

# **EXHIBIT A**

**THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

STEVEN M. ANDERSON,	)	
	)	
Plaintiff/Counterclaim Defendant	)	
	)	
vs.	)	Civil Action No. 1:19-cv-00289-LO-TCB
	)	
Fluor Intercontinental, Inc., Fluor Federal	)	
Global Projects, Inc., and Fluor Federal	)	
Services, LLC,	)	
	)	
Defendants/Counterclaim Plaintiffs.	)	

**DECLARATION OF KAREN L. DOUGLAS**

**Background**

1. I am over the age of 21 and competent to testify to the matters stated in this Declaration. The statements herein are true to the best of my knowledge and are made from personal knowledge unless stated otherwise. I make this Declaration in support of the Opposition of Defendants Fluor Intercontinental, Inc., Fluor Federal Global Projects, Inc., and Fluor Federal Services, LLC (collectively “KBR”) to the Steven Anderson’s Motion to Compel Production of Documents, Interrogatory Responses, and Deposition Testimony.
  
2. I received my Juris Doctor degree from Gonzaga University School of Law. I served as a Judge Advocate General for the U.S. Airforce from 1992 to 2016. I deployed to the Joint Contracting Command Iraq/Afghanistan and served in Iraq in support of Operation Iraqi Freedom from March to August 2016.
  
3. I have been an attorney in the Law Department of Fluor since approximately October 2009 and my current title is Senior Counsel. Although I am a member of the Law Department of Fluor, I spend the majority of time on matters involving and providing legal advice to

the Fluor Government Group. The Fluor Government Group provides support, procurement, and construction to multiple agencies of the U.S. Government in the United States and abroad. For example, the Fluor Government Group provides logistical support to the U.S. Army in Afghanistan and other countries under the Logistics Civil Augmentation Program (“LOGCAP”) IV contract. Steven Anderson worked as Fluor’s Country Manager in Afghanistan in support of the LOGCAP IV contract from approximately May 2016 until his termination in March 2018.

**The Fluor Government Group Compliance & Ethics Program**

4. At all times relevant to this litigation, Fluor has maintained a corporate Compliance & Ethics Program designed to prevent and detect potential misconduct. As part of its Compliance & Ethics Program, Fluor has adopted a Code of Business Ethics and Conduct that provides guidance to Fluor employees on Fluor’s policies and procedures for conducting business ethically, including provisions relating to employees’ conflicts-of-interest. Ex. 1, Fluor Code of Business Ethics and Conduct. Fluor has a U.S. Government Contracting Supplement to its Code of Business Ethics and Conduct that applies to employees whose work involves projects in which the U.S. Government or its funds are involved. Ex. 2, Fluor U.S. Government Contracting Supplement. Pursuant to the Program, Fluor maintains a hotline through which employees and outside third parties may make complaints about potential wrongdoing by Fluor, its employees, or its subcontractors.
5. In addition to the Fluor Compliance & Ethics Program, the Fluor Government Group has adopted its own Compliance and Business Ethics Program administered by the Fluor Government Group General Counsel. It applies to all Fluor employees assigned to the Fluor Government Group or who are otherwise involved in marketing and selling to,

contracting with, or working on projects involving Government agencies or funds. All Fluor employees who worked on matters relating to the Logistics Civil Augmentation Program IV (“LOGCAP IV”) contract, including Anderson, are subject to this supplemental program. Among other things, the Fluor Government Group Supplement is designed to meet the regulatory requirements applicable to government contractors including under Federal Acquisition Regulation (“FAR”) Section 52.203-13, Contractor Code of Business Ethics and Conduct. During Anderson’s employment with Fluor, the Fluor Government Group General Counsel was Doug Larsen. Don Yenovkian and I reported to Mr. Larsen. The Fluor Government Group also has an Investigations and Disclosure policy that describes the circumstances under which Fluor makes FAR-mandated disclosures, as outlined below.

