



U.S. Department of Justice

Criminal Division

Fraud Section

Washington, D.C. 20005

June 8, 2020

David F. Taylor, Esq.
Perkins Coie LLP
1201 3rd Avenue #4900
Seattle, WA 98101

Re: Alutiiq International Solutions, LLC Criminal Investigation

Dear Mr. Taylor:

The United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section"), and Alutiiq International Solutions, LLC ("AIS"), pursuant to authority granted by AIS's Member Representative, enter into this Non-Prosecution Agreement ("Agreement"). As indicated below, AIS's ultimate parent, Afognak Native Corporation ("Afognak"), pursuant to authority granted by Afognak's Board of Directors, also agrees to certain terms and obligations of this Agreement as described below.

1. The Fraud Section enters into this Agreement based on the individual facts and circumstances presented by this case, AIS, and Afognak, including:

(a) AIS did not receive voluntary disclosure credit because it did not voluntarily and timely disclose to the Fraud Section the conduct described in the Statement of Facts attached hereto as Attachment A ("Statement of Facts"). AIS and Afognak were not aware of the conduct until AIS was made aware of the Fraud Section's investigation;

(b) AIS received full credit for its cooperation with the Fraud Section's investigation, including collecting, analyzing, and organizing voluminous evidence and information for the Fraud Section. AIS fully and completely cooperated with the investigation from the moment it became aware of the conduct. AIS promptly provided relevant documents and promptly responded to other requests the Fraud Section made for information. This included, but was not limited to, making a corporate employee available for a witness interview on just a few hours' notice, which allowed the Fraud Section to obtain important information that was time sensitive for the Fraud Section's investigation;

(c) AIS provided to the Fraud Section all relevant facts known to it, including information about the individuals involved in the conduct described in the attached Statement of Facts and conduct disclosed to the Fraud Section prior to the Agreement;

(d) Upon learning about the conduct set forth in the attached Statement of Facts (Attachment A) and the Fraud Section's investigation in the first half of 2017, AIS and Afognak engaged in extensive remedial measures, including enhancing their compliance program and internal controls designed to detect and deter fraudulent and corrupt conduct through, among other things:

(i) revising their policies and procedures to complete the separation of the contract procurement and contract execution functions. These revisions expanded the role of the previously formed Contracts and Procurement Group (the "C&P Group") and clearly defined the C&P Group's areas of responsibility, which included being charged with all procurement activities, including all aspects of the procurement lifecycle to include solicitation of proposed vendors and subcontractors, negotiations on price, source selection, and issuance of award;

(ii) moving the C&P Group to Alutiiq Professional Consulting, LLC, a wholly-owned subsidiary of Afognak that is focused specifically on government contracting. The C&P Group conducts regular audits of a sampling of all procurement files and also reviews all procurements over the Truthful Cost or Pricing Data threshold. The C&P Group is subject to review by the Board's Audit Committee, which conducts annual risk assessments of all risks related to government contracting;

(iii) introducing additional management controls for prime contracts, subcontracts, and government projects that includes requiring higher levels of management to approve contract awards and budget changes pursuant to a Signature Authority Matrix that is periodically reviewed;

(iv) requiring additional trainings specific to the Anti-Kickback Act, including training quizzes, Ethics Minutes publications, and additions to the annual Code of Conduct training;

(v) tracking, through its Ethics and Compliance Case Management System, all reports received through the third-party Hotline and the ethics@alutiiq.com and compliance@alutiiq.com listservs; and

(vi) AIS and Afognak no longer employ or are affiliated with any of the individuals who committed the conduct described in the Statement of Facts;

(e) AIS and Afognak have enhanced and have committed to continuing to enhance their compliance program and internal controls, including ensuring that their compliance program satisfies the minimum elements set forth in Attachment B to this Agreement (Corporate Compliance Program);

(f) Based on AIS and Afognak's remediation and the state of their compliance program, and their agreement to report to the Fraud Section as set forth in Attachment C to this Agreement (Reporting Requirements), the Fraud Section determined that an independent compliance monitor was unnecessary;

