KOC 9/1/17

U.S. Department of Justice

United States Attorney
District of Maryland

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September 1, 2017

Ty Kelly Cronin
Biran Kelly LLC
Suite 201
201 N. Charles Street
Baltimore, MD 21201

Re: United States v. Danielle Kays
Criminal No. GLR-16-0307

Dear Ms. Kelly-Cronin:

This letter, together with the Sealed Supplement, confirms the plea agreement which has been offered to the Defendant by the United States Attorney's Office for the District of Maryland ("this Office"). If the Defendant accepts this offer, please have her execute it in the spaces provided below. If this offer has not been accepted by **September 6, 2017**, it will be deemed withdrawn. The terms of the agreement are as follows:

Offense of Conviction

1. The Defendant agrees to plead guilty to Count One of the Superseding Indictment now pending against her, which charges her with conspiracy to defraud the United States and to commit bribery, in violation of 18 U.S.C. §371. The Defendant admits that she is, in fact, guilty of that offense and will so advise the Court.

Elements of the Offense

2. The elements of the offense to which the Defendant has agreed to plead guilty, and which this Office would prove if the case went to trial, are as follows:

a. First, that two or more persons entered the unlawful agreement charged in the Superseding Indictment;

b. Second, that the Defendant knowingly and willfully became a member of the conspiracy;

c. Third, that one of the members of the conspiracy knowingly committed at least one of the overt acts charged in the Superseding Indictment; and

d. Fourth, that an overt act was committed to further some objective of the conspiracy.

Penalties

3. The maximum sentence provided by statute for the offense to which the Defendant is pleading guilty is as follows: imprisonment of up to five (5) years, including up to three (3) years of supervised release, pursuant to 18 U.S.C. §3583(b), and maximum fine of $250,000, 18 U.S.C. §3571, or twice the gross gain from the offense pursuant to the alternative fine provision of 18 U.S.C. §3571(d). In addition, the Defendant must pay $100 as a special assessment pursuant to 18 U.S.C. § 3013, which will be due and should be paid at or before the time of sentencing. This Court may also order her to make restitution pursuant to 18 U.S.C. §§ 3663, 3663A, and 3664.[1] If a fine or restitution is imposed, it shall be payable immediately, unless, pursuant to 18 U.S.C. § 3572(d), the Court orders otherwise. The Defendant understands that if she serves a term of imprisonment, is released on supervised release, and then violates the conditions of her supervised release, her supervised release could be revoked - even on the last day of the term - and the Defendant could be returned to custody to serve another period of incarceration and a new term of supervised release. The Defendant understands that the Bureau of Prisons has sole discretion in designating the institution at which the Defendant will serve any term of imprisonment imposed.

Waiver of Rights

4. The Defendant understands that by entering into this agreement, she surrenders certain rights as outlined below:

a. If the Defendant had persisted in her plea of not guilty, she would have had the right to a speedy jury trial with the close assistance of competent counsel. That trial could be conducted by a judge, without a jury, if the Defendant, this Office, and the Court all agreed.

b. If the Defendant elected a jury trial, the jury would be composed of twelve individuals selected from the community. Counsel and the Defendant would have the opportunity to challenge prospective jurors who demonstrated bias or who were otherwise unqualified, and would have the opportunity to strike a certain number of jurors peremptorily. All twelve jurors would have to agree unanimously before the Defendant could be found guilty of any count. The jury would be instructed that the Defendant was presumed to be innocent, and that presumption could be overcome only by proof beyond a reasonable doubt.

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[1] Pursuant to 18 U.S.C. § 3612, if the Court imposes a fine in excess of $2,500 that remains unpaid 15 days after it is imposed, the Defendant shall be charged interest on that fine, unless the Court modifies the interest payment in accordance with 18 U.S.C. § 3612(f)(3).

c. If the Defendant went to trial, the government would have the burden of proving the Defendant guilty beyond a reasonable doubt. The Defendant would have the right to confront and cross-examine the government's witnesses. The Defendant would not have to present any defense witnesses or evidence whatsoever. If the Defendant wanted to call witnesses in her defense, however, she would have the subpoena power of the Court to compel the witnesses to attend.

d. The Defendant would have the right to testify in her own defense if she so chose, and she would have the right to refuse to testify. If she chose not to testify, the Court could instruct the jury that they could not draw any adverse inference from her decision not to testify.

e. If the Defendant were found guilty after a trial, she would have the right to appeal the verdict and the Court's pretrial and trial decisions on the admissibility of evidence to see if any errors were committed which would require a new trial or dismissal of the charges against her. By pleading guilty, the Defendant knowingly gives up the right to appeal the verdict and the Court's decisions.

