

	<b>Policy Level</b> Enterprise-wide	<b>Policy No.</b> CH-006	<b>Page</b> Page 1 of 5
	<b>Department</b> Legal	<b>Version No.</b> 2.2	<b>Effective Date</b> 9/9/2021
<b>PREVENTION OF FALSE CLAIMS AND FALSE STATEMENTS POLICY</b> <b>Issued: 06/05/2017</b>			

**Table of Contents**

**1.0 Purpose .....1**

**2.0 Policy Summary .....1**

**3.0 Scope .....1**

**4.0 Statutory Requirements .....2**

**5.0 Compliance .....4**

**6.0 Employee Reporting and Protections .....4**

**1.0 Purpose**

The purpose of this Policy is to ensure accuracy in all communications by Constellis Holdings, LLC and its affiliated entities (the “Company”) to our customers (including communications ranging from invoices to certifications to proposals) to comply with all legal and ethical requirements. Extra care must be taken when making submissions to federal, state, or local governments (together “Government(s)”).

**2.0 Policy Summary**

Company personnel must ensure that all underlying information represented on either a claim for payment or a contract submission, to include contract proposals and deliverables, to the Government is accurate and truthful. Knowingly making false or inaccurate statements on a claim for payment or in or on a contract deliverable submitted to the Government is strictly prohibited. In addition to violating this Policy, knowingly submitting a claim for payment with false information (hereinafter, “a False Claim”) may also violate federal law and result in the Government terminating or suspending the Company’s underlying contract, suspending or debaring the Company from future contracting opportunities, and/or civil and criminal penalties against either the Company or the personnel who participated in submitting the False Claim. Any Company personnel suspecting violations of this Policy must report their concerns to his or her direct supervisor, the Legal Department, or the Company’s Ethics Hotline.

**3.0 Scope**

All Company personnel and subcontractors are responsible for ensuring that this Policy is understood and is implemented consistently with these requirements. Any questions regarding this Policy should be directed to Legal Department.

<b>PREVENTION OF FALSE CLAIMS AND FALSE STATEMENTS POLICY</b>	<b>Policy Level</b> Enterprise-wide	<b>Policy No.</b> CH-006	<b>Page</b> Page 2 of 4
	<b>Department</b> Legal	<b>Version No.</b> 2.2	<b>Effective Date</b> 9/9/2021

#### **4.0 Statutory Requirements**

##### **4.1 The False Claims Act (Civil False Claims Act, 31 U.S.C. §§ 3729-3733; Criminal False Claims Act, 18 U.S.C. § 287)**

The Civil and Criminal False Claims Acts are federal laws frequently used to prosecute companies and individuals for knowingly submitting false or fraudulent claims for payment under a Federal Government contract. The False Claims Acts are designed to prevent and detect fraud, waste, and abuse in federal contracting. Liability for false claims arises from knowingly making or causing to be made a false or fraudulent claim for payment or approval to an agency of the United States.

##### **4.1.1 What is the standard for acting “knowingly”?**

Under the False Claims Act, “knowingly” means that a person acts:

- (a) With actual knowledge of the information;
- (b) In deliberate ignorance of the truth or falsity of the information; or
- (c) In reckless disregard of the truth or falsity of the information.

The breadth of the definition of “knowingly” requires that all Company employees adopt a proactive approach to potential problems. Never ignore issues that have the potential for resulting in a False Claim. Address them and contact your direct supervisor, the Legal Department, or the Company’s Ethics Hotline if you have concerns that inaccurate or false information is being submitted to the Government in a claim for payment or on any contract deliverable.

##### **4.1.2 Some examples of false claims**

False Claims lawsuits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a False Claim. Some examples include:

- Knowingly making false statements;
- Falsifying records;
- Submitting claims for services never performed or items never furnished;
- Double-billing for items or services;
- Using false records or statements to avoid paying the Government; or
- Falsifying time records used to bill the Government.

##### **4.1.3 What Penalties Can Be Imposed For Noncompliance?**

Individuals convicted of violating the Criminal False Claims Act can be imprisoned for five years and/or fined for each false claim. Individuals who violate the Civil False Claims Act can be assessed treble damages and fined up to \$11,000 per claim. They may also be suspended or debarred from participating in government contracts or programs.

The Company, if convicted under the criminal False Claims Act, can be fined. Under the Civil False Claims Act, the Company can face treble damages and a fine of up to \$11,000 per false claim. The Company can also be suspended or debarred from participating in government contracts or programs.

<b>PREVENTION OF FALSE CLAIMS AND FALSE STATEMENTS POLICY</b>	<b>Policy Level</b> Enterprise-wide	<b>Policy No.</b> CH-006	<b>Page</b> Page 3 of 4
	<b>Department</b> Legal	<b>Version No.</b> 2.2	<b>Effective Date</b> 9/9/2021

## 4.2 Application

The Company is asked to furnish numerous types of statements to the Government in the form of submissions, certifications, and representations to our Government customers. Inaccurate or false statements can form the basis of a violation of the False Claims Act and other laws and can result in severe legal and financial consequences, including criminal fraud repercussions. As a result, the Company, its employees, and its subcontractors must be scrupulous when communicating anything to our Government customers.

