

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of Justice and the Social Security Administration's Office of Disability Adjudication and Review (collectively the "United States"), the States of Delaware and New Jersey; Para-Plus Translations, Inc., Sonia Santiago and Robert Santiago, III (collectively "Defendants" or "Para-Plus"), and Relator Kimberly Martin (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Para-Plus Translations, Inc. is a New Jersey corporation that contracts with federal and state agencies for interpretation, transcription and translation services in more than 100 languages. Its clients include the United States Department of Justice, the Social Security Administration's Office of Disability Adjudication and Review, and various state governmental agencies in Delaware and New Jersey. Robert Santiago, III is an owner of Para-Plus and its Chief Operations Officer. Sonia Santiago is an owner, founder and past Chief Executive of Para-Plus. All of the Defendants operate and do business within the Eastern District of Pennsylvania and the States of Delaware and New Jersey.

B. On June 26, 2014, Relator filed a *qui tam* action in the United States District Court for the Eastern District of Pennsylvania captioned *United States ex rel. Kimberly Martin v. Para-Plus Translations, Inc. and Robert Santiago, III*, Civil Action No. 14-3952, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b). On September 23, 2014, the Relator amended her Complaint to include the States of New

Jersey, Delaware, and New York as plaintiffs (the “Civil Action”), pursuant to analogous provisions under those States’ respective false claims acts. Subsequently, after the United States Attorney’s Office for the Eastern District of Pennsylvania recused itself from handling the case, the Civil Action was transferred to the United States Attorney’s Office for the Western District of Pennsylvania. The Civil Action alleges that Defendants caused false claims to be submitted to the United States, Delaware, New Jersey and New York through a scheme to systematically overcharge government clients for travel time and mileage not actually incurred by Para-Plus’s interpreters. The United States, Delaware and New Jersey intend to intervene in the Civil Action for purposes of settlement.

C. The United States contends that it has certain civil claims against Defendants arising from Defendants’ submission of claims to various federal agencies, including the United States Department of Justice and the Social Security Administration’s Office of Disability Adjudication and Review, from January 1, 2008 through December 31, 2015, which were false because the claims sought reimbursement for mileage and travel time not actually incurred by the interpreters provided to the agencies by Para-Plus.

D. Delaware and New Jersey contend that they have certain civil claims against Defendants arising from Defendants’ submission of claims to various Delaware and New Jersey State agencies, from January 1, 2008 through December 31, 2015, which were false because the claims sought reimbursement for mileage and travel time not actually incurred by the interpreters provided to the agencies by Para-Plus. The conduct described in Paragraphs C and D is referred to below as the Covered Conduct.

E. This Settlement Agreement is neither an admission of liability by Defendants nor a concession by the United States, Delaware or New Jersey that their claims are not well founded.

F. Relator claims entitlement under 31 U.S.C. § 3730(d), and analogous provisions under Delaware's and New Jersey's respective false claims acts, to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Defendants shall pay to the United States, Delaware and New Jersey collectively \$1,500,000 (One Million Five Hundred Thousand Dollars) ("Settlement Amount") and interest on the Settlement Amount at a rate of 3.5% per annum from the Effective Date of this agreement through the date of the final payment. The Settlement Amount shall be paid as follows:

a. Within ten (10) business days from the Effective Date of this Agreement, Defendants shall pay the United States the initial payment in the amount of \$ 879,000.00 (Eight Hundred and Seventy-Nine Thousand Dollars). Over the course of five years, Defendants will then pay the remaining \$621,000.00 (Six Hundred and Twenty-One Thousand Dollars), plus interest at 3.5% per annum, in quarterly payments of \$32,000.00 (Thirty-Two Thousand Dollars). These quarterly payments shall be due, respectively, no later than December 31st, March 31st, June 30th and September 30th of each relevant year.

Defendants are jointly and severally liable for payment of the Settlement Amount and applicable interest.

b. Delaware will receive \$100,000 (One Hundred Thousand Dollars) of the Settlement Amount, plus applicable interest. New Jersey will receive \$400,000 (Four Hundred Thousand Dollars) of the Settlement Amount, plus applicable interest. Upon receipt of each payment from Defendants, the United States will timely distribute to Delaware and New Jersey, respectively, Delaware's and New Jersey's pro rata share of each payment based upon their agreed upon portions of the Settlement Amount.

2. Conditioned upon the United States receiving the Settlement Amount payments, the United States, Delaware and New Jersey agree that they collectively shall pay to Relator, pursuant to 31 U.S.C. § 3730(d) and analogous provisions under Delaware and New Jersey's respective false claims acts, 22% percent of each such payment received under the Settlement Agreement (the "Relator's Share"). Such payments shall be made pursuant to electronic funds transfer as soon as feasible after the United States' receipt of each payment from Defendants. Relator expressly understands and agrees that the United States, Delaware and New Jersey are only liable to the Relator for a share of funds actually received or collected by the United States that are being used to satisfy Defendants' obligations under this settlement agreement.

