

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA, )  
 )  
 *Plaintiff,* )  
 )  
 v. ) Civil Action No.  
 )  
 METCALF & EDDY, INC., )  
 )  
 *Defendant.* )

COMPLAINT FOR PERMANENT INJUNCTION  
AND ANCILLARY RELIEF

Plaintiff, United States of America, for its complaint herein alleges as follows:

1. Defendant, Metcalf & Eddy, Inc. ("METCALF & EDDY"), the successor by merger of Metcalf & Eddy International, Inc. ("M&E International"), has engaged, is engaged, and is about to engage in acts and practices which constitute violations of Section 104(a) of the Foreign Corrupt Practices Act of 1977 ("the Act") (15 U.S.C. § 78dd-2(a)).
2. The plaintiff brings this action to enjoin such acts and practices pursuant to Section 104(d) of the Act (15 U.S.C. § 78dd-2(d)).
3. This Court has jurisdiction of this action pursuant to Section 104(d) of the Act (15 U.S.C. § 78dd-2(d)).
4. The defendant, unless restrained and enjoined, will continue to engage in the acts and practices set forth in this complaint and in acts and practices of similar purport and object.
5. The acts and practices constituting the violations herein have occurred within the District of Massachusetts and elsewhere.

6. M&E International was merged into defendant METCALF & EDDY on or about December 10, 1997. At all times relevant to the conduct described herein, M&E International was an environmental engineering firm, headquartered in Wakefield, Massachusetts, that provided services outside the United States.
7. Defendant METCALF & EDDY is a corporation organized and existing under the laws of the State of Delaware. M&E International and its successor by merger, defendant METCALF & EDDY, are "domestic concerns" as that term is defined in Section 104(h)(1) of the Act (15 U.S.C. § 78dd-2(h)(1)).
8. Commencing in October 1994 and continuing to the date hereof, the defendant METCALF & EDDY and its predecessor M&E International, in the District of Massachusetts and elsewhere, corruptly used and caused to be used means and instrumentalities of interstate commerce, to wit, commercial aircraft, in furtherance of an offer, payment, and promise to pay something of value, to wit, travel, lodging, and entertainment expenses to the Chairman of Alexandria General Organization for Sanitary Drainage ("AGOSD"), an official of the Government of United Arab Republic of Egypt ("Egypt"), to induce said official to use his influence to effect and influence an act of the Government of Egypt, to wit, the agreement of AGOSD to support contracts and contract extensions between the United States Agency for International Development ("USAID") and M&E International, of which AGOSD was the beneficiary, in violation of Section 104(a)(1) of the Act (15 U.S.C. § 78dd-2(a)(1)), as more fully alleged in the subsequent paragraphs of this complaint.

9. At all times relevant to the conduct described herein, AGOSD was an instrumentality of the Government of Egypt and was responsible for sewage and wastewater treatment facilities in Alexandria, Egypt.
10. During the time periods relevant to the conduct described herein, USAID sponsored two projects for the benefit of AGOSD. The Phase I project involved infrastructure development and consisted of several contracts. M&E International participated in one of these contracts as a joint venture partner and in another as sole contractor. The Phase II project involved the provision of architectural and engineering services to AGOSD. M&E International was the sole contractor on the Phase II project.
11. In 1994, M&E International bid on and was awarded a contract under the Phase I project to provide institutional support relative to the operation and maintenance of wastewater treatment facilities managed by AGOSD (the "Phase I IDP contract"). This contract became effective on November 1, 1994. The contract was extended for an additional six month term on November 17, 1996 for the period December 1, 1996 through May 31, 1997. The initial contract price was approximately \$10,739,977.00. There were various modifications throughout the contract term which increased the contract price. The final contract price was increased by an additional \$600,000 for the contract extension.
12. In 1995, M&E International bid on and was awarded the Phase II contract to provide architectural and engineering services for the benefit of AGOSD. The Phase II contract was awarded for a performance period commencing on August 1, 1995 and ending on December 31, 1996. On November 16, 1996 the contract was extended for an additional six months through June 30, 1997. The initial contract price was approximately \$22,618,618.00.