f. By pleading guilty, the Defendant will be giving up all of these rights, except the right, under the limited circumstances set forth in the "Waiver of Appeal" paragraph below, to appeal the sentence. By pleading guilty, the Defendant understands that she may have to answer the Court's questions both about the rights she is giving up and about the facts of her case. Any statements the Defendant makes during such a hearing would not be admissible against her during a trial except in a criminal proceeding for perjury or false statement.

g. If the Court accepts the Defendant's plea of guilty, there will be no further trial or proceeding of any kind, and the Court will find her guilty.

h. By pleading guilty, the Defendant will also be giving up certain valuable civil rights and may be subject to deportation or other loss of immigration status. The Defendant understands that she may be subject to suspension and debarment as a contractor with the federal government and may not be allowed to receive a security clearance or be a government employee.

Advisory Sentencing Guidelines Apply

5. The Defendant understands that the Court will determine a sentencing guidelines range for this case (henceforth the "advisory guidelines range") pursuant to the Sentencing Reform Act of 1984 at 18 U.S.C. §§ 3551-3742 (excepting 18 U.S.C. §§ 3553(b)(1) and 3742(e)) and 28 U.S.C. §§ 991 through 998. The Defendant further understands that the Court will impose a sentence pursuant to the Sentencing Reform Act, as excised, and must take into account the advisory guidelines range in establishing a reasonable sentence.

Factual and Advisory Guidelines Stipulation

6. This Office and the Defendant understand, agree and stipulate to the Statement of Facts set forth in Attachment A, which this Office would prove beyond a reasonable doubt, and to the following applicable sentencing guidelines factors:

a. The base offense level for conspiracy requires the use of the guideline for the underlying offense, bribery by a public official, which is 14. U.S.S.G.§2X1.1(a); §2C1.1(a). Because the bribes involved a stream of benefits of more than one bribe, the offense level is increased by 2. §2C1.1(b)(1). The value of the benefits received by the co-conspirator in return for the bribe payments, measured by the profits, is in excess of $1.5 million, which increases the offense level by 16 levels. See §2C1.1(b) (2); §2B1.1(b)(1)(I). Because the Defendant had a minimal role in the conspiracy, 4 levels are subtracted. U.S.S.G. §3B1.2(a). The resulting offense level is 28.

b. This Office does not oppose a two-level reduction in the Defendant's adjusted offense level, based upon the Defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for her criminal conduct. This Office agrees to make a motion pursuant to U.S.S.G. § 3E1.1(b) for an additional one-level decrease in recognition of the Defendant's timely notification of her intention to plead guilty. This Office may oppose *any* adjustment for acceptance of responsibility if the Defendant (a) fails to admit each and every item in the factual stipulation; (b) denies involvement in the offense; (c) gives conflicting statements about her involvement in the offense; (d) is untruthful with the Court, this Office, or the United States Probation Office; (e) obstructs or attempts to obstruct justice prior to sentencing; (f) engages in any criminal conduct between the date of this agreement and the date of sentencing; or (g) attempts to withdraw her plea of guilty. The resulting offense level would be 25.

c. The Defendant understands that there is no agreement as to her criminal history or criminal history category, and that her criminal history could alter her offense level if she is a career offender or if the instant offense was a part of a pattern of criminal conduct from which she derived a substantial portion of her income.

d. This Office and the Defendant agree that with respect to the calculation of the advisory guidelines range, no other offense characteristics, sentencing guidelines factors, potential departures or adjustments set forth in the United States Sentencing Guidelines will be raised or are in dispute.

Rule 11 (c) (1) (C) Plea

7. (a) The parties stipulate and agree pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C) that a sentence of 18 months in the custody of the Bureau of Prisons, together with restitution, forfeiture, and the Special Assessment is the appropriate disposition of this case. This agreement does not affect the Court's discretion to impose any lawful term of supervised release or to set any lawful conditions of probation or supervised release. In the event that the Court rejects this plea agreement, *either* party may elect to declare the agreement null

and void. Should the Defendant so elect, she will be afforded the opportunity to withdraw her plea pursuant to the provisions of Federal Rule of Criminal Procedure 11(c)(5). The parties agree that if the Court finds that the Defendant engaged in obstructive or unlawful behavior and/or failed to acknowledge personal responsibility as set forth in Paragraph 16, neither the Court nor this Office would be bound by the specific sentence contained in this paragraph, and the Defendant would not be able to withdraw her plea.

