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January 18, 2013

Mr. Spencer Wood
CIO
Ohio Department of Transportation
1980 W. Broad St.
Columbus, Ohio 43223
(614) 466-3553

Mr. John Shore
Chief Investigator, Office of Investigative Services
Ohio Department of Transportation
1980 West Broad Street
Columbus, OH 43223
(614) 752-5029

RE: Time Reporting Discrepancy at the Ohio Department of Transportation

Dear Mr. Wood:

I am writing to you on behalf of Sogeti USA, LLC ("Sogeti") as VP General Counsel and Ethics & Compliance Officer to respond to the time-reporting discrepancies arising from Sogeti's engagement with ODOT on the Aviation Registration System project. Specifically, the time-reporting discrepancies are based upon ODOT's written report identifying approximately 46.24 negative hours in the working hours (time) submitted to ODOT by four Sogeti consultants as compared to ODOT's visual confirmation of hours worked based upon ODOT's security cameras at the ODOT Aviation Facility (during the time period from December 3 through January 5, 2013). The purpose of this letter is to summarize the actions taken by Sogeti in response to this matter, communicate our findings from our internal investigation, and propose a solution that resolves the matter to ODOT's satisfaction.

Actions Taken by Sogeti

Immediately following the meeting on January 9th, Sogeti removed the four consultants at issue from the project and confiscated their laptop computers and ODOT badges. To preserve any possible evidence, Sogeti made backup copies of these laptops.

On January 10th, Sogeti began an internal investigation into the allegations, which was primarily conducted by myself along with Lisa Fitzsimmons (Corporate HR), Ken Tietz (Account Executive for the State of Ohio account), and Maureen Blake (Local HR). Interviews were conducted in

Columbus face-to-face with the four consultants at issue (Mike Young, Gregg Dearth, Matt Casey and Brandon Every) and Pradeep Pisharam (the current Project Manager on the project). Additional information was received from Andrew Gordon (the original Project Manager on the project), Steve Sarafa (Practice Manager), Jim Elswick (VP & Regional Delivery Manager), and John Schwab (Senior VP).

On January 10th and 11th Sogeti Management made direct contact with each Sogeti consultant working on State of Ohio projects, re-enforcing our timekeeping policies and the importance of diligent and correct time reporting. Additionally, on January 11th, Sogeti Corporate HR sent a company-wide email that reinforced this same message.

I also contacted ODOT's Chief Investigator John Shore with requests to better understand the nature of ODOT investigation, provide an interim update on our investigation, and request additional information / materials needed by the four consultants in order to better respond to the allegations.

Summary of Findings

At this point, I cannot state that Sogeti's investigation is absolutely complete – namely since it is impossible for the four consultants to provide a comprehensive response to the detailed numbers without access to their ODOT emails and calendars, to which they no longer have access. Nonetheless, in the spirit of addressing and resolving this matter as soon as possible, Sogeti is providing a high-level summary of our findings to date. Our investigation reveals the four consultants were not trying to defraud ODOT, although they did report inaccurate time for the project. There were a variety of reasons that this occurred, which are described below.

- Sloppy Time-Reporting. While the project team appeared to adhere to a strict time reporting process in the beginning of the project (including check-in/out), our investigation revealed sloppy time-reporting and a lack of attention to the importance of accurate time-reporting as the project progressed. With the change to the second / current Project Manager Pradeep Pisharam in July, team attention / direction was focused on delivery issues. It appears the project team and ODOT went down the path of flexible scheduling (in September, ODOT approved the project team to work after normal office hours from 7AM through midnight in order to get the development work done) and flexible time reporting (taking breaks without checking in/out, apparently starting with Pradeep Pisharam's request to take smoking breaks, which ODOT's approved without the requirement of checking in/out). The project team then got into practice of not checking in/out for minor breaks / lunches. We believe the majority of the time discrepancies results from not checking in/out with periodic breaks and lunches.
- Video Evidence Not Complete Picture. The video evidence does not present a complete picture of the hours worked, since it does not reflect hours working on the project while not in actual development room:
 - Work Performed On The Project While Not In The Office. The project team periodically had 'parking-lot' discussions in which the developers would debrief on that day's development issues, provide coaching tips to each other based upon information learned on programming specific pages or functions, and/or plan action items for the next day.

