

IN THE MATTER OF: Berjaya, Inc.

ADMINISTRATIVE SETTLEMENT AND COMPLIANCE AGREEMENT

I. Parties

This Administrative Settlement and Compliance Agreement ("Agreement") is entered into between the Chief Procurement Officer for General Services for the State of Illinois ("CPO") and Berjaya, Inc. ("Berjaya") (the CPO and Berjaya are referred to generally as the "Parties") under the authority of and in accord with 30 ILCS 500/1-1, *et seq.*, and the implementing regulations found at 44 Ill. Admin. Code 1.5560.

II. Background & CPO Allegations

A. It is the purpose of the Procurement Code and the declared policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts by or for any State agency. 30 ILCS 500/1-5.

B. A Responsible Bidder or Offeror is "a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance." 30 ILCS 500/1-15.80.

C. The Illinois Procurement Code provides "Any contractor or subcontractor may be suspended for violation of this Code or for failure to conform to specifications or terms of delivery. Suspension shall be for cause and may be for a period of up to 10 years at the discretion of the applicable chief procurement officer." 30 ILCS 500/50-65.

D. After investigation and analysis, the CPO asserts the following factual conclusions (collectively, the "Covered Conduct"):

1. On each bid proposal, Capitol Strategies and Berjaya would identify individuals who were proposed to work on the contract. These individuals are purportedly employees of the bidding company ("employees and consultants" shall include all persons or entities, employed, retained, contracted, or otherwise engaged by either Capitol Strategies or Berjaya to perform work on a specific State contract, including individuals paid through a 1099).

2. With regard to the Small Business Set-Aside Program (SBSP), Capitol Strategies, Inc., Capitol Strategies Staffing Solutions, Inc., Capitol Strategies Consulting, Inc. (collectively, "Capitol Strategies") and Berjaya have perpetuated a fictitious separation between their companies, when it comes to work performed on State contracts set-aside for small businesses.

- a. Capitol Strategies is not eligible for the SBSP, but downloaded solicitations set aside for registered businesses in the SBSP.
 - b. Capitol Strategies has prepared responses to solicitations submitted under Berjaya's name. In some instances, Berjaya never downloaded the solicitation to which it purportedly bid. Bids submitted under Berjaya's name proposed personnel who were employees or consultants of Capitol Strategies.
 - c. Capitol Strategies employees and consultants performed the work on contracts awarded to Berjaya under the SBSP. For example, Capitol Strategies employees approved the timesheet of a consultant who purportedly worked for Berjaya.
 - d. Employees and consultants of Capitol Strategies and Berjaya are considered interchangeable. When it is convenient to have personnel considered for a SBSP contract the employees and consultants are designated as employees or consultants of Berjaya; at all other times the employees and consultants are designated as employees and consultants of Capitol Strategies. Berjaya has proposed the names of Capitol Strategies employees and consultants to perform work on Berjaya's SBSP proposals.
 - e. Berjaya is a façade for Capitol Strategies, which is otherwise ineligible to perform the work.
 - f. The actions of Capitol Strategies and Berjaya are designed to circumvent the dollar thresholds of the small business set-aside program and prevent legitimate registered Illinois small businesses from competing to obtain work on State of Illinois contracts.
3. With regard to the Business Enterprise Program (BEP), Capitol Strategies and Berjaya have perpetuated a fictitious separation between their companies, when it comes to work performed on State contracts with BEP goals.
 - a. Capitol Strategies is not a BEP certified firm.
 - b. When the State solicitation included a goal under the BEP for participation by a minority or woman-owned business, Capitol Strategies committed to meet the solicitation goal using Berjaya as a subcontractor. Capitol Strategies was only permitted to count work actually performed by Berjaya's employees and consultants towards satisfaction of the goal.
 - c. Notwithstanding the commitment, Capitol Strategies employees or consultants performed the majority of the work on the State contracts awarded to Capitol Strategies. In most instances, Berjaya's employees and consultants did not perform at a level commensurate with the goal. Often the employee or consultant allegedly provided by Berjaya was already employed or retained by Capitol Strategies.