That price was increased through various contract modifications. The final contract price was increased by approximately an additional \$2.6 million for the contract extension.

13. Although the Phase I IDP contract and the Phase II contract were awarded by USAID, the prospective contractors and their bids were subject to review by a Technical Review Board comprised of five voting members. AGOSD held one voting position on each of the boards, which position was shared by two AGOSD representatives. As members of the Technical Review Boards, the AGOSD representatives participated in the evaluation and scoring of bidders.
14. Although the AGOSD Chairman himself did not participate in the evaluation and scoring of bidders in the selection process, officials of M&E International knew that he was capable of exerting influence upon his subordinates, including the AGOSD officials who sat on the Technical Review Boards for the Phase I and Phase II projects. In addition, M&E International officers knew that the Chairman could influence the selection process through direct communications with USAID regarding his preferences and that he could directly or indirectly impede the ability of M&E International to successfully complete its obligations under the contracts.
15. The AGOSD Chairman traveled twice to the United States at the invitation of M&E International during periods of time in which the awarding of the Phase I IDP and Phase II contracts, and the corresponding contract extensions, were under consideration by USAID. The Chairman's wife and two children accompanied him on both trips at M&E International's expense. On M&E International's books, the 1994 trip was associated with the Phase I project and the 1996 trip was associated with the Phase II project.

16. The first trip took place between October 5 and October 25, 1994 and included travel to Boston, Massachusetts; Washington, D.C.; Chicago, Illinois; and Orlando, Florida. During this trip, the AGOSD Chairman was invited to a water conference in Chicago. On October 19, 1994, while the Chairman was in the United States at M&E International's expense, he signed an order, on behalf of AGOSD, recommending M&E International for the Phase I IDP contract. This contract was subsequently awarded to M&E International on November 4, 1994. During this period, M&E International was also bidding on the Phase II contract, although the technical review of the bids did not take place until 1995 and the contract was not awarded to M&E International until approximately July 1995.
17. The second trip took place between September 13 and September 26, 1996 and involved travel to Paris, France; Boston, Massachusetts; and San Diego, California. On July 8, 1996, an employee of M&E International wrote a letter to the AGOSD Chairman in which he expressed M&E International's interest in continuing with the Phase II contract and requested AGOSD's support for the continuation of its services through the Chairman's contacts with USAID and the Government of Egypt. On August 15, 1996, the Chairman and his family were invited to the United States for the second trip. On November 16, 1996, the Phase II contract was extended by USAID for six months. On November 17, 1996, the Chairman wrote a letter to USAID asking that the Phase I IDP contract be extended.
18. Both the Phase I and Phase II contracts required that travel associated with the contracts be in accord with the Federal Travel Regulations (FTRs). Under the applicable travel regulations, the Chairman was entitled to receive, in advance, a cash per diem payment to cover his certain travel-related expenses. On both trips, the Chairman received 150% of his

estimated per diem expenses in a lump sum prior to leaving Egypt. USAID authorized the 150% payment in each case based upon M&E International's representation that no accommodations were available within the per diem amount. In each case, the payment of 150% of per diem was not a necessary expense, and in neither case was the payment of the extra 50% justified or documented by M&E International as required by the FTRs.