(b) This Office has an interest in resolving both the open case against the Defendant and the open case against her co-defendant and husband, John Kays ("Mr. Kays"). Accordingly, this offer is contingent upon the acceptance by Mr. Kays of his plea offer of today's date and entry of the guilty plea in open court.

Obligations of the United States Attorney's Office

8. At the time of sentencing, this Office will recommend a sentence of 18 months incarceration based upon the sentencing factors set forth in 18 U.S.C. §3553, forfeiture as described below, restitution, and the $100 Special Assessment. At the time of sentencing, this Office will move to dismiss any open counts against the Defendant.

9. The parties reserve the right to bring to the Court's attention at the time of sentencing, and the Court will be entitled to consider, all relevant information concerning the Defendant's background, character and conduct, including the conduct that is the subject of the counts of the Superseding Indictment that this Office has agreed to dismiss at sentencing.

Forfeiture

10. The Defendant understands that the Court will, upon acceptance of her guilty plea, enter an order of forfeiture as part of her sentence, and that the order will include assets directly traceable to her offense, substitute assets and/or a money judgment equal to the value of the property subject to forfeiture, namely $250,700. Specifically, as a consequence of the Defendant's plea of guilty to Count One charging a conspiracy to violate 18 U.S.C. § 201, the Court will order the forfeiture of all proceeds obtained or retained as a result of the offense pursuant to 18 U.S.C. §981(a)(1)(C); 18 U.S.C. §1956(c)(7), 28 U.S.C. § 2461(c).

a. The property to be forfeited includes but is not limited to the following:

1. the proceeds from the sale of the Kays' home, currently in your firm's escrow account;
2. the proceeds from the sale of the Kays' boat, currently in your firm's escrow account;
3. a money judgment in the amount of $250,700 minus half of the sums described in 10.a.1 and 10.a.2. [2]

[2] The other half of these sums is to be forfeited by co-Defendant John Kays.

11. The Defendant agrees to consent to the entry of orders of forfeiture for such property and waives the requirements of Federal Rules of Criminal Procedure 11(b)(1)(J), 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, advice regarding the forfeiture at the change-of-plea hearing, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment.

Assisting the Government with Regard to the Forfeiture

12. The Defendant agrees to assist fully in the forfeiture of the foregoing assets. The Defendant agrees to disclose all of her assets and sources of income to the United States, and to take all steps necessary to pass clear title to the forfeited assets to the United States, including but not limited to executing any and all documents necessary to transfer such title, assisting in bringing any assets located outside of the United States within the jurisdiction of the United States, and taking whatever steps are necessary to ensure that assets subject to forfeiture are not sold, disbursed, wasted, hidden or otherwise made unavailable for forfeiture. The Defendant also agrees to give this Office permission to request and review her federal and state income tax returns, and any credit reports maintained by any consumer credit reporting entity, until such time as the money judgment is satisfied. In this regard, the Defendant agrees to complete and sign a copy of IRS Form 8821 (relating to the voluntary disclosure of federal tax return information) as well as whatever disclosure form may be required by any credit reporting entity.

Waiver of Further Review of Forfeiture

13. Except as permitted below, the Defendant further agrees to waive all constitutional, legal and equitable challenges (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment. The Defendant will not assist any third party with regard to such challenge or review or with regard to the filing of a petition for remission of forfeiture. The defendant also agrees not to challenge or seek review of any civil or administrative forfeiture of any property subject to forfeiture under this agreement, except for challenges to future forfeitures pursuant to 21 U.S.C. Section 853(p) in which the issue is whether the asset is in the class of forfeitable assets. By way of example and not limitation, the defendant could raise a legal challenge to forfeitability of ERISA pension benefits.

Restitution

14. The Defendant agrees to the entry of a Restitution Order for the full amount of the victim's losses. The Defendant agrees that, pursuant to 18 U.S.C. §§3663 and 3663A and §§ 3563(b)(2) and 3583(d), the Court may order restitution of the full amount of the actual, total loss caused by the offense conduct set forth in the factual stipulation. The Defendant's position is that no restitution is owed, and that the amount of restitution, if any, will be determined by the Court at a hearing. The Defendant further agrees that she will fully disclose to the probation officer and to the Court, subject to the penalty of perjury, all information, including but not limited to copies of all relevant bank and financial records, regarding the current location and prior disposition of all funds obtained as a result of the criminal conduct set forth in the factual

stipulation. The Defendant further agrees to take all reasonable steps to retrieve or repatriate any such funds and to make them available for restitution. If the Defendant does not fulfill this provision, it will be considered a material breach of this plea agreement, and this Office may seek to be relieved of its obligations under this agreement.