d. In some instances, Berjaya failed to perform any work on the State contracts awarded to Capitol Strategies even though Berjaya was identified as a subcontractor to satisfy the BEP goal. In some instances, Capitol Strategies would contend that certain of its employees or consultants were actually employees or consultants of Berjaya for purposes of the contract. At times, Capitol Strategies would pay Berjaya regardless of whether Berjaya was not performing any work on the contract. Then Capitol Strategies would have the employees or consultants it retained paid from the funds paid to Berjaya.

e. In some instances, a Capitol Strategies employee negotiated with a State agency when needing to replace a candidate or employee reportedly provided by Berjaya.

f. Employees and consultants of Capitol Strategies and Berjaya are considered interchangeable. When it is convenient to have personnel considered for a contract with a BEP goal the employees and consultants are designated as employees or consultants of Berjaya; at all other times the consultants/employees are designated as employees or consultants of Capitol Strategies.

g. There is a lack of independence between Capitol Strategies and Berjaya in preparing and pricing proposals when they both submit as a prime contractor. The metadata shows Capitol Strategies staff prepare proposals submitted under Berjaya's name.

h. Berjaya is a façade for Capitol Strategies, which is otherwise ineligible to perform the work.

i. The actions of Capitol Strategies and Berjaya were designed to circumvent the State of Illinois's BEP goals for contracting with minorities, women and persons with disabilities and prevent legitimate BEP firms from competing to obtain work on State of Illinois contracts.

4. The CPO made the following general conclusions:

a. Capitol Strategies and Berjaya do not work independently of each other and have inappropriately obtained State of Illinois contracts.

b. Capitol Strategies performs all of the management functions for Berjaya, including:

i. Downloading of solicitations;

ii. Preparation of responses to solicitations; and

iii. Providing electronic timekeeping functions for employees and consultants.

c. Capitol Strategies proposes employees and consultants on solicitations it should know are not available because those consultants are engaged elsewhere by Capitol Strategies. Capitol Strategies then, after being awarded a contract, proposes a substitute consultant who may or may not be similarly qualified.

d. The actions of Capitol Strategies and Berjaya were designed to circumvent the principles of competitive bidding and economical procurement practices.

E. The CPO determined all of the aforementioned demonstrated a lack of integrity and honesty in the conduct of business or the performance of contracts and provides cause for suspension under the CPO's procurement rules. 44 Ill. Admin. Code. 1.5560.

III. CPO Settlement Authority

A. Under 44 Ill. Admin. Code 1.5560 the CPO is authorized to administratively settle and resolve disputes.

B. The CPO has determined that by Berjaya's agreement to implement the measures required by this Agreement, the CPO can consider Berjaya to be acting in good faith to remedy its past behavior and that it is in the best interest of the State to enter into an Administrative Monitoring and Compliance Agreement.

IV. TERMS AND CONDITIONS

A. Scope of the Agreement.

1. Without admission of criminal, civil, or any other liability on the part of Berjaya, Berjaya recognizes and understands the seriousness of the alleged Covered Conduct described in Section II above, and has agreed to undertake, and has undertaken already, remedial measures to become compliant in federal, state, and local governments and public entities in Illinois' disadvantaged, minority- and women-owned business enterprise and equivalent programs, including the State's minority- and women-owned business program ("BEP").

2. As further described and appended to this Agreement, the Parties have agreed on the following terms and conditions with respect to Berjaya: (1) suspension of a term beginning the effective date of the February 27, 2015 suspension letter (March 6, 2015), and continuing up to and including June 30, 2016; (2) adoption and implementation of revised business practices and compliance programs to ensure ongoing compliance with all applicable procurement laws and regulations, as set forth below; (3) provision of quarterly reports to the CPO for all of Berjaya's State contracts with a BEP goal which include an accounting of all progress toward goal; (4) an accounting for FY 2013-2015 of the actual work done by Berjaya on all of Capitol Strategies' State contracts; (5) termination of contracts as described in Section (IV)(B)(2) and Attachment A; and (6) the voluntary withdrawal of Berjaya's certification from the State's BEP for the entire period of the suspension.

