. DEFINITIONS AND ABBRIVIATIONS**

- HR: Human resource
- HR Dept.: Human resource department
- KGL: Kuwait & Gulf Link Company
- T Mgr: Training Manager
- ST: Senior Trainer

Reviewed by: HR Manager

Approved By: Chairman & MD

 KUWAIT & GULF LINK TRANSPORT COMPANY S.A.E. شركة الكويت والخليج للنقل والربط	Rev No: 04 Date: 30/05/2005 Ref. No.: PAD 02
<h3>Human Resources Management Process</h3>	

- DT: Driver Trainer
- CTR: Computerized training record

**5.0. PROCESS DESCRIPTION**


**5.1. Employment-Local**

S. N.	Description	Responsibility	Reference documents
1	Receive Manpower Requests from various Departments based on the manpower planning in their respective departments.	Respective Departmental heads & HR Manager	Manpower Request Form
2	After reviewing the manpower request and finalizing the job description for the new/existing role the budget approval is obtained for the proposed/requested manpower	Chairman & MD (for budget approval) HR Manager	Manpower Request Form
3	Advertise the vacancy in the Local / Overseas Market through manpower agencies	HR Manager	Job description Newspaper
4	As a response to the advertisement Collect CVs of potential employees	HR Dept	CVs of the potential employees CV
5	Based on the job description requirements scrutinize CV's for short listing potential employees	HR Dept / Concerned Dept	
6	Inform to the short listed candidate for interview to assess the suitability for the position required	HR Dept / Agents	Emails to candidate
7	Interviewing the candidate in order to assess the his/her competence -- based on education, training and experience- against the criteria specified in the job description.	HR Dept / Concerned dept	
8	Select suitable candidate and offer employment by signing employment contract.	HR Dept	Employment contract.

**5.2. Employment- overseas**

Reviewed by: HR Manager


Approved By: Chairman & MD

 KUWAIT & GULF LINK TRANSPORT COMPANY P.S.C. شركة الكويت والخليج للنقل والبريد الجوي	Rev No: 04 Date: 30/05/2005 Ref. No.: PAD 02
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### Human Resources Management Process

S. N.	Description	Responsibility	Reference documents
1	Receive Manpower Requests from various Departments based on the manpower planning in their respective departments.	Respective departmental head & HR manager.	Manpower Request Form
2	After reviewing the manpower request budget approval is obtained for the proposed/requested manpower	Chairman (for budget approval) HR Dept	Manpower Request Form
3	Contacting the recruitment agencies-ensuring the agency agrees with KGL terms and conditions- with the employment requirements.	HR Dept	List of Approved manpower agencies
4	The required budget is approved for the required business trip and informing the concerned individuals of the travel	Approval from Vice president	Request for business trip/training
5	HR Team & Safety Team will assess the candidates and select the eligible ones.	HR team, Safety team	Overseas assessment pass list
6	Apply for visa for the selected drivers	HR Dept / Agents	Memo for visa request
7	On receipt of visa, handover to the agent and agent will inform the arrival date of the employee.	HR dept/Agent	Emails from Agent
8	HR Representative will arrange for the airport pick up and receive all the relevant documents.	HR Dept	Visa & passport
9	Employment contract is signed between the KGL & the employee.	HR Manager	Employee contract
10	All drivers are provided initial training before allocating them to different project	HR Dept	Safety and training process

Reviewed by: HR Manager Approved By: Chairman & MD

 KUWAIT & QATAR LINK TRANSPORT COMPANY P.S.C. شركة الكويت والقطر للنقل والربط	Rev No: 04 Date: 30/05/2005 Ref. No.: PAD 02
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### Human Resources Management Process

**5.3. Agencies**

S. N.	Description	Responsibility	Reference documents
1	Only authorized / licensed agencies / firms capable to fulfill all company and Governmental requirements either local or overseas shall be used.	HR department	Agency profile
2	Agencies are responsible to provide clear explanation regarding business of the company, related activities, employee contract and remuneration.	HR Dept.	Employee contract

**5.4. Induction**


S. N.	Description	Responsibility	Reference documents
1	HR will initiate the induction process for each new employee from the department that the new employee has joined.	HR department and Dept manager	Induction Form
2	The employee will be given awareness session that will include: <ul style="list-style-type: none"> <li>• The company background and applicable policies.</li> <li>• Job description &amp; responsibilities</li> <li>• Premises tour (e.g. Various Depts., Meeting Room, Wash Room, Canteen etc)</li> <li>• Explanation of company ISO 9001/14001 and OHSAS system</li> </ul>	Concerned department manager and HR Manager	Induction form
3	After delivering the awareness sessions signature of the employee shall be obtained in the induction form.	Concerned department manager	Induction form
4	The duly signed induction form shall be submitted to HR department as a training record of the employee.	Concerned department manager & HR manager	Induction form

**5.5. Training**

S. N.	Description	Responsibility	Reference documents

Reviewed by: HR Manager

Approved By: Chairman & MD

 <p>KUWAIT &amp; GULF LINK TRANSPORT COMPANY S.A.S. شركة الكويت والخليج للخدمات والنقل</p>	Rev No: 04 Date: 30/05/2005 Ref. No.: PAD 02
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### Human Resources Management Process


	Concerned department	Training Request
1	HR Manager	The training request form shall be duly filled by the requesting department and approved by the departmental heads.
2	HR Manager	On receipt of the training request, HR shall check and determine the training budget.
3	HR Dept	Human resource function shall select the appropriate Training Institute/training provider from the approved list of training institutes
4	HR Dept	Human resource function shall arrange for the training with the selected institute and inform the trainee of the dates and venue of the training and if applicable shall arrange for travels etc.
5	Trainee & HR	The trainee shall provide a copy of the certificate of training to HR and HR shall maintain the training records of all employees.
6	Concerned Dept head & HR function	Respective departmental head shall evaluate the effectiveness of the training provided through monitoring/interviewing the performance of trainee after one month and provide the evaluation results to HR