Waiver of Appeal

15. In exchange for the concessions made by this Office and the Defendant in this plea agreement, this Office and the Defendant waive their rights to appeal as follows:

a. The Defendant knowingly waives all right, pursuant to 28 U.S.C. § 1291 or otherwise, to appeal the Defendant's conviction;

b. The Defendant and this Office knowingly waive all right, pursuant to 18 U.S.C. § 3742 or otherwise, to appeal whatever sentence is imposed (including the right to appeal any issues that relate to the establishment of the advisory guidelines range, the determination of the Defendant's criminal history, the weighing of the sentencing factors, and the decision whether to impose and the calculation of any term of imprisonment, fine, order of forfeiture, order of restitution, and term or condition of supervised release).

c. Nothing in this agreement shall be construed to prevent the Defendant or this Office from invoking the provisions of Federal Rule of Criminal Procedure 35(a), or from appealing from any decision thereunder, should a sentence be imposed that resulted from arithmetical, technical, or other clear error.

d. The Defendant waives any and all rights under the Freedom of Information Act relating to the investigation and prosecution of the above-captioned matter and agrees not to file any request for documents from this Office or any investigating agency.

Obstruction or Other Violations of Law

16. The Defendant agrees that she will not commit any offense in violation of federal, state or local law between the date of this agreement and her sentencing in this case. In the event that the Defendant (i) engages in conduct after the date of this agreement which would justify a finding of obstruction of justice under U.S.S.G. § 3C1.1, or (ii) fails to accept personal responsibility for her conduct by failing to acknowledge her guilt to the probation officer who prepares the Presentence Report, or (iii) commits any offense in violation of federal, state or local law, then this Office will be relieved of its obligations to the Defendant as reflected in this agreement. Specifically, this Office will be free to argue sentencing guidelines factors other than those stipulated in this agreement, and it will also be free to make sentencing recommendations other than those set out in this agreement. As with any alleged breach of this agreement, this Office will bear the burden of convincing the Court of the Defendant's obstructive or unlawful behavior and/or failure to acknowledge personal responsibility by a preponderance of the evidence. The Defendant acknowledges that she may not withdraw her guilty plea because this Office is relieved of its obligations under the agreement pursuant to this paragraph. The Defendant acknowledges that she may not withdraw her guilty plea—even if made pursuant to

Rule 11(c)(1)(C)—if the Court finds that the Defendant engaged in obstructive or unlawful behavior and/or failed to acknowledge personal responsibility. In that event, neither the Court nor the government would be bound by the specific sentencing range agreed and stipulated to in Paragraph 7 pursuant to Rule 11(c)(1)(C).

Entire Agreement

17. This letter supersedes any prior understandings, promises, or conditions between this Office and the Defendant and, together with the Sealed Supplement, constitutes the complete plea agreement in this case. The Defendant acknowledges that there are no other agreements, promises, undertakings or understandings between the Defendant and this Office other than those set forth in this letter and the Sealed Supplement and none will be entered into unless in writing and signed by all parties.

If the Defendant fully accepts each and every term and condition of this agreement, please sign and have the Defendant sign the original and return it to me promptly.

Very truly yours,

Stephen M. Schenning
Acting United States Attorney

By: Joyce K. McDonald
Joyce K. McDonald
Harry M. Gruber
Assistant United States Attorneys

I have read this agreement, including the Sealed Supplement, and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Specifically, I have reviewed the Factual and Advisory Guidelines Stipulation with my attorney, and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

9/7/17
Date

Danielle N. Kays
Danielle N. Kays

I am Ms. Kays' attorney. I have carefully reviewed every part of this agreement, including the Sealed Supplement with her. She advises me that she understands and accepts its terms. To my knowledge, her decision to enter into this agreement is an informed and voluntary one.

9/7/17
Date

tcronin
Ty Kelly Cronin, Attorney

Statement of Facts

The parties hereby stipulate and agree that had this matter gone to trial, the government would have proven the following facts through competent evidence beyond a reasonable doubt. The parties also stipulate and agree that the following facts do not encompass all of the evidence that would have been presented had this matter gone to trial.

Background

Danielle Notarcola attended the U.S. Military Academy ("West Point") and graduated in 1997 with a bachelor of science degree in systems engineering. Notarcola was commissioned an Army lieutenant in 1997 and promoted to captain in 2000. Notarcola married a West Point class mate, John Kays ("J. Kays"), in May 2000 and uses the name "Danielle Kays" ("D. Kays"). She served with the 82nd Airborne Division at Ft. Bragg, North Carolina, until 2002, when she left military service and became a systems engineer for Computer Sciences Corporation in Eatontown, New Jersey.