(g) Afognak is an Alaska Native Corporation organized and operated in accordance with the Alaska Native Claims Settlement Act, 43 U.S.C. §§ 1601 et seq. (“the Act”). Afognak directly or indirectly owns businesses that engage in the business of federal government contracting. Those businesses are the primary source of Afognak’s revenues. Afognak is owned by approximately 1,200 shareholders, virtually all of whom are Alaska Natives who are residents of, or descendants of residents of, two Alaska Native villages that are severely economically disadvantaged, qualifying as a distressed community with average earnings of less than \$15,000 per person per year as of 2017. Afognak uses the entire amount of its net income for the benefit of its shareholders, including by paying dividends and by funding programs to assist the shareholders and their communities. These programs include elder benefits, bereavement assistance, education assistance, and a program to preserve the traditional Alutiiq language, of which there are only approximately 30 remaining first language speakers;

(h) The nature and seriousness of the offense conduct, including the adverse impact on procurement integrity in government contracting;

(i) AIS has no prior criminal history; and

(j) AIS and Afognak (on behalf of itself and through its subsidiaries and affiliates) have agreed to continue to cooperate with the Fraud Section as set forth in Paragraph 5, below.

2. AIS admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as set forth in the attached Statement of Facts, and that the facts described therein are true and accurate. AIS also admits, accepts, and acknowledges that the facts described in the attached Statement of Facts constitute a violation of law, specifically major fraud against the United States, in violation of Title 18, United States Code, Section 1031.

3. AIS and Afognak expressly agree that they shall not, through present or future attorneys, officers, directors, employees, agents, or any other person authorized to speak for AIS or Afognak make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by AIS set forth above or in the facts described in the Statement of Facts. AIS and Afognak agree that if they, or any of their subsidiaries or affiliates, issue a press release or hold any press conference in connection with this Agreement, AIS and Afognak shall first consult the Fraud Section to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters relating to this Agreement; and (b) whether the Fraud Section has any objection to the release.

4. AIS and Afognak’s obligations under this Agreement shall have a term of three (3) years from the date on which the Agreement is executed (the “Term”). AIS and Afognak agree, however, that, in the event the Fraud Section determines, in its sole discretion, that AIS or Afognak has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of their obligations under this Agreement, an extension or extensions of the Term may be imposed by the Fraud Section, in its sole discretion, for up to a total additional time period of one year, without prejudice to the Fraud Section’s right to proceed as provided in the breach

provisions of this Agreement below. Any extension of the Agreement extends to all terms of this Agreement, including the terms of the reporting requirement in Attachment C, for an equivalent period. Conversely, in the event the Fraud Section finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Attachment C, and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early.

5. AIS and Afognak shall cooperate fully with the Fraud Section in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and other conduct under investigation by the Fraud Section at any time during the Term, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded, or the conclusion of the term. At the request of the Fraud Section, AIS and Afognak shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies in any investigation of AIS, Afognak, their subsidiaries or affiliates, or any of their present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and the Statement of Facts and other conduct under investigation by the Fraud Section at any time during the Term. AIS's and Afognak's cooperation pursuant to this Paragraph is subject to applicable law and regulations, as well as valid claims of attorney-client privilege or attorney work product doctrine; however, AIS and Afognak must provide to the Fraud Section a log of any information or cooperation that is not provided based on an assertion of law, regulation, or privilege, and AIS and Afognak bear the burden of establishing the validity of any such an assertion. AIS and Afognak agree that their cooperation shall include, but not be limited to, the following:

(a) AIS and Afognak shall truthfully disclose all factual information with respect to their activities, those of their subsidiaries and affiliates, and those of their present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, about which AIS and Afognak have any knowledge or about which the Fraud Section may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of AIS and Afognak to provide to the Fraud Section, upon request, any document, record, or other tangible evidence about which the Fraud Section may inquire of AIS and Afognak.