### 5.6 Drivers training

S. N.	Description	Responsibility	Reference documents
<b>Drivers Assessment / Training</b>			
1	KGL Safety & Training Department shall receive notification from KGL Human Resources Department that there is a recruitment mission planned and a Driver Trainer shall be required to conduct the driver's assessments.	Safety & Training Manager (S&T Mgr.)	Electronic Mail
2	The Safety & Training Department shall upon receiving notification, nominate a suitably Qualified Trainer to undertake the Assessment and notify HR of the trainer's details accordingly.	S&T Mgr.	Electronic Mail
3	The assessments shall be conducted by the KGL Safety & Training Department qualified trainer to locate suitably qualified drivers for KGL projects.	S&T Mgr. and /or Senior Trainer	None

Reviewed By: HR Manager

Approved By: Chairman & MD


 <p>KUWAIT &amp; GULF LINK TRANSPORT COMPANY LLC          شركة الكويت والخليج للنقل والبريد</p>	Rev No. 04 Date: 30/05/2005 Ref. No.: PAD 02
<h3>Human Resources Management Process</h3>	

4	The criteria that will determine a Pass / Fail shall be based upon the candidate's ability to maneuver an articulated vehicle in a professional manner showing awareness at all times.	S&T Mgr. and /or ST	None
5	Following the drivers assessment, the nominated trainer shall notify KGL HR of successful applicants. This notification shall be undertaken using the approved Assessment Pass List document and shall be forwarded to KGL HR.	S&T Mgr. and /or ST and /or Admin Asst.	Overseas Assessment Pass List
6	As the accepted candidates shall be sent by KGL HR Department to the Safety & Training Dept.	HR Department	Electronic Mail
7	Having received notification from KGL HR, KGL Safety & Training Department shall plan and schedule the training after which our instruction shall be sent to HR, to send drivers for training.	S&T Mgr. and /or Senior Trainer	Electronic Mail
8	Drivers are interviewed individually by the trainer to enable the training team to get an insight into their previous experience with articulated vehicles.	S&T Mgr. and /or ST and /or Admin Asst.	None
9	From the outset a daily record is kept showing the progress of each driver	Admin.Asst	CTR
10	Drivers shall undertake a one day assessment thus giving the training team a clear picture of the drivers' skills and capabilities of driving an articulated vehicle.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
<b>SITE TRAINING</b>			
11	Drivers undertake 2/3 days site training according to their ability to grasp the basic rudiments of driving an articulated vehicle. This training shall include but not be limited to the following points.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
a.	Development of reversing skills on both right & left hand and straight reversing.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
b.	Awareness of mirror usage, focus and concentration.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
c.	Balance of Steering and Clutch control	S&T Mgr. and /or ST and /or DT	Site notes and CTR
d.	Avoidance of un-necessary usage of brake whilst reversing.	S&T Mgr. and /or ST and /or DT	Site notes and CTR

Reviewed by: HR Manager

Approved By: Chairman & MD





KUWAIT & GULF LINK TRANSPORT COMPANY S.A.S.  
 شركة الكويت والخليج للنقل والبر والبحر

Rev No: 04  
 Date: 30/05/2005  
 Ref. No.: PAD 02


### Human Resources Management Process

e	Delivery of PowerPoint presentations covering: Knowledge of your vehicle, safe driving and load securement	S&T Mgr. and Admin. Asst.	CTR
<b>ROAD TRAINING</b>			
12	Drivers undertake road training for duration of 1 to 2 days according to the drivers' natural abilities. This training shall include but not be limited to the following points.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
a	Convoy discipline and understanding safe following distances (Four Second Rule)	S&T Mgr. and /or ST and /or DT	Site notes and CTR
b	Forward / Rear observation, (Development of 360 degree vision)	S&T Mgr. and /or ST and /or DT	Site notes and CTR
c	Importance of Mirror usage.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
d	Tips on Staying Alert	S&T Mgr. and /or ST and /or DT	Site notes and CTR
e	Developing the drivers judgment skills (PDE) Identify, Predict, Decide and Execute.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
F	Safe overtaking to include, but not be limited to:- changing lane, overtaking, using the correct overtaking sequence. (Mirror, Signal, Maneuver).	S&T Mgr. and /or ST and /or DT	Site notes and CTR
g	Understanding and using the multi-change Gearbox with both Volvo and Mercedes Trucks.	S&T Mgr. and /or ST and /or DT	Site notes and CTR
h	Coupling and De-Coupling	S&T Mgr. and /or ST and /or DT	Site notes and CTR
<b>LOAD SECUREMENT</b>			
13	Drivers are given instruction on safe load securement covering chain usage and the usage of webbing securement straps. This training is delivered by way of practical training and power point presentation.	S&T Mgr. and /or SN and /or DT and Admin. Asst.	CTR
14	Following the completion of the drivers training the Project Manager and HR shall be notified that the driver has completed his training and is therefore released.	Admin. Asst.	Electronic Mail
15	On completion of training all trainees are issued with a Driver's Training Record.	Admin. Asst.	Drivers training record

**5.7. Deployment**

Reviewed by: HR Manager

Approved By: Chairman & MD

 <p style="font-size: small; margin: 0;">KUWAIT &amp; GULF LINK TRANSPORT COMPANY, S.A.K. شركة الكويت والخليج للربط والنقل</p>	Rev No: 04 Date: 30/05/2005 Ref. No.: PAD 02
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### Human Resources Management Process