After a year with Computer Sciences Corporation, Ms. Kays returned as a civilian employee of the Army with the Communications-Electronic Command ("CECOM") at Ft. Monmouth, New Jersey. From 2003-2007, D. Kays held a position equivalent to a GS-13 at CECOM. In 2007, she was promoted and became a branch chief in Future Combat Systems, still within CECOM, at Ft. Monmouth. In 2008, D. Kays was promoted again and moved within CECOM to Program Executive Office Command Control Communications-Tactical ("PEO-C3T") where she worked as the operations chief for the Project Manager Warfighter Information Network Tactical program. In 2009, D. Kays re-located to Aberdeen Proving Ground, Maryland ("APG") when all of CECOM was consolidated at APG. She became Deputy Director of the Technical Management Division where she worked for 3 years. In 2012, D. Kays became the product director, Common Hardware Systems, still within CECOM and still at APG.

Ms. Kays' husband, John Kays, also worked at CECOM at Ft. Monmouth. John Kays was friends with Matthew Barrow ("Barrow"); they had been roommates at the U.S. Military Academy Preparatory School and friends at the U.S. Military Academy ("West Point"). In 2008, Barrow was employed by a private glass company, Pilkington North America, and was in charge of procurement for goods, such as sand and minerals, and services, such as trucking. John Kays was then the Chief Systems Engineer at Project Manager[1] Battle Command, within PEO-C3T at Fort Monmouth, New Jersey.

Pilkington - Transportation Logistics Services

J. Kays, D. Kays and Barrow saw each other in 2008 at a West Point classmate's wedding. J. Kays and Barrow agreed that J. Kays would steer Army business to a company to be formed by Barrow, namely MJ-6, in exchange for Barrow steering Pilkington business to a company to be formed by J. Kays, namely Transportation Logistics Services ("TLS"). Thus, each company would receive contracts, reap profits and mutually benefit Barrow and J. Kays.

During the period May 2008 - December 2010, J. Kays interviewed T.A., R.S., F.T., J.R., A.B. and others as possible government contractor employees, directed them to MJ-6, and then approved their employment on Task Orders L-3, 8, 77, 11 and 115. Barrow directed Pilkington trucking business to J. Kay's company Transportation Logistics Services ("TLS"). Barrow provided secret bidding information to J. Kays so that TLS was able to underbid its competition.

In December 2009, PEO-C3T relocated from Ft. Monmouth to Aberdeen Proving Ground, Harford County, Maryland as part of the Base Realignment and Closure ("BRAC"). J. Kays and Barrow continued to steer work to one another's companies both before and after PEO-C3T and CECOM relocated to APG. In April 2010, PEO-C3T promoted J. Kays to Project

[1] "Project Manager" is not a person but an office within PEO-C3T at CECOM.

Director, Tactical Network Initialization ("PD-TNI"). J. Kays then had Barrow and E.P. added to Task Order 77 to provide support for the Project Director, TNI, that is, for J. Kays. In fact, J. Kays told Barrow that E.P. would not perform any actual work, but MJ-6 should bill 40 hours per week for E.P. and for Barrow personally. Barrow was still working full time at Pilkington. The salaries for E.P. and Barrow increased the profits for MJ-6 and were essentially "no show" jobs to Barrow and E.P. J. Kays influenced the contracting officer to approve the proposal in May 2010.

While MJ-6 received Army business through CACI as directed by J. Kays, Barrow directed Pilkington business to Transportation Logistics Services as a means of paying bribes to J. Kays. Barrow steered Pilkington trucking business to Transportation Logistics Services and secretly aided J. Kays in placing bids with Pilkington for trucking business and fulfilling bids for trucking services. For 2009, Barrow received approximately $115,672 in profits from MJ-6, and J. Kays received approximately $100,715 in profits from Transportation Logistics. For 2010, Barrow received approximately $294,000 in profits from MJ-6, and J. Kays received approximately $167,357 in profits from Transportation Logistics Services. Both MJ-6 and TLS received payments through checks and electronic funds transfers within the banking system; no funds were paid in cash.

In 2009, as part of the Army's base re-alignment, John and Danielle Kays transferred from Ft. Monmouth, New Jersey to Aberdeen Proving Ground. In June 2009, the Kays purchased a home in a subdivision near APG. The Kays' family income consisted of their direct-deposited government salaries, veterans' disability payments, and Transportation Logistics Services funds. The Army direct deposited all payments to the Kays, including moving and transportation reimbursements.