B. Suspension

1. Berjaya is suspended for the term starting March 6, 2015 through June 30, 2016 (the "Suspension Term"). The suspension applies to any Berjaya affiliate companies.
2. During the Suspension Term, Berjaya shall be prohibited from submitting any bids or offers on any State-issued procurement including but not limited to any Information for Bid, Request for Proposal, Small Purchase, Emergency, Sole Source or Sole Economically Feasible issued by any State agency under the jurisdiction of the CPO. The suspension extends to any contracts issued through the SBSP. In addition, Berjaya shall not appear as a subcontractor on bids or offers during the Suspension Term.
3. The CPO agrees it will not pursue any further suspension or debarment action against Berjaya or any of its predecessors, successors, assigns, affiliates, subsidiaries, divisions, and current directors, officers, representatives, and agents with the exception of those individuals identified in Section IV.A, below, based upon any of the Covered Conduct described in II.A, unless Berjaya materially breaches the terms of this Agreement, Berjaya misrepresented a fact material to the CPO or a State Agency with which it holds a contract under the jurisdiction of the CPO, or there is a criminal indictment of individuals currently employed with Berjaya arising from the Covered Conduct.
4. This Agreement in no way restricts the authority, responsibility, or ability of the CPO or public agency, to consider and institute, at any time, suspension or debarment proceedings against Berjaya based on information constituting an independent cause for such proceedings, including:
 - a. Upon reliable evidence that Berjaya has misrepresented any material fact in connection with this Agreement, the CPO may initiate suspension or debarment proceedings in accordance with 44 Ill. Admin. Code 1.5560 or other statutory, administrative, or regulatory authority, based on both the violation of the Agreement for misrepresentation of any material fact, and upon the Covered Conduct described in section II.A of this Agreement. Material facts in this Agreement include, but are not limited to, any facts described or related to those in section II of this Agreement, facts regarding Berjaya's affiliated companies, or facts represented to the CPO or any State Agency that were not involved in the Covered Conduct.
 - b. Upon reliable evidence that Berjaya has engaged in any material breach or violation of this Agreement, the CPO may initiate suspension or debarment proceedings in accordance with 44 Ill. Admin. Code 1.5560 or other statutory, administrative, or regulatory authority, based on both the material breach or violation of the Agreement, and upon the Covered Conduct described in section II of this Agreement; provided, however, that Berjaya will have ten (10) business days from the date of receipt of notice

from the CPO of a material breach or violation to correct that breach or violation. If correction is not possible within ten (10) business days, for reasons beyond the control of Berjaya, Berjaya must present to the CPO within those ten (10) business days, an acceptable plan for correction. Any failure to correct the violation, or present an acceptable plan, may constitute an independent cause for suspension or debarment. If such a failure occurs, or if the CPO finds a corrective plan inadequate, or if the CPO finds a cure is not acceptable considering the breach, the entity finding a failure to correct the violation, finding the corrective plan inadequate or finding a cure is not acceptable will provide Berjaya with a written explanation of its finding. The entity which has found a failure to correct the violation, found the corrective plan inadequate or found a cure is not acceptable will notify Berjaya of its decision on suspension or debarment, or treat the information as a new referral of a potential independent cause for suspension and debarment.

c. Upon a criminal indictment of individuals still employed with Berjaya that would constitute an independent cause for suspension or debarment proceedings.

d. Evidence of any compliance problems with Federal, State, or local laws or ethics requirements not covered by the scope of this Agreement, including any issue that raises questions about the present responsibility of Berjaya that could serve as a cause for a suspension and proposed debarment referral.

5. Berjaya does not, by this Agreement, or otherwise, waive its right to oppose future action(s) under 44 Ill. Admin. Code 1.5560 or any other substantive, procedural, or due process rights it may assert.