The project team also noted various instances when they worked on the project while at home in the late evenings, during weekends, while out-of-office sick or on vacation (e.g. writing documentation; testing the system; updating the project plan). While not necessarily relevant to the issues at hand, our investigation also found a significant amount of work being performed on the project but not being billed to ODOT. This included numerous emails showing time spent by Project Manager Pradeep Prisharam working on the project while not onsite at the ODOT site, and hence not billed to the ODOT project. Similarly, our Regional Delivery Manager & VP, Jim Elswick, also supported our delivery team on various ODOT Aviation project issues, for which Sogeti did not charge to ODOT given the requirement that consultants be onsite at ODOT in order to bill the time - Jim estimates that he worked approximately 3 hours per week throughout the Aviation Project - a conservative number based upon over 9 pages of emails from/to the delivery team. Nonetheless, Sogeti has since admonished / instructed the consultants that only hours worked in the ODOT office are to be billed to ODOT.

- No Positive Discrepancies. Report does not show any positive discrepancies showing hours worked per video actually exceeding reported hours.
 - Positive 87 minutes – Matt Casey = On December 11th and 12th, video evidence shows Matt working an additional 15 and 72 minutes longer than time reported (on the 11th, 8.4 hours reported as compared to 8:39 total time per video, and on the 12th 7.3 hours reported as compared to 8:30 total time per video). Matt carried over this total of 87 extra minutes to December 13th when reporting time (note the December 13th video evidence shows a shortfall of 75 minutes, leaving a surplus of 12 extra minutes for that week).
 - Positive 41 minutes - Brandon Every = On December 21st, video evidence shows Brandon working 41 minutes longer than time reported (7.5 hours reported as compared to 8:11 total time per video). Brandon carried over this extra 41 minutes to the following week when reporting time on December 28th (note the December 28th video evidence shows a shortfall of 37 minutes).
- Other Reasons for Negative Discrepancies.
 - Emergency Defects. The development team noted instances in which a consultant had the intention to check out on a certain day, but a project defect / issue was identified requiring immediate attention on the project defect / issue, resulting in the consultant not checking out that day. When the consultant subsequently checked out on a later day, the specific time may have been wrong.
 - Checking Out by Another Consultant. The team recollected instances when a consultant would check out another consultant after noticing a blank check-out time for the consultant. This was done in the spirit of helping each other, with no intention to report excess hours. When our team members subsequently learned of this, they raised this as an issue and requested that it not be done again.
 - Periodic Breaks. The project team was under the impression that taking an occasional 20 minute break was acceptable. As noted above, Project Manager Pradeep Pisharam asked the ODOT team for approval to take smoking breaks – and the ODOT approved noting it

was not necessary to check in/out. The project team noted these occasional breaks would help with the stress of the development room (a small, cramped room with no windows, poor circulation and dusty smell), while the overall project (a very intense / stressful project with tight budget constraints – upon walking in the room, full attention / focus was on solving project deliverables and moving from issue to issue).

- Responding to Occasional Phone Calls. A consultant would occasionally leave the building to handle a phone call in order to not disturb the development team.
- No physical clock in room. Inconsistent time stamps may have been used since there is not a physical clock in the development room.
- Recapturing of Past Non-Billed Hours. Under the initial authorized time schedule of working in the development room during normal ODOT office hours from 7AM through 5PM, the project team had significant challenges in completing the level of work (in the office during that limited time period) that they felt was necessary in order to maintain project ‘velocity’ and to be able to meet the project deliverables within the project deadline and budget. Hence, the team noted they worked significant time out of office, as well as significant overtime hours, in the beginning of the project for which they were not able to charge/bill. As a result, it appears there was an internal mindset that reporting these hours later in the project was justified since they believed these hours were actually worked. We have instructed these individuals that this internal justification / loose time-reporting is not acceptable.
- Focus on Project Delivery. Given the project stress and dedicated focus towards meeting the project deliverables within the project deadline and budget, the Project Manager and the four consultants (and ODOT) were focused on delivery issues and not the administrative task of reporting time. ODOT never raised any concerns with paper time reporting sheet.
- Consultants - No Intent To Defraud ODOT. In regard to the four consultants, our Sogeti team - including General Counsel, Corporate HR, Project Management, and Local HR - found no evidence of any intention to defraud the ODOT. We believe the consultants’ discrepancies resulted from the various reasons noted above, including sloppy time-reporting, dedicated focus on project delivery issues, and the recapturing of past non-billed hours. Ultimately, each consultant felt that they had worked more non-billed time over the life of the project than the deficiencies identified. Even with consultant Matt Casey and his larger discrepancy of hours, we don’t believe he was attempting to defraud or otherwise steal from ODOT. Rather, he is a recent college graduate who is relatively new to the consulting field – and unfortunately he thought he could make up the non-billed hours that he previously worked earlier in the project. Matt clearly states he would not have done this if he knew it was inappropriate. From an overall project perspective, Matt likewise believes he worked more non-billed time over the life of the project than his deficient hours, especially during (i) June and July when working non-billed overtime to organize the project which had very little details at the start, (ii) August while sick and working from home, and (iii) weekends during which he occasionally worked from home to perform testing / wire-framing in order to maintain project ‘velocity’ for the project team by freeing up his bandwidth during the week to work on business analyst work.