19. Moreover, on both trips, once the Chairman and his family arrived in the United States, M&E International paid for most of the travel and entertainment expenses incurred by and on behalf of the Chairman and his family, despite the fact that the Chairman had already received funds for his own per diem expenses. Under these circumstances, the advance per diem payments were, in effect, unrestricted cash payments to the Chairman.
20. In addition to the per diem advances on both trips, M&E International paid to upgrade the Chairman's airline tickets to first class for both of his trips to the United States. The FTRs authorize only coach travel except in exceptional circumstances which were not applicable to this trip. M&E International did not bill USAID for the additional cost of the Chairman's first class tickets. M&E International's provision of the first class tickets was a payment of a thing of value to the Chairman.
21. In addition, M&E International paid for the Chairman's wife and children to fly first class to the United States as part of the 1996 trip. This expense was a payment of a thing of value to the Chairman.
22. In addition, an officer of M&E International obtained two undocumented cash advances immediately prior to and during the Chairman's 1996 trip, which funds were apparently expended in connection with the Chairman's trip. As the Chairman had already received an

advance of his per diem expenses, the use of these funds for the Chairman's trip was a payment to the Chairman in violation of the Foreign Corrupt Practices Act.

23. The provision of the per diem advance, including the extra 50% per diem, with the full knowledge that the Chairman would not be expected to pay for any of his expenses while in the United States, the first class upgrade of the Chairman on both trips, and the provision of first class airfare to the Chairman's wife and family and the payment of undocumented expenses on the 1996 trip were all payments of cash and things of value to the Chairman in violation of the Foreign Corrupt Practices Act.
24. During the period October 1994 through December 1996, M&E International failed to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the payment of money and things of value to or for the benefit of the Chairman.
25. At no time prior to March 1998 did M&E International have any training or compliance program that educated its employees concerning the conduct proscribed by the Foreign Corrupt Practices Act.

WHEREFORE, the plaintiff, United States of America, respectfully prays and demands:

I

A Final Judgment of Permanent Injunction restraining and enjoining defendant METCALF & EDDY, INC. (as successor by merger to M&E International) its agents, servants, employees, assigns, attorneys in fact and each of them from violating Sections 104(a) or (i) of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. § 78dd-2(a), (i)), directly or indirectly, by use of the mails, or any means or instrumentalities of interstate commerce or to take any act outside the United States

corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift promise to give, or authorization of the giving of anything of value to:

- (1) any foreign official for purposes of—
  - (A) influencing any act or decision of such foreign official in his official capacity, inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or securing any improper advantage; or
  - (B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality.

in order to assist the defendant in obtaining or retaining business for or with, or directing business to, any person; or

- (2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—
  - (A) influencing any act or decision of such party, official, or candidate in its or his official capacity, inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or securing any improper advantage; or
  - (B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist the defendant in obtaining or retaining business for or with, or directing business to, any person; or



(3) any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, or candidate, or securing any improper advantage; or

(B) inducing such foreign official, political party, party official, or candidate to use his or its influences with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist the defendant in obtaining for or with, or directing business to, any person.

A Final Order be entered directing that METCALF & EDDY, INC. shall pay, within such time as the Court may direct and, in the manner directed by the United States Attorney for the District of Massachusetts, a civil fine, pursuant to Section 104(g)(1)(B) of the Foreign Corrupt Practices Act (15 U.S.C. § 78dd-2(g)(1)(B)), in the amount of \$400,000.00.

Respectfully submitted,



PETER B. CLARK  
DEPUTY CHIEF, FRAUD SECTION  
U.S. DEPARTMENT OF JUSTICE

DONALD K. STERN  
UNITED STATES ATTORNEY FOR  
THE DISTRICT OF MASSACHUSETTS



Allison Burroughs  
Assistant United States Attorney



Philip Urofsky  
Trial Attorney, Fraud Section

ATTORNEYS FOR THE UNITED STATES OF AMERICA

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December 7, 1999 (9:27AM)

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA, )  
 )  
 ) *Plaintiff,* )  
 ) Civil Action No.  
 )  
 ) v. )  
 ) CONSENT AND UNDERTAKING OF  
METCALF & EDDY, INC., ) METCALF & EDDY, INC.  
 )  
 )  
 ) *Defendant.* )