S. N.	Description	Responsibility	Reference documents
1	While deploying employee's company to ensure employee's willingness, capabilities towards the mission and in line with the Kuwait Labour Law.  In case of employee's disagreement to take the required assignment company shall decide to offer another job to match his/her capabilities. If employee do not accept his/her employment contract will be terminated and employee will be sent back.  In critical illness the company will inform the family. In case of death the company shall inform the respective Embassy of the country and the family. The body will be repatriated to home country.	Dept Head & HR Dept.	Relevant documents
2	If employee does not accept all options he/she is free to follow KGL Compliant procedure no. OP-CO-08.	Employee	OP-CO-08

#### 5.8. Security

S. N.	Description	Responsibility	Reference documents
1	Awareness of safety process as per Kuwait Labour Law shall be provided to the employee.	Safety & training dept	Induction form
2	Safety helmets, shoes, overall's shall be provided to the employee's as applicable.	Safety & training dept	None
3	As per location / situation KGL shall provide suitable security protection and applicable training to the drivers.	HR Dept.	Training record

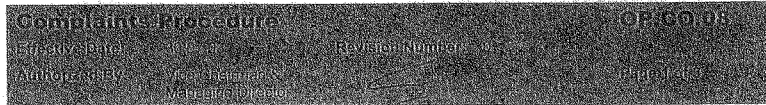
#### 6.0. REFERENCRE DOCUMENTS

Reviewed by: HR Manager
Approved By: Chairman & MD

 KUWAIT & GULF LINK TRANSPORT COMPANY S.S.C. شركة الكويت والخليج للنقل والبريد الجوي	Rev No. 04 Date: 30/05/2005 Ref. No.: PAD 02
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### Human Resources Management Process

S.N.	Title of the documents/record	Manual/System generated	Reference No.	Internal/External
1	Man power request form	Manual	KGL- HR-F/01	Internal
2	Job description	Manual	KGL- HR-F/02	Internal
3	List of approved manpower agencies	Manual	KGL- HR-F/03	Internal
4	Request for business trip/training	Manual	KGL- HR-F/04	Internal
5	Visa/work permit request	Manual	KGL- HR-F/05	Internal
6	Salary receipt form	Manual	KGL- HR-F/06	Internal
7	Induction form	Manual	KGL- HR-F/07	Internal
8	Approved training institute list	Manual	KGL- HR-F/08	Internal
9	Training effectiveness evaluation form	Manual	KGL- HR-F/09	Internal
10	Overseas assessment pass list	Manual	KGL- HR-F/10	Internal
11	Overseas Assessment Pass List	Manual	KGL-S&T-F-01	Internal
12	Computerized training record	System generated		Internal
13	Drivers training record daily	Manual	KGL-S&T-F-02	Internal
14	Drivers training record bi-weekly	Manual	KGL-S&T-F-03	Internal



### 1.0 POLICY

It is the policy of KGL to consider all complaints as a positive input in to on-going improvement of the quality management system ("QMS").

It is also the policy of KGL to handle all complaints professionally and provide documentary evidence that any complaints have been both adequately addressed and that suitable preventive action has been implemented to prevent recurrence.

### 2.0 SCOPE

- External Complaints - from customers, suppliers, other parties.
- Internal Complaints - from personnel within the company.
- Complaints received in any form - face to face, by phone, letter, fax, email...All KGL Departments/Divisions and activities.

### 3.0 TECHNICAL REFERENCES

None.

### 4.0 ABBREVIATIONS/TERMS

COMPLAINT - Any critical comment with regard to the products (goods or services) supplied by the company, or with respect to its processes, or with respect to its personnel, their actions or behavior.

### 5.0 ACTIONS & METHODS

#### 5.1 All Staff are Responsible

All company personnel are responsible for ensuring that any complaint received by them is handled in accordance with this procedure.

#### 5.2 On Receiving a Complaint

Any member of staff receiving a complaint shall make a careful note of the details of the person making the complaint. The individual should be informed that KGL has a clear procedure for handling complaints that MUST be followed.

The contact details shall be immediately passed to personnel with responsibility/authority to deal with complaints and raise a *Complaint Form* (QF.CO.17) OR the person receiving the complaint should raise the *Complaint Form* themselves.

#### 5.3 Recording Complaint Details

Information regarding the complaint shall be recorded in as much detail as possible on the *Complaint Form* (QF.CO.17). These details must include:

- Full name, title, company and contact details of the person making the complaint.
- Details regarding the nature/type of complaint including as much relevant data as possible ie. Dates, times, equipment, events, names, places, reference numbers as appropriate.
- What action the person making the complaint would expect KGL to carry out in order to re-establish that person's satisfaction with the company.



UNDER NO CIRCUMSTANCES SHOULD A MEMBER OF STAFF PROMISE OR STATE THAT ANY PARTICULAR ACTIONS WILL BE UNDERTAKEN OTHER THAN THAT THIS PROCEDURE SHALL BE FOLLOWED.

#### 5.4 Reporting

As soon as is practical, and based on the nature of the complaint, the relevant manager and the MR should be informed depending on the nature of the complaint.

This advice can be passed by any practical means in the first instance, although the *Complaint Form* (QF.CO.17) should follow as soon as possible.

It is the responsibility of the MR to track all complaints using the *Complaint Register* (QF.CO.18) and so he should be informed as soon as is practical.

#### 5.5 Written Complaints

Written complaints to be directed to the MR or a relevant manager, depending upon the nature of the complaint, for follow up.

#### 5.6 Confirm

Where practical the Department/Division Manager will contact the person who made the complaint and establish, or confirm the details of the complaint. He/she will also advise as to the procedural actions that will follow i.e. investigation & corrective/preventive action.