Summary of Proposed Resolution

The above findings are not excuses, but they do explain the reasons behind the discrepancies.

While Sogeti and the four consultants contest the accuracy of the 46.24 negative hours identified in ODOT's written report (from December 3 through January 5, 2013), Sogeti and the four consultants acknowledge any inaccurate time-reporting is not acceptable and hence we in good faith accept responsibility. Instead of belaboring over the details of the report and pulling / analyzing the large number of emails, calendar information and video evidence that would be required to calculate a true accounting of any deficient hours, Sogeti proposes to resolve the matter as follows:

- Correction of December Invoices & Immediate Credit of \$15,000. Sogeti will ensure the December invoice for the Aviation project will reflect accurate billable time, preventing ODOT from incurring a financial impact due to these issues. Additionally, Sogeti will provide ODOT an immediate credit in the amount of \$15,000 – with ODOT to decide whether to apply the credit to the December invoice or future invoices for the project.
- Recognition of Issue and Corrective Measures Aimed at Preventing Reoccurrence. Sogeti has recognized the problems noted herein, and has taken immediate corrective actions to communicate and re-enforce our time reporting policies and expectations with our consulting staff. As noted above, this action included directly contacting all consultants working at the State of Ohio, as well as sending an email to all Sogeti consultants.
- Sogeti's Continued Commitment to Aviation Project with Strict Compliance to Time-Reporting Requirements. Of equal importance, Sogeti is genuinely committed to the successful implementation of the Aviation Registration System. We have been working with ODOT IT Management to ensure that the appropriate technical resources are available to complete the project. This has included Sogeti working with other clients to make the appropriate consulting professionals available to work at ODOT and complete the effort. We believe that the team involved, including ODOT and Sogeti, will complete the project work on schedule. Furthermore, Sogeti will work with ODOT to secure detailed written time-reporting requirements and process to ensure our team are in strict compliance with the same.
- Appropriate HR Disciplinary Action. Sogeti HR is in the process of determining appropriate disciplinary actions to be taken with the employees involved. Careful consideration is being made to ensure our actions are fair and legal. Just to be clear, had Sogeti found evidence demonstrating that any individual was trying to intentionally defraud or otherwise steal from ODOT, then we would have immediately terminated their employment. Any additional information that ODOT is willing to provide to Sogeti and/or our consultants that might help to clarify this matter would be appreciated. While detailed coaching / instruction will certainly focus on time-reporting requirements, a written report will also be placed in each consultant's personnel file.
- Personal Apology. Finally, the four consultants would like to convey their sincere personal apology to ODOT and are willing to do so in writing as well. These four individuals worked very hard to achieve the project deliverables goals, and they care about the Aviation project and the ODOT team members – and even today continue to support the project by answering

project questions and sharing project knowledge to the ongoing development team. Each understands that their lack of attention in time-reporting has created a significant issue.

Conclusion & Next Steps

When this matter arose, our immediate objective was to conduct a thorough investigation and thereafter recommend a proposed solution that was fair and equitable to ODOT, Sogeti and the four consultants. We feel the proposal contained in this letter meets that objective – especially with the \$15,000 credit that was uplifted with the purpose of aggressively compensating ODOT for any potential / perceived loss.

If the above proposed solution is satisfactory to ODOT, then Sogeti will send the corrected December invoices and submit a Change Order documenting the \$15,000 credit to resolve the issues relating to the invoicing discrepancies at hand. Moreover, with the issuance of the credit, Sogeti would respectfully request that ODOT inform the Inspector General (and any applicable prosecutors) of ODOT's agreement that (i) Sogeti's enacted solution satisfactorily addresses their business concerns on the project, and (ii) ODOT has no interest in criminal charges being brought against the four consultants.

Please respond back at your convenience so we can determine appropriate next steps. In the meantime, if you have any questions in regard to this proposal, please do not hesitate to contact me directly at the numbers listed above.

Sincerely,



Vice President & General Counsel

Ethics & Compliance Officer

CC: John Schwab, Senior VP

Ken Tietz, VP & Account Executive for the State of Ohio