(b) Upon request of the Fraud Section, AIS and Afognak shall designate knowledgeable employees, agents, or attorneys to provide to the Fraud Section the information and materials described above on behalf of AIS and Afognak. It is further understood that AIS and Afognak must at all times provide complete, truthful, and accurate information.

(c) AIS and Afognak shall use their best efforts to make available for interviews or testimony, as requested by the Fraud Section, present or former officers, directors, employees, agents, and consultants of AIS and Afognak. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of AIS and Afognak, may have material information regarding the matters under investigation.

(d) With respect to any information, testimony, documents, records, or other tangible evidence provided to the Fraud Section pursuant to this Agreement, AIS and Afognak consent to any and all disclosures to other governmental authorities, including United States authorities and those of a foreign government, of such materials as the Fraud Section, in its sole discretion, shall deem appropriate.

(e) In addition, during the Term, should AIS or Afognak learn of any evidence or allegation of a violation of U.S. fraud, anti-corruption, procurement integrity, or anti-kickback laws, AIS or Afognak shall promptly report such evidence or allegation to the Fraud Section. On the date that the Term expires, Afognak, by the Chief Executive Officer of Afognak and the Chief Financial Officer of Afognak, will certify to the Fraud Section that AIS and Afognak have met their disclosure obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by AIS and Afognak to the executive branch of the United States for purposes of 18 U.S.C. §§ 1001 and 1519.

6. AIS and Afognak represent that they have implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of U.S. fraud, anti-corruption, procurement integrity, and anti-kickback laws throughout their operations, including with respect to their subsidiaries, affiliates, agents, and joint ventures (to the extent that AIS or Afognak manages or controls such joint ventures), and those of their contractors and subcontractors including, but not limited to, the minimum elements set forth in Attachment B (Corporate Compliance Program). In addition, AIS and Afognak agree that they will report to the Fraud Section annually during the Term regarding remediation and implementation of the compliance measures described in Attachment B. These reports will be prepared in accordance with Attachment C (Reporting Requirements).

7. In order to address any deficiencies in their internal controls, policies, and procedures, AIS and Afognak represent that they have undertaken, and will continue to undertake in the future, in a manner consistent with all of their obligations under this Agreement, a review of their existing internal controls, policies, and procedures regarding compliance with U.S. fraud, anti-corruption, procurement integrity, and anti-kickback laws. Where necessary and appropriate, AIS and Afognak agree to modify their existing compliance program in order to ensure that they maintain a rigorous compliance program that incorporates relevant internal controls, as well as policies and procedures, designed to effectively detect and deter violations of U.S. fraud, anti-corruption, procurement integrity, and anti-kickback laws. The compliance program, will include, but not be limited to, the minimum elements set forth in Attachment B.

8. AIS agrees to pay \$1,259,444, which represents the loss to the victim, the General Services Administration, as described in the Statement of Facts (“the Victim Compensation Payment Amount”), to the United States no later than ten (10) business days after the Agreement is fully executed pursuant to payment instructions provided by the Fraud Section in its sole discretion. AIS acknowledges that no tax deduction may be sought in connection with the payment of any part of this Victim Compensation Payment Amount. AIS shall not seek or accept directly or indirectly reimbursement or indemnification from any source other than Afognak with regard to the Victim Compensation Payment Amount that it pays pursuant to this Agreement.

9. AIS shall pay the Victim Compensation Payment Amount to the General Services Administration as required under this Agreement. The Fraud Section agrees that this disposition is appropriate given the facts and circumstances of this case, including the relevant considerations outlined in Paragraph 1, above. Nothing in this Agreement, however, shall be deemed an agreement by the Fraud Section that the Victim Compensation Payment Amount is the maximum penalty that may be imposed in any future prosecution, and the Fraud Section is not precluded from arguing in any future prosecution that the Court should impose any type of monetary penalty, including a criminal fine, disgorgement or civil or criminal forfeiture, and the amount of such monetary penalty.