#### 5.7 Documentation

Any relevant documentation should be attached to the complaint form. If necessary a file may be started.

#### 5.8 Investigation

The MR and/or Department/Division Manager, depending on the nature of complaint, is responsible for:

- substantiating the grounds of the complaint.
- investigating the cause.
- deciding on appropriate corrective action.
- discussing and agreeing suitable preventive action with relevant staff.
- advising the person making the complaint, in writing if possible, of the action to be taken.

#### 5.9 Closing Actions

In case of external complaints a statement such as the example below should be included in the letter to the person making the complaint:

*"We trust these steps will re-establish your confidence in the quality products/services provided by KGL. To minimise any further inconvenience to you, this matter will be filed as closed unless you advise us otherwise within 15 working days."*

If no further contact is received with respect to the complaint, the *Complaint Form* to be dated and signed as 'closed' and to be sent to the MR to update the *Complaint Register* accordingly.





شركة الكويت والخليج للنقل  
 KUWAIT & GULF LINK TRANSPORT CO. K.S.C.C

**Complaint Form**

Origin of Complaint	
	Form #: <input style="width: 50px;" type="text"/> Date: <input style="width: 50px;" type="text"/>
Staff Member Reporting: _____	
Received From:	
Name _____	Telephone _____
Company _____	Fax _____
Complaint Details	
Nature of Complaint	
Requested Action	
Investigation Results	
Responsible for Follow-up (Relevant Manager or MR):	
Corrective and Preventative Action Plan	
Corrective Measures	
Preventive Measures	
Status Tracking	
Investigation _____ C&P completion _____ Letter to Customer _____	Letter Received: _____ Date _____ Initials (Authorised) _____
QF.CO.17	Rev.: 0
	Date: 30/07/03





**Kuwait Insurance Co. s.a.k.**

Authorised and Paid up Capital KD. 19,404 MMon

C.R. No. 7645



شركة الكويت للتأمين ش.م.ك

الراسمات الاسمي والمدفوع 19.404 مليون دينار كويتي

رقم السجل التجاري ٧٦٤٥

17<sup>th</sup> December, 2008**TO WHOM IT MAY CONCERN**

Kuwait Insurance Company declared that the period from 2002 through 2005, that it issued and provided Motor Third Party Liability Insurance for "Kuwait & Gulf Link Transport Co. (KGL) " and collected the due premiums, with coverage in amounts meeting those specified in Federal Acquisition Regulation Clause 52.228-8, Liability and Insurance – Leased motor vehicles (May 1999) as per Kuwait Insurance Company's Motor Third Party policies' terms, conditions & liabilities according to Kuwaiti laws.

Regards,

Kuwait Insurance Company S.A.K



**Contracts to KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)  
(FY 2000-2009)**

Search Criteria Used [\(More\)](#)

Federal Fiscal Year:  GO

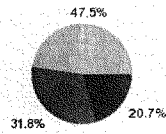
Level of Detail:  GO

Output:  GO

**Summary**

Total dollars: \$44,046,692  
 Total number of contractors: 1  
 Total number of transactions: 95  
[Get list of contractors](#)  
[Get list of transactions](#)

**Extent of Competition** ?



Available for everyone for competition	\$20,915,448
Everyone could compete, but only one bid or offer was received	\$14,026,387
Competition within a limited pool	\$0
Actions necessary to continue existing competitive contracts for continuity (until the next one could be competed)	\$0
Available only for groups such as disabled persons, prisoners, and regulated utilities	\$0
Not competed for an allowable reason	\$9,104,857
Not identified, soon to be addressed	\$0

**Top 5 Known Congressional Districts where Work is Performed** ?

Invalid district: \$0

**Top 5 Products or Services Sold**

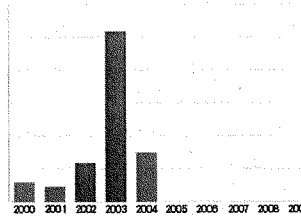
Logistics Support Services	\$29,035,706
Word Processing/Typing Services	\$9,705,438
Trucks and Truck Tractors, Wheeled	\$4,110,953
Right-of-Way Construction and Maintenance Equipment, Railroad	\$331,100
Miscellaneous Vehicular Components	\$241,071

**Top 5 Contracting Agencies Purchasing from Contractor(s)**

ARMY, Department of the (except Corps of Engineers Civil Program Financing)	\$44,046,692
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KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C) \$44,046,692

**Trend**



2000	\$2,868,575
2001	\$2,098,908
2002	\$5,848,923
2003	\$25,881,789
2004	\$7,295,354
2005	\$53,143
2006	\$0
2007	\$0
2008	\$0
2009 1Q * ?	\$0

\*END OF REPORT\*

This search was done on February 4, 2009.

Search Criteria Used

Federal Fiscal Year:  GO

Assigned Parent Company ID: 190288

Sort By: No sort (summary only)

The contracts database is compiled from the FPDS-NG system. For timeliness details, please see the [Data Quality](#) tab.

Note: The numbers in this table can change after each data load. Transactions included in a data load can impact numbers for the current and previous fiscal years.

The data housed on [USASpending.gov](#) is provided by Federal agencies. Please refer to the [Data Quality](#) site for information about the current status of data quality. [USASpending.gov](#) is continuously developing ways to measure and improve the quality of the data on the site.

Level of Detail  GO  
Output  GO

Federal Contracts to KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C), FY 2000-2009, list... Page 1 of 9

**Contracts to KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)  
(FY 2000-2009)**

Search Criteria Used [\(More\)](#)  
 Federal Fiscal Year:  GO  
 Level of Detail:  GO  
 Output:  GO

**List of Individual Transactions for FY 2005**

You can click on the column headers below to re-sort the search.

Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$38,571	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Lease or rental of equipment	2005-08-15		
\$11,286	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Plumbing, heating, and waste disposal equipment	2005-07-16	17-0100	
\$3,286	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Plumbing, heating, and waste disposal equipment	2005-07-18	17-0100	

Total transactions for fiscal year 2005: 3

Total funding (within this search) for the year: **\$53,143**

Competition summary for entire search for fiscal year 2005:



Available for everyone for competition	\$38,571
Everyone could compete, but only one bid or offer was received	\$0
Competition within a limited pool	\$0
Actions necessary to continue existing competitive contracts for continuity (until the next one could be competed)	\$0
Available only for groups such as disabled persons, prisoners, and regulated utilities	\$0
Not competed for an allowable reason	\$14,572
Not identified, soon to be addressed	\$0

**List of Individual Transactions for FY 2004**

You can click on the column headers below to re-sort the search.

Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$3,817,371	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-11-14		
\$1,909,642	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-11-12		
\$1,035,348	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-10-25		

\$241,071	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Vehicular equipment components	2003-11-25		
\$156,837	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-11-03		
\$44,800	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2003-12-07		
\$38,571	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Lease or rental of equipment	2003-12-28		
\$38,571	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Lease or rental of equipment	2004-07-13		
\$13,143	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Utilities and housekeeping services	2004-04-01	17-0100	
\$0	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-11-03		
\$0	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Lease or rental of equipment	2003-10-20	17-0735	Family Housing Operation and Maintenance, Navy and Marine Corps
\$0	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-12-08	57-3400	Operation and Maintenance, Air Force

Total transactions for fiscal year 2004: 12

Total funding (within this search) for the year: \$7,295,354

Competition summary for entire search for fiscal year 2004:



Available for everyone for competition	\$285,871
Everyone could compete, but only one bid or offer was received	\$6,919,198
Competition within a limited pool	\$0
Actions necessary to continue existing competitive contracts for continuity (until the next one could be competed)	\$0
Available only for groups such as disabled persons, prisoners, and regulated utilities	\$0
Not competed for an allowable reason	\$90,285
Not identified, soon to be addressed	\$0

List of Individual Transactions for FY 2003

You can click on the column headers below to re-sort the search.

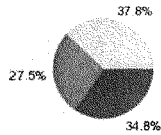
Federal Contracts to KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C), FY 2000-2009, list... Page 3 of 9

Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$9,000,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-02-18	17-0100	
\$3,817,371	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-05-14	17-0100	
\$2,430,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-12-15	21-2035	Other Procurement, Army
\$2,430,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-12-15	21-2035	Other Procurement, Army
\$2,413,793	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-02-01	21-2035	Other Procurement, Army
\$1,909,642	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-05-12	17-0100	
\$1,035,348	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-01-25	17-0100	
\$800,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-01-15	21-2035	Other Procurement, Army
\$486,379	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-05-14	21-2020	Operation and Maintenance, Army
\$344,828	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-03-08	17-0100	
\$231,666	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-01-15	21-2040	Research, Development, Test, and Evaluation, Army
\$230,833	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-01-15	21-2040	Research, Development, Test, and Evaluation, Army
\$251,667	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-01-15	17-1106	Operation and Maintenance, Marine Corps
\$200,634	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-12-12	21-2035	Other Procurement, Army
\$60,345	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2003-03-06	21-2040	Research, Development, Test, and Evaluation, Army
\$44,800	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2002-12-07		
\$37,242	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Lease or rental of equipment	2003-02-11		
\$37,241	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Lease or rental of equipment	2003-05-25		
\$0	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Lease or rental of equipment	2003-04-20	17-0735	Family Housing Operation and Maintenance, Navy and Marine Corps
\$0	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-12-08	57-3400	Operation and Maintenance, Air Force

Total transactions for fiscal year 2003: 20

Total funding (within this search) for the year: \$25,881,789

Competition summary for entire search for fiscal year 2003:



Available for everyone for competition	\$9,774,600
Everyone could compete, but only one bid or offer was received	\$7,107,189
Competition within a limited pool	\$0
Actions necessary to continue existing competitive contracts for continuity (until the next one could be competed)	\$0
Available only for groups such as disabled persons, prisoners, and regulated utilities	\$0
Not competed for an allowable reason	\$9,000,000
Not identified, soon to be addressed	\$0

List of Individual Transactions for FY 2002

You can click on the column headers below to re-sort the search.

Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$1,818,334	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-05-30	21-2035	Other Procurement, Army
\$694,667	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-01-31	21-2035	Other Procurement, Army
\$500,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-09-10	21-2035	Other Procurement, Army
\$500,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-01-01	17-1106	Operation and Maintenance, Marine Corps
\$499,333	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-07-24	17-1106	Operation and Maintenance, Marine Corps
\$414,234	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-11-17	21-2035	Other Procurement, Army
\$348,867	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-05-30	21-2040	Research, Development, Test, and Evaluation, Army
\$247,583	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-09-09	21-2040	Research, Development, Test, and Evaluation, Army
\$144,878	KUWAIT & GULF LINK TRANSPORT COMPANY KSC	Dept. of	Professional, admin, and	2001-	97-0400	Research, Development, Test,

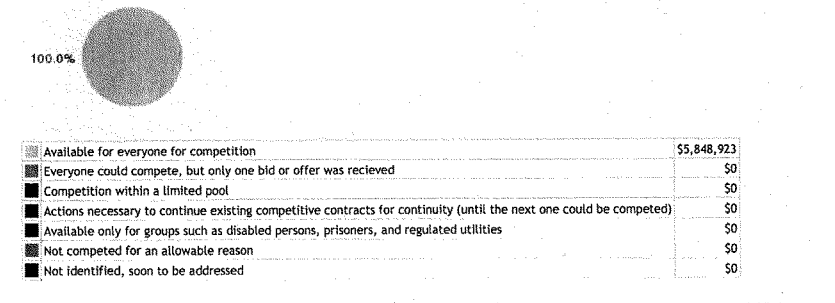
Federal Contracts to KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C), FY 2000-2009, list... Page 5 of 9