Danielle Kays was aware of the sources of family income, including Transportation Logistics Services. On the Office of Government Ethics Form 450 ("OGE 450"), she reported spousal (that is, J. Kays') income from Transportation Logistics Services for the period February 2010 - February 2011.[2] Danielle Kays was also aware of Barrow's formation of MJ-6 and that MJ-6 was a subcontractor for contractors who worked at PEO-C3T. In fact, in 2009, D. Kays helped W.G. land a contractor job with MJ-6 and had MJ-6 put on TO 73 so that W.G. reported to her.

In late 2010, when Pilkington discovered that Barrow was failing to follow its procedures regarding vendors and was approving payments to Transportation Logistics Services without a contract, Pilkington fired Barrow. Then J. Kays and Barrow devised a new method to operate their conspiracy.

2011: Cash Payments from Barrow to J. Kays

As of January 2011, Barrow's only work was MJ-6; Barrow could no longer steer Pilkington business to J. Kays' company Transportation Logistics Services. J. Kays told Barrow that he wanted half of the MJ-6 profits J. Kays and D. Kays produced for MJ-6 through government contracts for MJ-6. J. Kays asked Barrow to pay in cash. On January 10, 2011, Barrow withdrew $3,100 from a bank in Toledo, OH, and flew to Baltimore, MD. On January 11, 2011, Barrow withdrew another $10,000 in cash from an MJ-6 account at the PNC Bank branch in Aberdeen, Maryland. Barrow gave J. Kays this cash, and on January 13th, J. Kays paid $3,400 in cash to one of the contractors re-modeling the Kays' residence in Bel Air, MD. Although dealing in large sums of cash made Barrow uncomfortable, Barrow continued to withdraw cash and deliver it to J. Kays throughout 2011.

[2] D. Kays' 2010 supervisor did not require her to file an OGE Form 450 in early 2010 which would have covered the 2009 calendar year.

D. Kays was well aware of the growth of MJ-6 on contracts supervised by J. Kays. She knew that J. Kays was using MJ-6 employees on contracts he supervised and was in frequent telephone and email contact with Barrow. She knew that Barrow made frequent trips from Toledo to APG; Barrow sometimes stayed at the Kays' home. D. Kays knew that J. Kays had a great deal of cash, and in fact, she spent some of the cash herself. For example, D. Kays was involved in the planning of the remodeling of the Kays' home and at times delivered cash to the contractor to pay for work. D. Kays knew, or willfully blinded herself to the fact, that J. Kays was receiving cash from Barrow and that decisions taken by J. Kays and D. Kays which benefited MJ-6 enabled the Kays to reap a financial reward. In 2011, the Kays' household received approximately $333,100 in cash from Barrow. The Kays spent at least $125,000 of that cash on an extensive remodeling of the home they had bought in Harford County, including the master bathroom, hardwood floors and game room paneling, new kitchen appliances, and new kitchen cabinetry. Besides the home renovations, J. Kays purchased two cars on June 23, 2011, using $10,000 in cash for the two down payments. J. Kays drove one of the cars, and D. Kays drove the other. No cash withdrawals from the Kays' bank accounts correspond with the $10,000 down payment or other substantial cash payments. On February 27, 2012, D. Kays filed a false Office of Government Ethics Form 450 in which she failed to disclose that the Kays' family had outside sources of income for calendar year 2011. J. Kays also filed a false OGE Form 450 for calendar year 2011 in early 2012.

2012: D. Kays Added MJ-6 to Task Order 24

In March 2012, D. Kays acted to have MJ-6 added as a subcontractor to Task Order 24. Computer Sciences Corporation ("CSC") submitted a Proposal to the government to add an additional position stating, "We are accommodating a request from Ms. Danielle Kays the PEO

C3T Deputy Director, TMD [Technical Management Division]." In April 2012, CSC signed a sole source justification to add MJ-6 to Task Order 24. CSC stated that MJ-6 had unique qualifications not readily available from other sources. Additionally, CSC attached a letter to the justification stating that MJ-6 "employ[s] some senior personnel who have the exact experience that PEO C3T needs to support..." The Contracting Officer's Representative ("COR") accepted this justification and added MJ-6 as a subcontractor to Task Order 24.

