

August 16, 2005

Science Application International Corporation
Attn: General Counsel's Office
10260 Campus Point Drive
San Diego, CA 92121

Dear General Counsel of SAIC:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database (www.pogo.org/db/index.cfm), a compilation of information from public resources regarding government contractors, including SAIC. I have enclosed the findings relevant to SAIC and am requesting verification or refutation of the data from you.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to SAIC, please be assured that any response received by POGO will be posted on the website along with the data.

Changes to the database include: the addition of more current instances, removal of Superfund cleanup costs, and removal of information that could not be verified with official documents. Additionally, pending cases will still be included, but this information will be kept separate from the resolved cases and will not be included in any totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Kevin L. Phelps
Project Director

Enclosure

Instances of Misconduct

1.

Case Name- United States ex rel. Woodlee v. Science Applications International Corp.

Date- 4/28/2005

Amount- \$2.5 million

Synopsis- "Federal contractor Science Applications International Corp. has agreed to settle a lawsuit alleging the company defrauded the Air Force by padding its bills on \$24 million in contracts." "After the former manager, Michael D. Woodlee, filed the suit as a whistle-blower under the federal False Claims Act, the government decided to join the case as a plaintiff in 2004." However, "Under the agreement, SAIC will pay the government \$2.5 million but will not acknowledge any wrongdoing."

Disposition- Settlement

Court Type- Civil

Misconduct- Government Contract Fraud

Contracting Party- Government Defense

Documents-

US DOJ press release

http://www.usdoj.gov/opa/pr/2005/April/05_civ_224.htm

2.

Case Name- N/A

Date- 2/16/1998

Amount- \$1,124,850

Synopsis- According to a GAO report cited by Senator Harkin and Representative DeFazio, SAIC paid \$1,124,850 to settle allegations of a "Cost/Labor Mischarge."

Disposition- Settlement

Court Type- Civil

Misconduct- Labor

Contracting Party- N/A

Documents-

Harkin/Defazio Press Release

3.

Case Name- United States ex rel Thornton v. SAIC

Date- 5/10/1995

Amount- \$125,000

Synopsis-

SAIC was among three government contractors which paid “the United States a total of \$230,000 to settle allegations [of False Claims Act violations] in which they allegedly failed to properly test electrical cables installed at a U.S. Treasury facility under construction in Fort Worth, Texas, that prints money...

The United States alleged that subcontractors falsified the testing of certain power cables during the construction of the Western Currency Production Facility in Fort Worth. The improperly tested cables were ultimately replaced.

SAIC was the prime contractor on the project. AlliedSignal, through its Bendix Field Engineering Corporation subsidiary, was retained to install certain hardware and AlliedSignal, in turn, awarded a subcontract to Lloyd Electric's predecessor, J.V. Clark Electric Co. Inc., to install electrical wiring and cables at the facility.” SAIC’s share of the settlement was \$125,000.

Disposition- settlement

Court Type- Civil

Misconduct- Government Contract Fraud

Contracting Party- Defense

Documents-

Department of Justice Press Release #265

http://www.usdoj.gov/opa/pr/Pre_96/May95/265.txt.html

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