(C)		Defense	management support services	12-01		and Evaluation, Defense-wide
\$136,017	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-12-26	21-2040	Research, Development, Test, and Evaluation, Army
\$128,500	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-11-01	57-3400	Operation and Maintenance, Air Force
\$75,909	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-10-01	17-1319	Research, Development, Test, and Evaluation, Navy
\$60,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-09-09	21-2035	Other Procurement, Army
\$59,208	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-10-01	57-3400	Operation and Maintenance, Air Force
\$54,434	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-12-01	97-0400	Research, Development, Test, and Evaluation, Defense-wide
\$50,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-10-01	21-2020	Operation and Maintenance, Army
\$48,634	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-12-26	21-2035	Other Procurement, Army
\$38,325	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-11-01	17-1205	Military Construction, Navy and Marine Corps
\$30,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2002-05-30	97-0100	Operation and Maintenance, Defense-wide

Total transactions for fiscal year 2002: 19

Total funding (within this search) for the year: **\$5,848,923**

Competition summary for entire search for fiscal year 2002:





## List of Individual Transactions for FY 2001

You can click on the column headers below to re-sort the search.

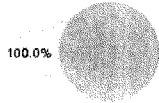
Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$254,400	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-07-31	97-3875	
\$235,467	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-02-28	21-0725	Family Housing Operation and Maintenance, Army
\$235,467	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-02-06	97-0100	Operation and Maintenance, Defense-wide
\$235,467	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-12-30	97-8242	
\$235,467	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-11-28	57-3400	Operation and Maintenance, Air Force
\$235,467	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-04-22	97-0100	Operation and Maintenance, Defense-wide
\$210,517	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Professional, admin, and management support services	2001-09-20	17-1810	Other Procurement, Navy
\$183,167	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-07-03	57-3400	Operation and Maintenance, Air Force
\$160,134	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-10-09	97-0400	Research, Development, Test, and Evaluation, Defense-wide
\$117,733	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Transportation, travel and relocation services	2001-06-09	97-0130	Defense Health Program
\$34,350	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Transportation, travel and relocation services	2001-09-20	57-3400	Operation and Maintenance, Air Force
\$30,034	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-03-25	57-3400	Operation and Maintenance, Air Force
\$1,200	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-11-01	17-1319	Research, Development, Test, and Evaluation, Navy
\$-69,962	KUWAIT & GULF LINK TRANSPORT COMPANY KSC (C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2001-06-17	97-0130	Defense Health Program

\*\* Note: negative numbers represent deallocations.

Total transactions for fiscal year 2001: 14

Total funding (within this search) for the year: \$2,098,908

Competition summary for entire search for fiscal year 2001:



Available for everyone for competition	\$2,098,908
Everyone could compete, but only one bid or offer was received	\$0
Competition within a limited pool	\$0
Actions necessary to continue existing competitive contracts for continuity (until the next one could be competed)	\$0
Available only for groups such as disabled persons, prisoners, and regulated utilities	\$0
Not competed for an allowable reason	\$0
Not identified, soon to be addressed	\$0

List of Individual Transactions for FY 2000

You can click on the column headers below to re-sort the search.

Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$281,666	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-01-02		
\$247,500	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-08-28		
\$245,333	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-02-05		
\$240,559	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	1999-11-30		
\$233,500	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-04-23		
\$233,500	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Railway equipment	2000-06-27		
\$233,500	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-07-31		
\$231,167	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-03-11		
\$116,750	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-06-02		
\$93,832	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	1999-11-30		
\$85,971	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-07-31		
\$72,764	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-06-15		
\$65,334	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Lease or rental of equipment	2000-08-09		
\$64,254	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Transportation, travel and relocation services	1999-12-19		
\$60,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-06-03		
\$60,000	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Railway equipment	2000-04-30		

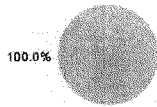
553.508	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-03-11	
553.509	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-02-05	
553.333	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-01-02	
548.275	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	1999-12-06	
537.600	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Railway equipment	2000-06-27	
533.242	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Transportation, travel and relocation services	1999-12-29	
532.162	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-08-28	
530.152	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	1999-11-21	
529.917	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-07-31	
534.076	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-07-31	
534.669	KUWAIT & GULF LINK TRANSPORT COMPANY KSC(C)	Dept. of Defense	Motor vehicles, trailers, and cycles	2000-07-31	

\*\* Note: negative numbers represent deallocations.

Total transactions for fiscal year 2000: 27

Total funding (within this search) for the year: \$2,868,575

Competition summary for entire search for fiscal year 2000:



Available for everyone for competition	\$2,868,575
Everyone could compete, but only one bid or offer was received	\$0
Competition within a limited pool	\$0
Actions necessary to continue existing competitive contracts for continuity (until the next one could be competed)	\$0
Available only for groups such as disabled persons, prisoners, and regulated utilities	\$0
Not competed for an allowable reason	\$0
Not identified, soon to be addressed	\$0

\*END OF REPORT\*

This search was done on February 4, 2009.

Search Criteria Used

Federal Fiscal Year  GO

Assigned Parent Company ID 190288

The contracts database is compiled from the FPDS-NG system. For timeliness details, please see the [Data Quality](#) tab.

Note: The numbers in this table can change after each data load. Transactions included in a data load can impact numbers for the current and previous fiscal years.