C. Compliance and Reporting

1. As part of its recognition and understanding of the seriousness of the alleged Covered Conduct described in section II. above, and while admitting mistakes were made by Berjaya related to the Covered Conduct alleged in Section II above, but without admitting any specific liability, Berjaya has agreed to undertake remedial measures to ensure future compliance with any similar goals.

2. Berjaya agrees to the following remedial provisions on all future State work where the State agency has included a BEP goal:

a. Berjaya will comply with all requirements, provisions, or contractual terms regarding the Business Enterprise Program and all applicable procurement laws and regulations;

b. Berjaya shall ensure that any bid proposals it submits are prepared entirely by Berjaya's staff, without the assistance of any third party,

including Capitol Strategies. Berjaya will also ensure that it downloads any materials from the State on any contracts to which it intends to bid.

c. Berjaya agrees that it must provide personnel independent of Capitol Strategies, such that any proposed consultant must not, at the time of bidding, be a current Capitol Strategies employee or under contract as a consultant to Capitol Strategies;

d. Berjaya will ensure that any bid response in which Berjaya is the proposed contractor or subcontractor shall clearly and conspicuously identify the exact work Berjaya will perform on the contract, including the identification of any personnel working on the contract whom are employed or retained by Berjaya;

e. Berjaya shall have a written agreement with each employee or consultant that Berjaya intends to have work on State contracts that shall detail the complete scope of work for that employee or consultant;

f. Berjaya will only count towards compliance with the BEP goal work actually performed by Berjaya's own employees or consultants;

g. Berjaya will cease the use of master agreements with contractors, including Capitol Strategies, and will instead utilize a separate written subcontract which meets all Article 50 requirements with each each general contractor for each State contract or project;

h. Berjaya shall use its own timekeeping system and invoicing independent of Capitol Strategies or any other contractor. When acting as a subcontractor, Berjaya will submit invoices to the general contractor for each billing period and will not be permitted to use the general contractor's timekeeping system; and

i. Berjaya will retain records sufficient to demonstrate that it actually performed the work that is counted towards any BEP goal. Such records will be retained for 3 years following the completion of a contract.

3. Berjaya will prepare a quarterly report to the CPO of its compliance with this Agreement, as well as the specific compliance on each State contract with a BEP requirement, beginning with the quarter starting July 1, 2015 and ending September 30, 2015. The report will be issued within 30 days of the end of the quarter. Reporting obligations will continue through the quarter ending June 30, 2018. The form of the report is subject to approval by the CPO, but will include all efforts by Berjaya to satisfy the BEP requirements including a specific description of the work performed by Berjaya that will be counted towards the BEP contract goals and details regarding the contractual or employment status of any consultants used by Berjaya on the contract.

4. Berjaya will provide an accounting for the fiscal years 2013 through 2015 of the actual work done by BEP-certified firms on all State contracts.

5. Berjaya will appoint a Compliance Officer to ensure the companies' compliance with all procurement statutes, regulations, and rules, as well as with the terms of this Agreement.

D. Existing Capitol Strategies' State Contracts

1. The parties have agreed with respect to Capitol Strategies' State contracts that were in place on March 6, 2015 that Capitol Strategies and Berjaya will cease work on contracts pursuant to the schedule detailed in Attachment A, and Berjaya may not be compensated for any work performed after the date identified in Attachment A. Each contract, including all renewal options, shall terminate no later than June 30, 2017, as set forth in Attachment A. Agencies may amend, and Berjaya shall in good faith agree to amend, the contracts as necessary to reflect a contract termination date of June 30, 2017 or as set forth on Attachment A.

2. Berjaya may continue to work on Capitol Strategies' existing State contracts until such time as the contracts are terminated pursuant to Attachment A. Berjaya's continuation as a subcontractor on any current Capitol Strategies contract is at the discretion of Capitol Strategies.

3. To the extent the work being performed by Berjaya on an existing State contract is the subject of a RFP or similar request for work, Berjaya remains prohibited from bidding on the work during the Suspension Term.