10. The Fraud Section agrees, except as provided herein, that it will not bring any criminal case (except for criminal tax violations, as to which the Fraud Section does not make any agreement) against AIS, Afognak, or any of their present or former subsidiaries or affiliates relating to any of the conduct described in the attached Statement of Facts. To the extent there is conduct disclosed by AIS or Afognak that does not relate to any of the conduct described in the Statement of Facts, such conduct will not be exempt from prosecution and is not within the scope of or relevant to this Agreement. The Fraud Section, however, may use any information related to the conduct described in the Statement of Facts against AIS: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by AIS, Afognak, or any of their present or former subsidiaries or affiliates. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with AIS, Afognak, or any of their present or former subsidiaries or affiliates.

11. If, during the Term: (a) AIS commits any felony under U.S. federal law; (b) AIS or Afognak provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with their disclosure of information about individual culpability; (c) AIS or Afognak fails to cooperate as set forth in this Agreement; (d) AIS or Afognak fails to implement and maintain a compliance program as set forth in this Agreement and Attachment B; or (e) AIS or Afognak otherwise fails to completely perform or fulfill each of their obligations under the Agreement, regardless of whether the Fraud Section becomes aware of such a breach after the Term is complete, AIS and Afognak, and their subsidiaries and affiliates, shall thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section has knowledge, including, but not limited to, the conduct described in the attached Statement of Facts, which may be pursued by the Fraud Section in the U.S. District Court for the District of Columbia or any other appropriate venue. Determination of whether AIS or Afognak has breached the Agreement and whether to pursue prosecution of AIS shall be in the Fraud Section's sole discretion. Any such prosecution may be premised on information provided by AIS, Afognak or their personnel. Any such prosecution relating to the conduct described in the Statement of Facts or relating to conduct known to the Fraud Section prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against AIS, Afognak, or their subsidiaries or affiliates, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year.

Thus, by signing this Agreement, AIS and Afognak agree that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, AIS and Afognak agree that the statute of limitations as to any violation of U.S. fraud, anti-corruption, procurement integrity, or anti-kickback laws that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Fraud Section is made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

12. In the event the Fraud Section determines that AIS or Afognak has breached this Agreement, the Fraud Section agrees to provide AIS and Afognak with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty days of receipt of such notice, AIS and Afognak shall have the opportunity to respond to the Fraud Section in writing to explain the nature and circumstances of such breach, as well as the actions AIS and Afognak have taken to address and remediate the situation, which explanation the Fraud Section shall consider in determining whether to pursue prosecution of AIS, Afognak, or their subsidiaries or affiliates.

13. In the event that the Fraud Section determines that AIS or Afognak has breached this Agreement: (a) all statements made by or on behalf of AIS, Afognak, or their subsidiaries or affiliates to the Fraud Section or to the Court, including the attached Statement of Facts, and any testimony given by AIS, Afognak, or their subsidiaries or affiliates before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section against AIS, Afognak, or their subsidiaries or affiliates; and (b) AIS, Afognak, or their subsidiaries and affiliates shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of AIS, Afognak, or their subsidiaries or affiliates prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, AIS, Afognak, or their subsidiaries or affiliates will be imputed to AIS or Afognak for the purpose of determining whether AIS or Afognak has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section.

14. Except as may otherwise be agreed by the parties in connection with a particular transaction, AIS and Afognak agree that in the event that, during the Term, they undertake any change in corporate form, including if they sell, merge, or transfer business operations that are material to AIS's or Afognak's consolidated operations, as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, they shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Fraud Section's ability to breach under this Agreement is applicable in full force to that entity. AIS and Afognak agree that the failure to include these provisions in the transaction will make any such transaction null and void. AIS and Afognak shall provide notice to the Fraud

Section at least thirty (30) days prior to undertaking any such sale, merger, transfer, or other change in corporate form. If the Fraud Section notifies AIS and Afognak prior to such transaction (or series of transactions) that it has determined that the transaction(s) have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined in the sole discretion of the Fraud Section, AIS and Afognak agree that such transaction(s) shall not be consummated. In addition, if at any time during the Term AIS or Afognak engages in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Fraud Section may deem it a breach of this Agreement pursuant to the breach provisions of this Agreement. Nothing herein shall restrict AIS or Afognak from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Fraud Section.