Sort By	Dollar Amount of Transaction
Number of records	Only the first 500 for each year
Level of Detail	High (list of transactions) <input type="button" value="GO"/>
Output	HTML <input type="button" value="GO"/>

The data housed on [USASpending.gov](#) is provided by Federal agencies. Please refer to the [Data Quality](#) site for information about the current status of data quality. [USASpending.gov](#) is continuously developing ways to measure and improve the quality of the data on the site.

**Multi Year Search via CIN & FY.**  
 Search CIN for MULTI Year Data : '423093103', & Search Multi FY Parns

FY	Agency Name	Dept	Purch Office Code	Purchase Office Name	Cin	Contractor Name	Contract Number	State, Country Name	City Name	State, Country Code (FIPS)	City Code (BSA)	Count Code
1	1997	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
2	1997	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
3	1997	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
4	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
5	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
6	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
7	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
8	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
9	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
10	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
11	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
12	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
13	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
14	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
15	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
16	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL
17	1998	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	CU	000000	NULL

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18	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
19	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
20	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
21	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
22	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
23	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
24	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
25	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
26	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
27	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
28	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
29	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
30	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
31	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
32	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
33	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
34	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL
35	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000	NULL

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36	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
37	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
38	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
39	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
40	1999	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
41	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
42	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
43	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
44	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
45	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
46	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
47	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
48	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
49	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
50	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
51	2000	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL
52	2000	Army	1	SA02	U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT	NULL	KU	000000	NULL

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53	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
54	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
55	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
56	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
57	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
58	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
59	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
60	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
61	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
62	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
63	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
64	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
65	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
66	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
67	2000	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
68	2001	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
69	2001	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
70	2001	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
71	2001	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL
72	2001	Army	1	SA02	Cmd - Kuwait U.S. Army Central	423093103	KUWAIT AND GULF LINK TRANSPORT	DASAO297D0001	KUWAIT NULL KU	00000	NULL

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73	2001	Army	1	SA02	Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
74	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
75	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
76	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
77	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
78	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
79	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
80	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
81	2001	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
82	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
83	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
84	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
85	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
86	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
87	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
88	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
89	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
90	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
91	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
92	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000
93	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	00000

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94	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
95	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
96	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
97	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
98	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
99	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
100	2002	Army	1	SA02	U.S. Army Central Cmd - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
101	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL	KU	000000
102	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL	KU	000000
103	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0008	KUWAIT NULL	KU	000000
104	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL	KU	000000
105	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL	KU	000000
106	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL	KU	000000
107	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0023	KUWAIT NULL	KU	000000
108	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0041	KUWAIT NULL	KU	000000
109	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
110	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603P0645	KUWAIT NULL	KU	000000
111	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
112	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000
113	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DASA0297D0001	KUWAIT NULL	KU	000000

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114	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DAS0297D0001	KUWAIT NULL KU	00000
115	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DAS0297D0001	KUWAIT NULL KU	00000
116	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DAS0297D0001	KUWAIT NULL KU	00000
117	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DAS0297D0001	KUWAIT NULL KU	00000
118	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DAS0297D0001	KUWAIT NULL KU	00000
119	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603P0237	KUWAIT NULL KU	00000
120	2003	Army	1	BM06	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DAS0297D0001	KUWAIT NULL KU	00000
121	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	W912D104P0187	KUWAIT NULL KU	00000
122	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL KU	00000
123	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0023	KUWAIT NULL KU	00000
124	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0023	KUWAIT NULL KU	00000
125	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0041	KUWAIT NULL KU	00000
126	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL KU	00000
127	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	W912D104C0004	KUWAIT NULL KU	00000
128	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0008	KUWAIT NULL KU	00000
129	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	W912D104P0187	KUWAIT NULL KU	00000
130	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL KU	00000
131	2004	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603D0003	KUWAIT NULL KU	00000

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132	2005	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603P0645	KUWAIT	NULL	KU	00000
133	2005	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0023	KUWAIT	NULL	KU	00000
134	2005	Army	1	W912D1	USA Central Command - Kuwait	423093103	KUWAIT AND GULF LINK TRANSPORT	DABM0603A0023	KUWAIT	NULL	KU	00000

1-DD350QUERY\_NAME\_LINK\_MULTI Contractor CIN Lookup VIA Name and State

**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'KUWAIT & GULF LINK HOLDING'; State : 'KW'

CIN	Contractor Name	Street Address	City Name	State	ZIP	ZIP4	Status
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I-DD350QUERY\_NAME\_LINK\_MULTI Multi Year via Name & FY

Multi Year Search via Name & FY.

Search on FY(s) : '2000, 1994, 1995, 1996, 1997, 1998, 1999, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008'. LikeName : 'kuwait & gulf link holding co.' for MULTI Year Data,

FY	Agency Name	Dept	Purch Office Code	Purchase Office Name	Cin	Contractor Name	Contract Number	State Country Name	City Name	State Country Code (B5E)	City Code (BSA)	County Code	Fed Sup Code

I-DD350QUERY\_NAME\_LINK\_MULTI Multi Year via Name & FY

**Multi Year Search via Name & FY.**

Search on FY(s) : 2000, 1994, 1995, 1996, 1997, 1998, 1999, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008', L.IkeName : '%Kuwait & gulf link transport%', for MULTI Year Data,

FY	Agency/Dept Name	Purch Office Code	Purchase Office Name	Cin	Contractor Name	Contract Number	State Country Name	City Name	State Country Code (B5E)	City Code (B5A)	County Code	Fed Sup Code D

1-DD350QUERY\_NAME\_LINK\_MULTI Multi Year via Name & FY

Multi Year Search via Name & FY.