Examples of areas in which employees and subcontractors must be scrupulous include—but are not limited to—proposal information, pricing data and estimates, invoices, and socio-economic assurances. Our Government customers often rely on this information to, among other activities, select and award contracts, process contract modifications, and make payments to contractors such as the Company. In all circumstances, the Company mandates that these submissions, certifications, and representations are truthful and accurate.

## 4.3 Risk Areas

While the Company and our subcontractors must be scrupulous in all our statements and claims, there are key indicators that all employees should observe. One such indicator is understanding the many different terms used by the Government to document an affirmative statement by a contractor. A sampling includes:

- Represent (e.g., “Contractor represents that . . .”)
- State (e.g., “I hereby state that . . .”)
- Warrant (e.g., “Offeror warrants that . . .”)
- Declare (e.g., “Company declares that it does not . . .”)
- Certify (e.g., “Contractor certifies that the following information . . .”)

When these or similar terms are used by the Government customer, employees and our subcontractors need to pay even greater attention to ensuring any such response is accurate and correct. Even checking a box on a form can be considered a “statement” made to a Government entity, with legal consequences if the information is not accurate and truthful. Other examples where a contractor can be accused of submitting “false claims” or “false statements” can arise in connection with the following:

- Submission of erroneous payroll records in cost reimbursement contracts, or substituting employees not approved under key personnel clauses.
- Price fixing, bid rigging, and other forms of collusion resulting in the award of a tainted contract and false invoice claims.
- Inaccurate or inflated contract claims or requests for equitable adjustments.
- Inaccurate or inflated requests for cost reimbursement items, including employee travel expenses or Defense Base Act (“DBA”) insurance costs.
- Failure to properly document the level of service provided under a contract, including misrepresenting the number of personnel staffed to a project.

Any false claims or false statements can become especially dangerous if the false claim or statement is contained within a Company invoice delivered to the government. Each invoice that contains the false claims or false statement potentially could be found to be a separate violation of law. As a result, a single false statement or false claim may result in numerous violations and an accumulation of penalties due to the fact that it is repeated in multiple Company invoices or other submitted documents.

<b>PREVENTION OF FALSE CLAIMS AND FALSE STATEMENTS POLICY</b>	<b>Policy Level</b> Enterprise-wide	<b>Policy No.</b> CH-006	<b>Page</b> Page 4 of 4
	<b>Department</b> Legal	<b>Version No.</b> 2.2	<b>Effective Date</b> 9/9/2021

## 5.0 Compliance

It is the Company's Policy that employees and subcontractors cannot submit any statement or communication to the Government if that employee or subcontractor is not confident in the accuracy of that statement or communication. Company personnel who are responsible for communicating information to the government—and, in particular, for preparing the underlying documentation to support a claim for payment, a proposal, or other submission, to include contract deliverables—must assure the accuracy of the information by engaging in appropriate due diligence. This includes, but is not limited to, the following:

- Understanding the meaning of the certification or statement the Company is being asked to sign or submit, including referring to regulations, laws, or other documents referenced in the certification or statement.
- Contacting personnel at the Company who are in the position to know if the information the Company intends to furnish is accurate and complete.
- Requesting a review of any certifications or statements by appropriate Company personnel or management.
- Consulting with supervisors where there is any question.

Company personnel must take seriously every act associated with submitting information to Government customers and review the underlying requirements associated with those certifications and other submissions.

## 6.0 Employee Reporting and Protections

Any employee who has knowledge or information of any violation of this Policy or suspects that a potential False Claim or other wrongdoing has taken place or could take place has a duty to report such suspected misconduct immediately. To report a suspected violation, employees and third parties can report it to their supervisor, the Chief Legal Officer, or report, anonymously if necessary, using the Constellis Ethics Hotline via the web at [constellis.ethicspoint.com](http://constellis.ethicspoint.com) or through the following telephone numbers:

- In the United States & abroad: personnel and third parties can dial 1-844-637-6751.
- In Iraq: personnel and third parties can make a reverse charge or collect call to the United States using the following number: **001-5033526174**. All reverse charge or collect calls will be accepted by the contact center using an automated English message.

All employees should be aware that the False Claims Act prohibits discrimination or retaliation by the Company against any employee for taking lawful actions under the False Claims Act. Such employee may not be discharged, demoted, harassed, or otherwise discriminated against because of lawful acts taken by the employee in any False Claims action.

### RELATED DOCUMENTS

- **Constellis Code Business Ethics and Conduct**

### VERSION HISTORY

	<b>Version</b>	<b>Version Date</b>	<b>Author</b>	<b>Description</b>
1	1.0	06/05/2017	Chris Glover	Initial version
2	2.0	5/1/2020	Melissa Taylormoore	Revisions throughout
3	2.1	10/26/2020	Todd Rouse	Update to telephone numbers in Section 6.0
4	2.2	9/9/2021	Todd Rouse	Updated Ethics Hotline Information