3. Within ten (10) business days from the Effective Date of this Agreement, and pursuant to and governed by a separate agreement between Defendants and Relator, Defendants shall pay to Relator all expenses and attorney's fees and costs to which Relator is entitled under 31 U.S.C. § 3730(d) and analogous provisions under Delaware's and New Jersey's respective false claims acts.

4. Subject to the exceptions in Paragraph 6 (concerning excluded claims) below, and conditioned upon Defendants' full payment of the Settlement Amount, and subject to Paragraph 16 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement):

a. The United States, Delaware and New Jersey release Defendants from any civil or administrative monetary claim the United States and/or the States of Delaware or New Jersey have for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733, the New Jersey False Claims Act, N.J. Stat. Ann. 2A:32C-1 to -18, the Delaware False Claims and Reporting Act, 6 Del. C. Chapter 12; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 6 below, and conditioned upon Defendants' full payment of the Settlement Amount, and subject to Paragraph 16 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Defendants from (a) any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; (b) any civil monetary claim the Relator has on behalf of the State of Delaware for the Covered Conduct under the Delaware False Claims Act, 6 Del. C. Chapter 12; (c) any civil monetary claim the Relator has on behalf of the State of New Jersey for the Covered Conduct under the New Jersey False Claims Act, N.J. Stat. Ann. 2A:32C-1 to -18; (d) any civil monetary claim the Relator has on behalf of the State of New York for the Covered Conduct under the New York False

Claims Act; and (e) any liability, claims, demands, actions, or causes of action whatsoever existing as of the Effective Date of this Agreement, whether known or unknown, that Relator would have standing to bring against Defendants, including but not limited to Relator's claim under 31 U.S.C. § 3730(h) for damages resulting from wrongful termination/retaliation.

6. Notwithstanding the releases given in paragraphs 4 and 5 of this Agreement, or any other term of this Agreement, the following claims of Plaintiffs are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any liability arising under Delaware or New Jersey state tax codes, laws or regulations;
- c. Any criminal liability;
- d. Except as explicitly stated in this Agreement, any administrative liability, including the suspension and debarment rights of any federal or state agency;
- e. Any liability to the United States (or its agencies), Delaware (or its agencies), or New Jersey (or its agencies) for any conduct other than the Covered Conduct;
- f. Any liability based upon obligations created by this Agreement;
- g. Any liability of individuals, not addressed herein;
- h. Any liability for personal injury or property damage arising from the Covered Conduct.

7. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B) and N.J. Stat. Ann. 2A:32C-6(c) and 6 Del. C. § 1204(c). Conditioned upon Relator's receipt of the payment described in Paragraph 2, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, Delaware, and New Jersey, along with their respective agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action, or under 31 U.S.C. § 3730, or under N.J. Stat. Ann. 2A:32C-1 to -18, or under 6 Del. C. § 1205, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

8. Relator, for herself, and for her heirs, successors, attorneys, agents, and assigns, releases Defendants, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorney's fees and costs.

9. Defendants have provided sworn financial disclosure statements (Financial Statements) to the United States and the United States, Delaware and New Jersey have relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Defendants warrant that the Financial Statements are complete, accurate, and current. If the United States, Delaware or New Jersey learn of asset(s) in which Defendants had an interest at the time of this Agreement that were not disclosed in the Financial Statements, or if the United States, Delaware or New Jersey learn of any misrepresentation by Defendants on, or in connection with, the Financial Statements, and if such nondisclosure or misrepresentation changes the estimated net worth set forth in the

Financial Statements by \$100,000 or more, the United States, Delaware and/or New Jersey may at their option: (a) rescind this Agreement and reinstate its suit based on the Covered Conduct, or (b) let the Agreement stand and collect the full Settlement Amount plus one hundred percent (100%) of the value of the net worth of Defendants previously undisclosed. Defendants agree not to contest any collection action undertaken by the United States, Delaware or New Jersey pursuant to this provision, and immediately to pay the United States, Delaware and New Jersey all reasonable costs incurred in such an action, including attorney's fees and expenses.

10. In the event that the United States, Delaware, and/or New Jersey, pursuant to Paragraph 9 (concerning disclosure of assets), above, opts to rescind this Agreement, Defendants agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States, Delaware, and/or New Jersey within 120 calendar days of written notification to Defendants that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the date the underlying suit was filed.

11. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the

characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code, or an agreement by the State of New Jersey or the State of Delaware concerning the characterization of the Settlement Amount for purposes of New Jersey's or Delaware's revenue codes.

12. Defendants fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof. Defendants fully and finally release Delaware and New Jersey, and their respective agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against Delaware or New Jersey, or their respective agencies, officers, agents, employees, and servants, related to the Covered Conduct and Delaware and New Jersey's investigation and prosecution thereof.