6. Since October 2009, I have been an attorney advisor for the Fluor Government Group Internal Review Board (“IRB”), which reviews reports involving employee concerns, misconduct, or potential violations of law, Fluor’s Code of Business Conduct and Ethics, or the Fluor Government Group U.S. Government Contracting supplement. The IRB is chaired by the Fluor Government Group Chief Compliance Officer and includes representatives of the Law Department, Human Resources/Employee Relations Department, and Prime Contracts. The reports reviewed by the IRB can be received through Fluor’s hotline, Fluor’s Law Department, Fluor’s Compliance Department, and other means. I or another lawyer for the Fluor Government Group participate in all meetings of the Fluor Government Group IRB.
7. As an attorney advisor for the Fluor Government Group IRB, I am responsible for reviewing reports that are particularly sensitive, for example, because they involve

allegations of Fluor's Code of Conduct, a crime, fraud, or other type of improper conduct that if true, could subject Fluor to criminal or civil liability and require Fluor to make a mandatory disclosure to the U.S. Government under FAR Section 52.203-13 and/or Fluor's relevant contracts with the U.S. Government. The LOGCAP IV contract incorporated FAR Section 52.203-13 by reference.

8. FAR Section 52.203-13 requires Fluor to have an ethics and compliance program and system of internal controls. Fluor Government Group adopted its own Compliance and Business Ethics Program, which was reviewed by the government, to include a U.S. Government Contracting Supplement to its Code of Business Ethics and Conduct, in part implement the FAR Section 52.203-13 requirements.
9. FAR Section 52.203-13 also requires "full cooperation" with government agency "audits, investigations, or corrective actions." 48 C.F.R. § 52.203-13(c)(2)(G). The clause mandates that Fluor "exercise due diligence to prevent and detect criminal conduct," and "timely disclose, in writing, to the agency Office of Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor has committed" violations of various federal criminal laws, including those "involving fraud, conflict of interest, bribery, or gratuity" violations found in Title 18 U.S.C. or civil violations of the False Claims Act. *Id.* at § 52.203-13(b)(2)-(3). "Full cooperation" is defined to include "disclosure to the government of the information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct." *Id.* § 52.203-13(a). But the clause does not "foreclose any Contractor rights arising in law," including in

particular “waiv[ing] his or her attorney client privilege” or restricting the contractor from “conducting an internal investigation.” *Id.* § 52.203-13(2)-(3).

10. Fluor takes this obligation to make mandatory disclosures seriously. Fluor Government Group’s Program meets the FAR Section 52.203-13 requirements and specifies procedures for conducting an internal investigation and determining when and under what circumstances disclosure is required. The obligations set forth in FAR Section 52.203-13 are among the reasons that I am involved whenever Fluor receives a complaint of allegations that if true, could require Fluor to make a mandatory disclosure to the U.S. Government so that I can provide legal advice to Fluor senior management regarding its obligation to make a disclosure.

**Fluor Investigations Conducted at the Direction and Under the Supervision of the Fluor Law Department**

11. When the Fluor Law Department receives allegations of employee misconduct, or violations of law, Fluor’s Code of Business Conduct and Ethics, or the Fluor Government Group U.S. Government Contracting supplement, the receiving attorney must first determine whether the allegations may lead to a FAR-mandated disclosure. Human Resources matters are handled by the Fluor Human Resources Department. All other matters are referred to the Fluor Law Department, Compliance, and Investigations. I am one of the members of the Fluor Law Department who receives notification that Fluor has received a report involving a non-Human Resources matter. The Fluor Law Department, potentially with input from Compliance and Investigations, determines whether Fluor will conduct an investigation at the direction and under the supervision of the Fluor Law Department. If we believe that the allegations could give rise to an obligation that Fluor make a mandatory disclosure, we always direct that the investigation will be conducted

under the supervision of the Fluor Law Department, subject to Fluor's attorney-client privilege and work product protections. This is done, in part, so that the Law Department can provide legal advice to senior Fluor management regarding Fluor's potential legal liability, the need for corrective actions, and the need to make a mandatory disclosure. The Fluor Law Department then typically assigns Corporate Investigators to conduct the investigation under the direction and supervision of counsel.

12. Most of Fluor's Corporate Investigators are former law enforcement officials, including Joseph Kolakowski and Martial Robichaud who together conducted the investigation into Steven Anderson's potential conflicts of interest under my direction and supervision. Mr. Kolakowski is a former New Jersey Police Department investigator. Mr. Robichaud is a retired Federal Bureau of Investigations investigator. These investigators act as extensions of the Fluor Law Department when performing tasks related to an investigation directed and supervised by the Fluor counsel. The investigators are instructed to keep their work confidential and to disclose information only to the Fluor Government Group lawyer(s) overseeing the investigation, Fluor Government Group General Counsel, or other Fluor employees whom the Fluor Government Group General Counsel or lawyers have authorized to assist with the investigation or have a legitimate need to know about the investigation or its factual findings.
13. A Fluor Government Group investigation supervised by counsel involves interviews of Fluor personnel and review of relevant documents. We may also decide to seek information from third parties who could have information relevant to the investigation. When I am overseeing an investigation, I work closely with the assigned Fluor Corporate Investigator to identify the individuals to be interviewed, determine the subject matter of

the interviews, determine when the interviews should occur, and identify the relevant documents to use during the interviews.