In June 2012, Danielle Kays was promoted to Product Director Common Hardware Systems ("CHS") within Project Manager Warfighter Information Network – Tactical, a part of PEO-C3T. In July 2012, Barrow attempted to add two employees to Task Order 115, administered by CACI, for work at Common Hardware Systems. Barrow emailed Danielle Kays stating, "I spoke with [CACI official] today for about 30 mins. [CACI official] said he does not care who from the TMD office calls him or his subcontracts folks, Caci [sic] will not accept these [compensation] rates." Danielle Kays replied to Barrow, "Matt, bring them on under task order 0024 csc." In August 2012, the two MJ-6 employees were added to Task Order 24, as directed by D. Kays. CSC paid MJ-6 $198,530 on Task Order 24.

2012: Cash from Barrow to Kays

From January - October 2012, Barrow delivered over $168,000 to John Kays. In April 2012, D. Kays purchased a 2012 Yamaha speed boat for $46,700 from a marina in Baltimore, MD and paid $7,000 cash as part of her down payment. In May 2012, D. Kays returned to the marina and made a $9,440 cash payment toward her Yamaha power boat. D. Kays used cash supplied to make these two payments. Neither D. Kays nor J. Kays made cash withdrawals from the bank at the time of these cash payments. D. Kays knew or was willfully blind to the fact that

the cash came from Barrow, and that her actions which benefited MJ-6 enabled Barrow to provide cash payments to the Kays.

Green Turtle Meeting

In May 2012, Barrow flew to Baltimore and met J. Kays at The Green Turtle restaurant in Bel Air. One of Barrow's banks which he used for MJ-6 cash withdrawals had force-closed the MJ-6 account. Barrow and J. Kays speculated on the reasons for the closure of the bank account, discussed structuring the cash withdrawals to avoid bank cash reporting requirements, and discussed future government contracts for MJ-6, and alternatives to cash payments. J. Kays instructed Barrow regarding what to say to prime contractors to insure that MJ-6 was included on future contracts, J. Kays promised to provide Barrow with competitors' proprietary information regarding rates, and to structure the technical contract evaluation on behalf of prime contractors who team with MJ-6 as a subcontractor. J. Kays agreed to accept less in cash at that time (May 2012) for deferred payments at a later date; Barrow and J. Kays also discussed payments to J. Kays or D. Kays as a "consultant" to complete the "payments owed the Kays", if J. Kays or Danielle Kays left government employment.

Janus Task Order 1

In August 2012, a Janus Program Manager ("PM") sent D. Kays an email with the subject "MJ-6" stating, "Morning - I have spoken with Matt and heave [sic] started moving forward- shooting for 1 sept. Please forward a SOW [statement of work] for our subcontract and advise how/when funding will be forwarded- we will need to establish a 'program' CHS with GSA ("General Services Administration") so that funding could be sent. I will supply a rate and labor category shortly as we move through the paperwork with Matt." Danielle Kays responded

to the Janus PM's email, "[Janus PM], Attached is MJ-6 PWS (Performance Work Statement"). Let me know if ok or if you have any questions Thanks."

In August 2012, Janus signed MJ-6 to a subcontract agreement. The subcontract agreement included the Performance Work Statement (PWS) sent by D. Kays and a Sole-Source Justification stating, "MJ-6 LLC has been determined to be technically capable to provide the required training services in support of the Programmatic Support Services for Project Manager Warfighter Information Network – Tactical (PM WIN-T). MJ-6 was the only potential industry partner with personnel currently serving on-site with the PM WIN-T customer who also met the necessary technical requirements/qualifications. MJ-6's capabilities were verified through past performance citations, customer referrals, and on-going JANUS contracts with MJ-6."

In September 2012, Barrow sent MJ-6 employees' resumes to a supervisor T.S. for the prime contractor, Janus, who did not respond. On September 26th, Barrow reminded T.S. by email that he had provided resumes to her. On September 27th at 1:09 pm, T.S. emailed Barrow, thanked him for sending the resumes, and invited him to send more resumes for consideration. Later that afternoon, D. Kays emailed Barrow that she had had a two hour conversation with T.S. today. Barrow responded, "Wow, that was a 180 [turn] . . . [T.S.] sure did change her tune. . . ". In her two-hour conversation with T.S., D. Kays recommended the use of MJ-6.

In October 2012, Barrow and his wife came to Baltimore, visited D. Kays at APG, and later went with J. Kays and D. Kays to dinner. Although Barrow and J. Kays had discussed reducing the cash payments, Barrow brought cash to the dinner which he delivered to J. Kays.