13. Defendants fully and finally release the Relator from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct and the Relator's investigation and prosecution thereof.

14. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Defendants,

and Defendants' present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Defendants make to the United States pursuant to this Agreement and any payments that Defendants may make to Relator, including costs and attorneys fees,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contract with the United States, Delaware or New Jersey.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Defendants or any of its subsidiaries or

affiliates from the United States, Delaware or New Jersey. Defendants agree that the United States, Delaware and New Jersey, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, Delaware, and New Jersey, reserve their rights to audit, examine, or re-examine Defendants' books and records and to disagree with any calculations submitted by Defendants or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Defendants, or the effect of any such Unallowable Costs on the amount of such payments.

15. Defendants agree to cooperate fully and truthfully with the United States', Delaware's and/or New Jersey's investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Defendants shall encourage, and agree not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agrees to furnish to the United States, Delaware and/or New Jersey, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that has been performed by another on their behalf.

16. Defendants warrant that they have reviewed their respective financial situations and that they each currently are solvent within the meaning of 11 U.S.C. §§

547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Defendants, within the meaning of 11 U.S.C. § 547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Defendants were or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

17. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, any one of the Defendants commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of any of Defendants' debts, or seeking to adjudicate any of Defendants as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Defendants or for all or any substantial part of one of Defendants' assets, Defendants agree as follows:

a. Defendants' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Defendants shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Defendants' obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Defendants were insolvent at the

time this Agreement was entered into, or became insolvent as a result of the payment made to the United States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Defendants.

b. If Defendants' obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, Delaware or New Jersey may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Defendants for the claims that would otherwise be covered by the releases provided in Paragraphs 4 and 5, above. Defendants agree that (i) any such claims, actions, or proceedings brought by the United States, Delaware or New Jersey are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Defendants shall not argue or otherwise contend that the United States', Delaware's or New Jersey's claims, actions, or proceedings are subject to an automatic stay; (ii) Defendants shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the United States, Delaware or New Jersey within 120 calendar days of written notification to Defendants that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the date the underlying suit was filed; and (iii) the United States, Delaware and New Jersey collectively have a valid claim against Defendants in the amount of at least \$15,000,000, and the United States, Delaware and/or New Jersey may pursue its claim in the case, action,

or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. Defendants acknowledge that their agreement in this Paragraph is provided in exchange for valuable consideration provided in this Agreement.

18. This Agreement is intended to be for the benefit of the Parties only.

19. Upon receipt of the payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).

20. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

21. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

22. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of Pennsylvania. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

23. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

24. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

25. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

26. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

27. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

28. All parties consent to the United States', Delaware's and New Jersey's disclosure of this Agreement, and information about this Agreement, to the public.

29. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 11-23-16

BY: _____


COLIN J. CALLAHAN

Assistant United States Attorney
Western District of Pennsylvania

STATE OF DELAWARE
MATTHEW P. DENN, ATTORNEY GENERAL

DATED: 11/21/16

BY: _____




Edward K. Black
Deputy Attorney General
Delaware Department of Justice

STATE OF NEW JERSEY

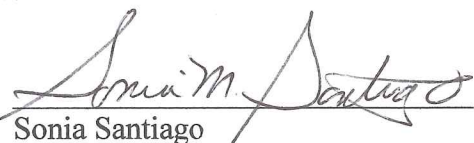
CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

DATED: 11/18/16

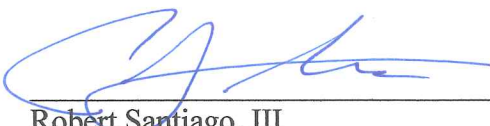
BY: 
Kent D. Anderson
Deputy Attorney General

DEFENDANTS

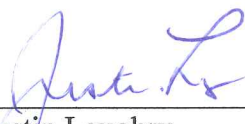
DATED: 11/18/16

BY: 
Sonia Santiago
Individually and on behalf of Para-Plus
Translations, Inc.

DATED: 11/21/16

BY: 
Robert Santiago, III
Individually and on behalf of Para-Plus
Translations, Inc.

DATED: 11/21/16

BY: 
Justin Loughry
Loughry and Lindsay, LLC
Counsel for Defendants

RELATOR

DATED: 11/16/14

BY: Kimberly Martin
Kimberly Martin
Relator

DATED: _____

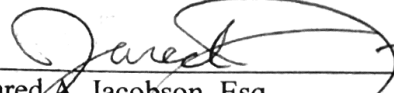
BY: _____
Jared A. Jacobson, Esq.
Jared Jacobson Law, LLC
Counsel for Relator

RELATOR

DATED: _____

BY: _____
Kimberly Martin
Relator

DATED: 11/16/14

BY: 
Jared A. Jacobson, Esq.
Jared Jacobson Law, LLC
Counsel for Relator