4. While contracts remain in force, Berjaya is still required to comply with BEP requirements. Any work actually performed by Berjaya (including its employees or consultants) will count towards BEP goals while Berjaya retains its certification as a minority-owned business in the BEP and satisfies BEP requirements.

4. With respect to Berjaya's only direct contract with the State, Board of Elections On-Site Illinois Voter Registration, the contract shall not be shortened by action of the CPO as a result of the Covered Conduct. The Board of Elections maintains all rights under the contract and the contract shall be allowed at the discretion of the Board of Elections.

E. BEP Certification

1. Berjaya agrees that it shall voluntarily withdraw its certification from the State's BEP as of its signature on this Agreement.

2. Berjaya agrees that it will not seek certification in the BEP during the Suspension Term.

3. Once Berjaya withdraws its certification from the BEP, any work that Berjaya performs on any State contracts shall not be counted towards BEP goals.

4. Once the Suspension Term is over, Berjaya may seek certification as a minority-owned business pursuant to the BEP.

5. The State agrees that Sree Nair, in his individual capacity, may work as a contractor, consultant, or employee on future State contracts during the term of this suspension, without limitation. Mr. Nair's work on any such contract will not count towards any BEP goal during the Suspension Term and while Berjaya is not certified as a minority-owned business in the BEP.

IV. Additional Provisions

A. Individuals

If Mr. Nair establishes new companies or subsidiaries, merges with another company, or transfers the entire company or a substantial percentage of its assets to new owners, this agreement extends to the new company for the term of the suspension.

B. Modification of Agreement

Any requirements imposed on Berjaya by this Agreement may be discontinued at the CPO's discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of all Parties.

C. Sales, Mergers, Transfers, Bankruptcy: Survival of Agreement

If, during the term of this Agreement, Berjaya establishes new companies or subsidiaries, merges with another company, or transfers the entire company or a substantial percentage of its assets to new owners, Berjaya must notify the CPO no later than ninety (90) days in advance of such action and must provide copies of all corporate documents. This Agreement will inure to the benefit of, and be binding upon, the parties and respective successors and assigns; provided, however, that the surviving entity, if other than Berjaya, may request and show good cause why this Agreement should not be applicable to its operations. Bankruptcy proceedings will not prevent or stay the enforcement of this Agreement or any suspension or debarment proceedings instituted by the CPO based on Berjaya's alleged failure to comply with the terms of this Agreement or based on allegations that Berjaya engaged in other conduct that is a cause for suspension or debarment.

D. Public Document

This Agreement, as well as the official suspension notice which will result from this agreement, are public documents, and any information in the CPO's possession pursuant to the terms of the Agreement, is subject to the Illinois FOIA, 5 ILCS 140, *et seq.* To the extent that any of the requested information implicates the criteria of FOIA Exemption 4 or 5 ILCS 140/7(1)(g), the CPO will notify Berjaya that a request has been received and will identify the records in its possession that are responsive to the request. Berjaya will have the opportunity to object to the release of the information.

The official suspension notice shall be published to the Illinois Procurement Bulletin. The official suspension notice shall also be available on the CPO's website during the term of the suspension, up to and including September 30, 2016.

E. Administration of Agreement

All communications from the CPO to Berjaya regarding this Agreement will be delivered to:

Carl Draper
FeldmanWasser
1307 South Seventh St.
Springfield, IL 62703

All submissions from Berjaya to the CPO and/or any Contracting Agency, as required by this Agreement, shall be delivered to:

Chief Procurement Officer for General Services
401 South Spring Street
Suite 712 Stratton Office Building
Springfield, Illinois 62706

Additionally, copies may be sent to the General Counsel for any involved Contracting Agencies upon the CPO's discretion.

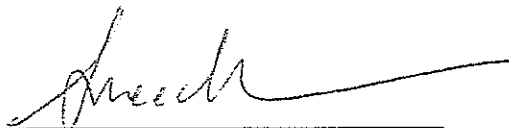
F. Entire Agreement and Effective Date

This Agreement constitutes the entire agreement between the CPO and Berjaya, superseding any prior agreements or understandings, oral or written, with respect to the subject matter of this Agreement. This Agreement is effective on the date of the signature of the CPO.