15. This Agreement is binding on AIS, Afognak, and the Fraud Section but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities, although the Fraud Section will bring the cooperation of AIS and Afognak and their compliance with their other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by AIS and Afognak.


16. It is further understood that AIS, Afognak, and the Fraud Section may disclose this Agreement to the public.

17. This Agreement sets forth all the terms of the agreement between AIS, Afognak, and the Fraud Section. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, the attorneys for AIS and Afognak, and duly authorized representatives of AIS and Afognak.

Sincerely,

ROBERT A. ZINK
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: 6/8/2020

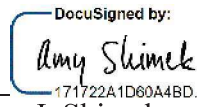
BY: 
Vasanth Sridharan
Trial Attorney

AGREED AND CONSENTED TO:

Date: 6/8/2020

BY: 
Amy J. Shimek
Chief Legal Officer & General Counsel
Afognak Native Corporation
For: Alutiiq International Solutions, LLC

Date: 6/8/2020

BY: 
Amy J. Shimek
Chief Legal Officer & General Counsel
Afognak Native Corporation
For: Afognak Native Corporation

Date: _____

BY: _____
PERKINS COIE LLP
By: David F. Taylor
Counsel for Alutiiq International Solutions, LLC
and Afognak Native Corporation

17. This Agreement sets forth all the terms of the agreement between AIS, Afognak, and the Fraud Section. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, the attorneys for AIS and Afognak, and duly authorized representatives of AIS and Afognak.

Sincerely,

ROBERT A. ZINK
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: _____

BY: _____
Vasanth Sridharan
Trial Attorney

AGREED AND CONSENTED TO:

Date: _____

BY: _____
Amy J. Shimek
Chief Legal Officer & General Counsel
Afognak Native Corporation
For: Alutiiq International Solutions, LLC

Date: _____

BY: _____
Amy J. Shimek
Chief Legal Officer & General Counsel

Afognak Native Corporation
For: Afognak Native Corporation

Date: June 8, 2020

BY:  _____
PERKINS COIE LLP
By: David F. Taylor
Counsel for Alutiiq International Solutions, LLC
and Afognak Native Corporation

ATTACHMENT A

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement between the United States Department of Justice, Criminal Division, Fraud Section (the “Fraud Section”) and Alutiiq International Solutions, LLC (“AIS”). AIS hereby agrees and stipulates that the following information is true and accurate. AIS admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Had this matter proceeded to trial, AIS acknowledges that the United States would have proven beyond a reasonable doubt, by admissible evidence, the facts alleged below:

AIS. Related Entities, and Individuals

1. AIS is a wholly owned subsidiary of a holding company, which itself is a wholly owned subsidiary of Afognak Native Corporation (“Afognak”), which is an Alaska Native Corporation (“ANC”) within the meaning of the Alaska Native Claims Settlement Act, 43 U.S.C. §§ 1601 et seq. (the “Act”). Pursuant to the Act and other legislation, Congress has authorized ANCs and their subsidiaries to participate in the Small Business Administration’s (“SBA”) 8(a) Business Development Program (the “8(a) Program”) and other small business contracting programs. Afognak is owned by approximately 1,200 shareholders, virtually all of whom are Alaska Natives who are residents or descendants of residents of two Alaska Native villages. Afognak generated approximately 99 percent of its revenue from government contracts performed by the holding company’s subsidiaries in 2018.

2. In 2009, Elmer Baker became a project manager for AIS and was appointed the General Manager of AIS in 2016. He managed the Perimeter Hardening Contract. During all relevant times, Baker acted in the scope of his employment at AIS, and to benefit AIS.