14. During an investigation done under the direction and supervision of the Fluor Law Department, Fluor Corporate Investigators inform the witnesses they interview that Fluor is conducting an internal investigation under the direction and supervision of the Law Department. The Fluor Corporate Investigators also instruct the witnesses that the interview is a privileged communication and that the witnesses must keep the communication confidential and not discuss it with anyone outside of the Fluor Law Department and the Fluor Corporate Investigators.
15. As the investigation proceeds, I am in constant communication with the Fluor Corporate Investigator and provide continual supervision and direction of the investigation. I also provide legal advice to senior management for Fluor regarding the progress and findings of the investigation, Fluor's potential legal exposure, and, if applicable, Fluor's potential mandatory disclosure obligations. I closely coordinate the investigation and provision of legal advice to Fluor senior management with the Fluor Government Group General Counsel.
16. During the investigation, the Fluor Corporate Investigator typically assembles a case file that contains the initial report or complaint, the investigator's summaries of interviews conducted, documents collected and reviewed during the investigation, and the investigator's case notes. The Fluor Corporate Investigator may also draft a report that summarizes the evidence gathered as well as the investigator's preliminary factual findings. On occasion, I advise the investigator on information to include in the case file and report. The case file and report includes an analysis of evidence gathered and the



mental impressions of the investigators who compile the reports, as well as my mental impressions regarding the facts, analysis, and conclusions of the investigation.

17. Access to the investigative case file and report is limited to a small group of Fluor personnel who need to know about the investigation, including attorneys, senior company officials, and compliance personnel involved in deciding whether disclosure is required and what corrective action must be taken as a result. Typically this includes the Fluor Corporate Investigator and specific individuals within the Fluor Law Department, Fluor Compliance Department, and potentially a small number of other Fluor employees who have a need to know about the investigation, such as senior management.
18. I and the Fluor Law Department rely on the investigative case file and report to provide legal advice to Fluor senior management regarding potential legal exposure and litigation. For example, in government contract matters, Fluor may face legal exposure under the Anti-Kickback Act (41 U.S.C. §§ 8701-07) for its employees' acceptance of kickbacks by its employees for providing favorable treatment to subcontractors, under the Procurement Integrity Act (41 U.S.C. § 2105) for its employees' disclosure of a contractor's bid or proposal information or source selection information, under various federal criminal statutes relating to fraud and false statements (including, *inter alia*, 18 U.S.C. §§ 287 (criminal False Claims Act), 666 (theft or bribery involving federal programs), 1001 (false statements), 1031 (major fraud against the United States), 1343 (wire fraud), 1346 (honest services fraud), and the civil False Claims Act (31 U.S.C. §§ 3729 *et seq.*) for fraud in connection with government contracts. In addition to the threat of potential civil or criminal enforcement action taken against Fluor, Fluor may also face attempts by the Defense Contract Audit Agency ("DCAA") to prevent or recoup payment to Fluor, which

if adopted by a Contracting Officer, may lead to litigation before the Armed Services Board of Contract Appeals or the United States Court of Federal Claims. In addition, issues implicated by such investigations could result in potential suspension and debarment proceedings by the agency. Accordingly, Fluor's internal investigations conducted at the direction and supervision of Fluor counsel are conducted in anticipation of litigation, including litigation involving the government or potentially *qui tam* actions.

19. The IRB meets on a regular basis to review Fluor's current investigations and consider whether they meet the mandatory disclosure requirements and its meetings are attended by Fluor Government Group counsel to provide legal advice to the Board on these questions. I and the Fluor Law Department consider the foregoing factors when providing advice to Fluor senior management and compliance personnel as to whether a mandatory disclosure must be made under FAR Section 52.203-13.
20. As required by LOGCAP IV and the Federal Acquisition Regulation, and consistent with Fluor's established practices, Fluor has made mandatory disclosures to the Department of Defense Office of Inspector General ("DOD-IG") of potential violations of law by Fluor employees and subcontractor employees. Fluor makes disclosures under FAR Section 52.203-13 in writing, summarizing the facts necessary to fully inform the government of the potential misconduct at issue consistent with the clause's requirement to provide "full cooperation." When Fluor makes such a disclosure, it does so with the knowledge that the disclosure could result in the U.S. government opening an investigation of Fluor and potentially taking legal action against Fluor.