G. Signatures

Facsimiles and electronic (pdf) copies of signatures are deemed acceptable, binding signatures for purposes of this Agreement. This Agreement may be executed in counterparts, each of which will be deemed an original document, and all of which will constitute one and the same Agreement.

FOR BERJAYA et al.:



Sree Nair
President
Berjaya, Inc.

3/1/16
Date

FOR THE CPO:


ELLEN H. DALEY
Chief Procurement Officer
General Services

3-11-14
Date

IN THE MATTER OF: Capitol Strategies Consulting

Attachment A

State Agency	Name of Project	Initial Term	Renewal Term	Agreed Termination Date
Dept. of Insurance	Application Development Initiative II	10/25/14-10/24/15	N/A	Contract will expire with no further work beyond 10/24/2015
State Board of Education	Entity Profile System Program Analyst	10/8/13-6/30/14	through 6/30/18	ISBE may exercise annual renewals at its sole discretion up to and including 6/30/2017.
State Board of Education	EDEN/EDFacts Coordinator	2/3/14-6/30/14	through 6/30/18	ISBE may exercise additional renewals at its sole discretion up to and including 6/30/2017.
State Board of Education	Special Ed Database System (SEDS)	9/9/11-6/30/12	through 6/30/16	ISBE may exercise renewals at its sole discretion up to and including 6/30/2016.
State Board of Education	EIS Application Maintenance & Support	7/23/14-6/30/15	N/A	Contract has expired with no further work beyond 6/30/2015.
State Board of Education	Educator Licensure App. Maintenance & Support	4/30/14-6/30/15	N/A	Contract has expired with no further work beyond 6/30/2015.
Dept. of Transportation	Traffic Safety Project Manager	1/4/11-1/3/13	through 1/3/15	Contract has expired with no further work beyond 1/3/2015.
Dept. of Transportation	ARRA and FFATA	10/1/12-9/30/14	through 9/30/16	Contract will expire with no further work beyond 9/30/2016.
Dept. of Transportation	Safe Routes to School	11/22/10-11/21/12	through 11/21/15	Contract will expire with no further work beyond 11/21/2015.
Dept. of Transportation	DBE Project Manager	1/14/11-1/3/13	through 6/30/15	Contract has expired with no further work beyond 6/30/2015.
Dept. of Transportation	Human Resource Datamart	2/9/12-2/8/16	through 2/8/20	IDOT may exercise additional renewals at its discretion up to and including 6/30/2017.
Dept. of Transportation	Sharepoint (MOSS) Developer	11/22/10-11/21/12	through 5/21/15	Contract has expired with no further work beyond 5/21/2015.
Dept. of	Commercial Vehicle	1/4/11-1/3/13	through 6/30/15	Contract has expired with no further work

Transportation	(CVISV) Developer			beyond 6/30/2015.
Dept. of Transportation	Commercial Vehicle (CVISV) Project Manager	1/4/11-1/3/13	through 6/30/15	Contract has expired with no further work beyond 6/30/2015.
Dept. of Transportation	Traffic Safety Developers	1/4/11-1/3/13	through 6/30/15	Contract has expired with no further work beyond 6/30/2015.
Dept. of Transportation	Traffic Safety CIS Developers	1/14/11-1/3/13	through 6/30/15	Contract has expired with no further work beyond 6/30/2015.
CMS	Mainframe Developer	2/24/14-2/23/15	through 2/23/16	Contract will expire with no further work beyond 6/30/2017.
CMS	EPM Portal Agency	10/1/14-9/30/15	N/A	Contract has expired with no further work beyond 9/30/2015.
DCEO	PIPP System enhancement	2/13/14-2/12/19	through 2/12/21	DCEO may exercise additional renewals at its sole discretion up to and including 6/30/2017.
Public Health	Health Care Worker Registry Modification	7/18/13-6/30/14	though 6/30/16	IDPH may exercise additional renewals at its sole discretion up to and including 6/30/2016.