3. John Przybyla operated and managed Capital Contracting, Inc., an Ellicott City, Maryland-based construction company (“Capital Contracting”).

The Perimeter Hardening Contract

4. On or about December 23, 2008, AIS was awarded a contract, GS-11P-08-MK-C-0062 (“Perimeter Hardening Contract”), worth approximately \$12,395,075, to modernize the Harry S. Truman Federal Building, a Department of State facility located at 2201 C Street, Northwest, Washington D.C. 20520 (“State Department Facility”). The contract was managed by the General Services Administration (“GSA”), an agency of the United States Government, and was for providing labor, materials, equipment, and supervision to complete the demolition, abatement, and construction services at the State Department Facility. Over the life of the contract, AIS and GSA modified it approximately 33 times, which increased the total value of the contract to approximately \$20,057,055. Part of the project involved hardening concrete columns in the facility.

5. AIS awarded a subcontract to Capital Contracting on or about March 17, 2009 for the performance of a portion of the construction under the prime contract, and ultimately utilized Capital Contracting as a subcontractor for hardening parking garage columns pursuant to approximately five modifications of the Perimeter Hardening Contract.

6. Under relevant federal regulations, the prime contractor and subcontractor are required to furnish complete, accurate, and current pricing data with respect to any change order or modification of the contract where the value of the modification would exceed \$750,000. In the context of the Perimeter Hardening Contract, accurate pricing data meant that AIS had to provide the GSA, which administered the Perimeter Hardening Contract, the actual cost estimates furnished to the prime contractor by the subcontractor. For each applicable modification, AIS would then have to certify that it had complied with the terms and conditions of the contract for each applicable

modification in order to receive payment from the GSA.

Przybyla Pays Kickbacks to Baker

7. In or around June 2010, and after AIS awarded the initial subcontract to Capital Contracting, Przybyla began providing meals, golf sessions, vacations, and other things of value to Baker in order to receive contract modifications from Baker and AIS.

8. Beginning in or around 2015, Baker began demanding cash kickbacks from Przybyla in exchange for Capital Contracting receiving continued contract modifications. Baker demanded that Przybyla pay him 10 percent of the value of the expected modifications.

9. Over the life of the contract, Przybyla paid Baker approximately \$309,000 in kickbacks.

Baker Illegally Inflates Capital Contracting Estimates

10. When additional work was needed on the State Department Facility, Baker would obtain a cost worksheet from Przybyla and Capital Contracting, listing the costs that Przybyla intended to incur performing the needed work on the State Department Facility, in order to submit a proposed contract modification to the GSA.

11. Instead of passing those proposed costs onto the GSA and taking the allowed 10 percent for overhead and profit that would accrue to AIS under the contract, Baker inflated several of the costs that Przybyla passed along to him, ensuring that additional money would flow back to AIS.

12. Across five contract modifications, Baker billed and caused the GSA to pay \$690,644 in inflated costs. This included the 10 percent line item for overhead and profit, as well as a two-percent line item for insurance. Baker falsely certified on behalf of AIS that the company complied with the terms and conditions of the contract when he submitted requests for payment for the

applicable contract modifications. Such certifications were material, and capable of influencing GSA's contracting decisions.

Baker Illegally Bills GSA for Superintendent

13. The Perimeter Hardening Contract allowed AIS to bill the GSA for a project manager—Baker—as well as a superintendent. At the beginning of the contract, AIS had a superintendent onsite, but by 2010 he had left the project. From that point on, Baker was the only AIS employee on site for virtually all of the remainder of the project.

14. However, Baker continued to bill the GSA for both a project manager and a superintendent, even though no superintendent was provided on the project.

15. Baker also billed the GSA for rough carpentry and miscellaneous cleanup to be performed by AIS employees. No AIS employee performed such rough carpentry or miscellaneous cleanup from approximately 2010 onward.