Search on FY(s) : 2000, 1994, 1995, 1996, 1997, 1998, 1999, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 , LikeName : %Kuwait and Gulf Link Logistics% for MULTI Year Data.

FY	Agency Name	Dept Name	Purch Office Code	Purchase Office Name	Cin	Contractor Name	Contract Number	State, Country Name	City, Country Name	State, Country Code (B5B)	City, Country Code (B5A)	Fed Sup Code D



1-DD350QUERY\_NAME\_LINK\_MULTI Multi Year via Name & FY

**Multi Year Search via Name & FY.**

Search on FY(s) : 2000, 1994, 1995, 1996, 1997, 1998, 1999, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 , LikeName : %Kuwait and Gulf Link technical%  
for MULTI Year Data.

FY	Agency/Dept Name	Purch Office Code	Purchase Office Name	Cin	Contractor Name	Contract Number	State Country Name	City Name	State Country Code (B5B)	City Code (B5A)	County Code	Fed Sup Code

**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'Kuwait United Development%', State : 'IQ, KW, SA, JO'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'kgl car rental%', State : 'IQ, KW, SA, JO'

CIN	Contractor Name	Street Address	City Name	St
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'United International Trading%', State : 'IQ, KW, SA, JO'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : '%sl passenger transport services%', State : 'IQ, KW, SA, JO'

CIN	Contractor Name	Street Address	City Name	St
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'Kuwait Asphalt%', State : 'IQ, KW, SA, JO'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'KGL LOGISTICS KSCC', State : 'IR, KW'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'KGL Shipping KSCC', State : 'IR, KW'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'KGL ports International KSCC', State : 'IR, KW'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**  
Search on Contractors Name : 'KGL Transportation KSCC', State : 'IR, KW'

CIN	Contractor Name	Street Address	City Name	State
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'Gulf Africa Holding ', State : 'IR, KW'

CIN	Contractor Name	Street Address	City Name	St
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**Contractor Name Lookup via String Search on Name.**

Search on Contractors Name : 'International Motors Co, W.G.L.', State : 'IR, KW'

CIN	Contractor Name	Street Address	City Name	State
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**DEPARTMENT OF THE ARMY**  
**UNITED STATES ARMY LEGAL SERVICES AGENCY**  
**901 NORTH STUART STREET**  
**ARLINGTON VA 22202-1837**

February 6, 2009

REPLY TO  
ATTENTION OF

Contract and Fiscal Law Division  
Procurement Fraud Branch

**VIA INTERNATIONAL  
EXPRESS MAIL**

SUBJECT: Request for Information – December 4, 2008

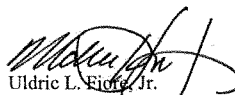
Mr. Yaqoub Abdulah Al Wazzan  
Assistant Managing Director  
Kuwait and Gulf Link Transport Company  
Shuwaikh Industrial Area, Block A  
Building No. 14-3rd  
Shuwaikh, Kuwait  
Tel: 011-965-888-700

Dear Mr. Al Wazzan:

I have reviewed the information provided in your January 5, 2009, letter sent to the Army Procurement Fraud Branch (PFB) in response to a Request for Information, dated December 4, 2008. Based upon that response, and my review of the information available to me in the administrative record, I do not intend to initiate a suspension or debarment proceeding against Kuwait and Gulf Link Transport Company (KGL) at this time. PFB will continue to monitor the progress of this case in the future and may request additional information from KGL and/or request that I revisit this determination should additional information come to the Army's attention regarding KGL's present responsibility as a Government contractor.

Should you have any questions, you may contact Mr. Brian A. Persico, Attorney, PFB, at (703) 696-1545. A copy of this letter was provided to Mr. Richard J. Bednar, Esq., Crowell & Moring LLP, KGL's local counsel in this matter.

Sincerely,



Uldric L. Fife, Jr.  
Army Suspension and Debarment Official



**DEPARTMENT OF THE ARMY**  
 UNITED STATES ARMY LEGAL SERVICES AGENCY  
 901 NORTH STUART STREET  
 ARLINGTON VA 22202-1837

REPLY TO  
 ATTENTION OF

December 15, 2006

Contract and Fiscal Law Division  
 Procurement Fraud Branch

**VIA INTERNATIONAL  
 EXPRESS MAIL**

SUBJECT: Intent Not to Recommend Suspension or Debarment

Ahmed Afifi  
 Director, Legal Affairs  
 Kuwait and Gulf Link Transport Company  
 Shuwaikh Industrial Area, Block A  
 Building No. 14-3rd  
 Shuwaikh, Kuwait  
 Tel: 011-965-888-700

Dear Mr. Afifi:

We have reviewed the information provided to this office in response to our letter dated September 22, 2006. Based upon that response and a review of the information available to us, this office does not intend to recommend suspension or debarment proceedings against Kuwait and Gulf Link Transport Company ("KGL"). This decision is based on the fact that the initial attempts to serve KGL with documents regarding a civil matter in the Federal District Court for the Northern District of Georgia were not accomplished in accordance with the procedures for service of process consistent with Kuwait's exercise of reservations to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. These documents were later properly served on KGL via the Kuwaiti Ministry of Justice on 11 July 2006 in a manner consistent with these reservations. Additional delays in service of these documents can be attributed to an improper translation of KGL's corporate name in the service of process documents.

We will continue to monitor the progress of this case in the future and may revisit this determination should additional information come to our attention regarding KGL's present responsibility as a Government contractor. Should you have any questions, you may contact Brian A. Persico, Attorney, Army Procurement Fraud Branch at (703) 696-1545.

Sincerely,

SAMUEL J. ROB  
 Colonel, U.S. Army  
 Chief, Contract and Fiscal Law Division

Copy Furnished:  
 Richard J. Bednar, Esq., Crowell & Moring LLP