21. Fluor mandatory disclosures typically are drafted by the Fluor Government Group Compliance Department with assistance and advice from the Fluor Law Department, as well as input from the Fluor Corporate Investigator.
22. Fluor considers and treats its investigation case files and reports as protected by the attorney-client privilege and subject to the protections of the attorney work product doctrine. Fluor has never waived privilege over its investigative case files and reports in connection with a disclosure. Rather, Fluor fully cooperates with subsequent government investigations by making witness testimony and documents that are not protected by any applicable privilege available for interview or review. Fluor's longstanding policy has been zealously to safeguard its attorney-client privilege and attorney work product protections vis-à-vis the government or any other third parties.

**Fluor Government Group Investigation Regarding Steven Anderson**

23. On or about October 16, 2017, Fluor received a complaint through its ethics hotline from Tod Nickles, President & Chief Executive Officer of Alliance Project Services, Inc., alleging a potential conflict of interest regarding Fluor's plans to award a subcontract to provide local Afghan labor, the Host Country National Subcontract, to Relyant Global, LLC valued at approximately \$50 million over a period of three years. Nickles had found information listing Mr. Anderson as an officer of a Relyant entity. Fluor Government Group legal counsel considered the hotline complaint, consistent with the above-described procedures, decided that the Fluor Government Group would conduct an investigation by corporate investigators and under the direction and supervision of the Fluor Law Department pursuant to Fluor's attorney-client privilege and work product protection.

24. The investigation was conducted primarily under my direction and supervision. Fluor Government Group legal counsel assigned Mr. Kolakowski to conduct the investigation with Mr. Robichaud as support. I and other Fluor Government Group counsel advised Mr. Kolakowski on the documents to be collected and reviewed, witnesses to be interviewed, documents and subject matter to discuss with the witnesses, and investigative steps. Mr. Kolakowski interviewed certain then-current employees of Fluor, provided me with continuous updates of the interviews, and memorialized those communications in the investigative case file. Mr. Kolakowski also corresponded by email with Mr. Nickles and certain employees of Relyant Global, LLC.
25. Mr. Kolakowski communicated the results of the investigation to me on an ongoing basis. I also had access to and reviewed the case file as he added information to it during the investigation, sometimes at my direction.
26. Mr. Kolakowski interviewed Mr. Anderson on two occasions. The first interview was conducted on or about January 22, 2018 by Mr. Kolakowski by telephone while Mr. Anderson was in Afghanistan. The second interview was conducted in-person on or about March 18, 2018 by Mr. Kolakowski and Mr. Robichaud in Fluor Government Group headquarters in Greenville, South Carolina.
27. I instructed Mr. Kolakowski to keep his work on the investigation confidential and to disclose it only to me or others within Fluor assisting with the investigation. I and other Fluor lawyers used the information gathered in the investigation to provide informed legal advice to Fluor management concerning its disclosure obligations and potential legal exposure in connection with the alleged misconduct by Mr. Anderson.

28. In a March 19, 2018 letter to the Department of Defense Office of Inspector General and copied to officials at the U.S. Army Contracting Command (which administered the LOGCAP IV contract), Fluor made a disclosure pursuant to FAR Section 52.203-13 related to Mr. Anderson, who failed to disclose a personal conflict of interest as required during Fluor's 2016-2018 annual compliance & ethics certification and employee conflict of interest disclosure process and promoted companies (Relyant Group, LLC in particular) with which he had a personal financial interest to the government and to Fluor. Fluor included in the disclosure a summary of facts identified in its "preliminary investigation into this matter." The disclosure was drafted by the Fluor Government Group Compliance Department. The Fluor Law Department, including then-Fluor Government Group General Counsel, Doug Larsen, and I, provided advice to the Compliance Department during the drafting process and Mr. Kolakowski also provided assistance.
29. While it provided a summary of the factual findings of its investigation, Fluor did not communicate or include any of the underlying privileged communications or work product as part of the disclosure. Fluor did not intend to waive its attorney-client privilege or protections under the attorney work product doctrine when it made its disclosure.

In accordance with 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 2, 2019

Karen L. Douglas  
Karen L. Douglas