16. Despite having no on-site superintendent from 2010 onward and despite having no AIS employees on site performing rough carpentry or miscellaneous cleanup, Baker billed and caused the GSA to pay \$568,800 for the superintendent position and for the rough carpentry and/or miscellaneous cleanup. This amount included a 20 percent charge that AIS was allowed to bill for overhead and profit. Baker falsely certified on behalf of AIS that the company complied with the terms and conditions of the contract when he submitted requests for payment for the applicable contract modifications. Such certifications were material, and capable of influencing GSA's contracting decisions.

17. As a result of the scheme, the United States Government suffered a pecuniary loss in the amount of \$1,259,444.

ATTACHMENT B

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in their internal controls, compliance code, policies, and procedures for ensuring compliance with U.S. fraud, anti-corruption, procurement integrity, and anti-kickback laws (collectively, the “Relevant Laws”), Alutiiq International Solutions, LLC (“AIS”) and AIS’s ultimate parent company, Afognak Native Corporation (“Afognak”) (collectively, “the Companies”), agree to continue to conduct, in a manner consistent with all of their obligations under this Agreement, appropriate reviews of their existing internal controls, policies, and procedures.

Where necessary and appropriate, the Companies agree to adopt new, or to modify their existing compliance programs, including internal controls, compliance policies, and procedures in order to ensure that they maintain an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts, as well as policies and procedures designed to effectively detect and deter violations of the Relevant Laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Companies’ existing internal controls, compliance code, policies, and procedures:

Commitment to Compliance

1. The Companies will ensure that their directors and senior management provide strong, explicit, and visible support and commitment to their corporate policy against violations of the Relevant Laws and their compliance codes, and demonstrate rigorous adherence by example. The Companies will also ensure that middle management, in turn, reinforce those standards and

encourage employees to abide by them. The Companies will create and foster a culture of ethics and compliance with the law in their day-to-day operations at all levels of the company.

Policies and Procedures

2. The Companies will develop and promulgate a clearly articulated and visible corporate policy against violations of the Relevant Laws, which policy shall be memorialized in a written compliance code or codes.

3. The Companies will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the Relevant Laws and the Companies' compliance code, and the Companies will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the Relevant Laws by personnel at all levels of the Companies. These policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Companies. The Companies shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

- a. gifts;
- b. hospitality, entertainment, and expenses;
- c. customer travel;
- d. political contributions;
- e. charitable donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

4. The Companies will ensure that they have a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system shall be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Periodic Risk-Based Review

5. The Companies will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Companies.

6. The Companies shall review their compliance policies and procedures related to the Relevant Laws no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

7. The Companies will assign responsibility to one or more senior corporate executives of the Companies for the implementation and oversight of the Companies' compliance code, policies, and procedures relating to violations of the Relevant Laws. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, the Companies' Board of Directors or equivalent bodies, or any appropriate committee of the Board of Directors, and shall have an adequate level of stature and autonomy from management, as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

8. The Companies will implement mechanisms designed to ensure that their compliance code, policies, and procedures related to the violation of the Relevant Laws are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance) and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements. The Companies will conduct training in a manner tailored to the audience's size, sophistication, or subject matter expertise and, where appropriate, will discuss prior compliance incidents.

9. The Companies will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and

appropriate, agents and business partners, on complying with the Companies' compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Companies operates.

Internal Reporting and Investigation

10. The Companies will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the Relevant Laws or the Companies' compliance code, policies, and procedures.

11. The Companies will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the Relevant Laws or the Companies' compliance code, policies, and procedures. The Companies will handle the investigations of such complaints in an effective manner, including routing the complaints to proper personnel, conducting timely and thorough investigations, and following up with appropriate discipline where necessary.

Enforcement and Discipline

12. The Companies will implement mechanisms designed to effectively enforce their compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Companies will institute appropriate disciplinary procedures to address, among other things, violations of the Relevant Laws and the Companies' compliance code, policies, and procedures by the Companies' directors, officers, and employees. Such procedures should be applied consistently, fairly and in a manner commensurate with the violation, regardless

of the position held by, or perceived importance of, the director, officer, or employee. The Companies shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall compliance program is effective.