New Method of Paying the Kays'

When Barrow returned home, he learned that a second business bank account had been force-closed by a different bank. Later in October 2012, Barrow returned to Maryland and had a

contentious visit with J. Kays and D. Kays at their home. Barrow refused to deliver more cash to the Kays, and the three planned that Barrow would pay the Kays their share of the MJ-6 profits under their illicit agreement after either D. Kays or J. Kays left government service, when the payments could be concealed as salary or consulting fees.

D. Kays' Further Official Acts

After this October 2012 meeting, both D. Kays and J. Kays continued to take actions benefitting MJ-6 with the expectation of future payments, future employment or both. For example, in September and October 2012, DK approved the hiring of D.G., M.S., T.C and J.G. by MJ-6 to work on CHS projects; she understood that more personnel for MJ-6 would increase its profits and benefit the Kays. On February 12, 2013, D. Kays filed a false Office of Government Ethics Form 450 which failed to disclose the cash she knew the Kays' family had received from Barrow in 2012.

D. Kays approved the addition of four more MJ-6 employees to the Janus contract (C.L., J.B., D.B., and L.C.) in 2013. From November 2012 until December 2015, Janus paid MJ-6 approximately $2,557,394.15 on this contract supervised by D. Kays.

J. Kays' Departure From Government Employment

In 2014, the Army undertook an administrative investigation of J. Kays for his alleged favoritism of MJ-6. On May 19, 2014, J. Kays had a telephone conversation with Barrow in which he and Barrow discussed whether Barrow could pay him $15,000 per week when he left government service. Barrow said that he did not have money coming in to be able to afford that payment. J. Kays replied: " I mean Matt, I got to get money, man. I meanI'm getting out, I mean...I've risked everything on, to trust that you were going to do this, man." Later in the conversation, J. Kays said: "I was counting on this. I mean uh, I don't know what to say, dude. I

really don't, I mean you're not going to pay me at all?" Barrow replied: " I'm not saying that no, I'm living up to my end of the bargain." Barrow went on to reiterate that he didn't have "new money" coming in to pay right now. J. Kays suggested that Barrow take a loss and pay him. They ended the conversation without a resolution.

Later that same day, May19th, D. Kays called Barrow and said "John called me earlier. Said he talked to you today." D. Kays summarized what the three of them had planned:

> "We took all this stuff now the whole plan was to get one of us out. I was gonna get out, now John is getting out. We have to set up something right? You already knew that. That's not even like... I mean, we're gonna set up something so he gets a monthly something until, I mean it might be longer because we don't have as much of a contract, but of course you are going to set something up. That was the whole plan, dude. Like, that was the long term plan like we planned all this. You read this whole (unintelligible) to make sure we had this planned out. Now I'm standing to you know make business better but I mean, the whole thing was to get one of us out. He always said that even like I think last week, right?"

D. Kays stated that J. Kays has already set up his own company and that he will "consult to you [Barrow] on salary." Barrow responded that his only contracts at that moment are "CHS [Common Hardware Systems] with six people."[3] D. Kays insisted, ..."we're going to get people toward the future. . . But I mean, you still have to put him on salary. . . . So understand that it's never going to be a right time for you to put up our side of the deal. . ." D. Kays told Barrow that J. Kays felt betrayed by Barrow not agreeing to put him on the payroll; and Barrow responded by reiterating his feelings of betrayal from when he "went out there like a mule" [referring to cash deliveries] and from when the Kays talked to other people (about their arrangement) without Barrow's consent. D. Kays responded that she has "eight [MJ-6] people on my frickin' contract. We put our freaking careers on the line, you stop it right now." She wanted Barrow to fly out

[3] This was D. Kays' contract.

from Toledo on Tuesday and meet with her and John to make a plan. Barrow did not go. D. Kays left government in October 2015.

Throughout 2013-2015, MJ-6 received payments on Task Orders put in place by John Kays and Danielle Kays, but Barrow did not pay any funds over to them although he had agreed to pay them after they left government service. For the period 2008 - 2015, $1,942,135.52 is at least the total amount of profits received by MJ-6 on over $21 million in contracts obtained through bribery. For the period 2011 - 2015, $1,752,148 is at least the total amount of profits received by MJ-6 on over $19 million in contracts obtained through bribery.

I have read this agreement, including the Sealed Supplement, and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Specifically, I have reviewed the Factual and Advisory Guidelines Stipulation with my attorney, and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

9/7/17
Date

Danielle N. Kays
Danielle N. Kays

I am Ms. Kays' attorney. I have carefully reviewed every part of this agreement, including the Sealed Supplement with her. She advises me that she understands and accepts its terms. To my knowledge, her decision to enter into this agreement is an informed and voluntary one.

9/7/17
Date

Ty Kelly-Cronin, Esq.