Third-Party Relationships

14. The Companies will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of the Companies' commitment to abiding by the Relevant laws, and of the Companies' compliance code, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners. The Companies will understand and record the business rationale for using a third party in a transaction, and will conduct adequate due diligence with respect to the risks posed by a third-party partner. The Companies will ensure that contract terms with third parties specifically describe the services to be performed, that the third party is actually performing the described work, and that their compensation is commensurate with the work being provided in that industry and geographical

region. The Companies will engage in ongoing monitoring of third-party relationships through updated due diligence, training, audits, and/or annual compliance certifications by the third party.

15. Where necessary and appropriate, the Companies will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the Relevant laws, which may, depending upon the circumstances, include: (a) representations and undertakings relating to compliance with the Relevant Laws; (b) rights to conduct audits of the books, records, and accounts of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the Relevant Laws, the Companies' compliance code, policies, or procedures, or the representations and undertakings related to such matters.

Mergers and Acquisitions

16. The Companies will develop and implement policies and procedures for mergers and acquisitions requiring that the Companies conduct appropriate risk-based due diligence on potential new business entities, including appropriate due diligence by legal, accounting, and compliance personnel.

17. The Companies will ensure that the Companies' compliance code, policies, and procedures regarding the Relevant Laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Companies and will promptly train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the Relevant Laws and the Companies' compliance code, policies, and procedures regarding the Relevant Laws.

Monitoring, Testing, and Remediation

18. In order to ensure that their compliance program does not become stale, the Companies will conduct periodic reviews and testing of their compliance codes, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of the Relevant Laws and the Companies' codes, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards. The Companies will ensure that compliance and control personnel have sufficient direct or indirect access to relevant sources of data to allow for timely and effective monitoring and/or testing of transactions. Based on such review and testing and their analysis of any prior misconduct, the Companies will conduct a thoughtful root cause analysis and timely and appropriately remediate to address the root causes.

ATTACHMENT C
REPORTING REQUIREMENTS

Alutiiq International Solutions, LLC (“AIS”) and AIS’s ultimate parent, Afognak Native Corporation (“Afognak”), agree that they will report to the Fraud Section periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation, where necessary and appropriate, of the compliance program and internal controls, policies, and procedures described in Attachment C. During this three-year period, AIS and Afognak shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two (2) follow-up reviews and reports, as described below:

1. By no later than one year from the date this Agreement is executed, AIS and Afognak shall submit to the Fraud Section a written report setting forth a complete description of their remediation efforts to date, their proposals reasonably designed to improve AIS and Afognak’s internal controls, policies, and procedures for ensuring compliance with the U.S. fraud, anti-corruption, procurement integrity, and anti-kickback laws (collectively, the “Relevant Laws”), and the proposed scope of the subsequent reviews. The report shall be transmitted to “Deputy Chief, Securities and Financial Fraud Unit, United States Department of Justice, Criminal Division, Fraud Section, 1400 New York Avenue, NW, Washington, DC 20530.” AIS and Afognak may extend the time period for issuance of the report with prior written approval of the Fraud Section.

2. AIS and Afognak shall undertake at least two follow-up reviews and reports, incorporating the Fraud Section’s views on AIS and Afognak’s prior reviews and reports, to further monitor and assess whether their policies and procedures are reasonably designed to detect and prevent violations of the Relevant Laws.

3. The first follow-up review and report shall be completed by no later than one year after the initial report is submitted to the Fraud Section. The second follow-up review and report shall be completed and delivered to the Fraud Section no later than thirty days before the end of the Term.

4. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Fraud Section determines in its sole discretion that disclosure would be in furtherance of the Fraud Section's discharge of its duties and responsibilities or is otherwise required by law.

5. AIS and Afognak may extend the time period for submission of any of the follow-up reports with prior written approval of the Fraud Section.