1. The defendant METCALF & EDDY, INC. ("METCALF & EDDY"), as successor by merger to METCALF & EDDY International, without admitting or denying the allegations of the Complaint, solely for the purpose of this proceeding and for no other purpose whatsoever:
  - a. admits the jurisdiction of this Court over it and over the subject matter of this action;
  - b. admits the service upon it of the Summons and Complaint in this action;
  - c. waives the filing of an Answer;
  - d. waives the making of any Findings of Fact and Conclusions of Law under Rule 52 of the Federal Rules of Civil Procedure;
  - e. enters an appearance in this action; and
  - f. hereby consents to the entry of the attached Final Judgment of Permanent Injunction against it, without notice.
2. The defendant METCALF & EDDY hereby waives any right it may have to appeal from the Final Judgment of Permanent Injunction in the form attached hereto as Exhibit A.
3. The defendant METCALF & EDDY enters into this Consent and Undertaking voluntarily, and no promise or threat of any kind whatsoever has been made by the United States of

America or any officer, agent or representative thereof to induce METCALF & EDDY to enter into this Consent and Undertaking.

4. The defendant METCALF & EDDY further represents that it has already implemented and consents and agrees that it hereafter will maintain a compliance and ethics program designed to detect and prevent violations of the Foreign Corrupt Practices Act and of other applicable foreign bribery laws. It will provide a copy of all corporate resolutions and other documents describing and implementing such compliance and ethics program to the United States within sixty days of the entry of the Final Judgment of Permanent Injunction in this matter. The defendant METCALF & EDDY's program shall include, *at a minimum*, the following components:

- a. A clearly articulated corporate policy against violations of the Foreign Corrupt Practices Act and the establishment of compliance standards and procedures to be followed by its employees, consultants, and agents that are reasonably capable of reducing the prospect of violative conduct;
- b. The assignment to one or more senior METCALF & EDDY corporate officials of responsibility for oversight of compliance with policies, standards, and procedures established pursuant to paragraph 4 of this Consent and Undertaking. Such officials shall have the authority and responsibility to implement and utilize monitoring and auditing systems reasonably designed to detect criminal conduct by the company's employees and other agents, including, where appropriate, the retention of outside counsel and independent auditors to conduct investigations and audits. In addition, such officials shall be charged with making any necessary modifications to the

compliance program to respond to detected violations and to prevent further similar violations;

- c. The establishment and maintenance of a committee to review (i) the retention of any agent, consultant, or other representative for purposes of business development in a foreign jurisdiction, and (ii) all contracts related thereto. The committee also will review the suitability of all prospective joint venture partners for purposes of compliance with the Foreign Corrupt Practices Act, as well as the adequacy of the due diligence performed in connection with the selection of the joint venture partner, any subsequent due diligence relating to the continued suitability of such joint venture partner, and any due diligence in connection with approvals of the retention of sub-agents and consultants by the joint venture for purpose of business development in a jurisdiction other than the United States. The majority of the committee shall be comprised of persons who are not subordinate to the most senior officer of the department or unit responsible for the relevant transaction.
- d. Clearly articulated corporate procedures to ensure that METCALF & EDDY exercises due care to assure that substantial discretionary authority is not delegated to individuals whom the defendant knows, or should know through the exercise of due diligence, have a propensity to engage in illegal activities.
- e. Clearly articulated corporate procedures to assure that all necessary and prudent precautions are taken to ensure that METCALF & EDDY has formed business relationships with reputable and qualified agents, consultants and other representatives for purposes of business development in foreign jurisdictions. Such

policy shall require that evidence of such a "due diligence" inquiry be maintained in METCALF & EDDY's files;

- f. The effective communication to all officers, employees, agents, consultants, and other representatives of corporate policies, standards, and procedures regarding the Foreign Corrupt Practices Act by requiring regular training concerning the requirements of the Foreign Corrupt Practices Act and of other applicable foreign bribery laws on a periodic basis to its officers and employees involved in foreign projects. With respect to the training of agents, consultants, or other representatives retained in connection with foreign business, such training shall be given as soon as practicable following their retention and periodically thereafter;
- g. The implementation of appropriate disciplinary mechanisms, including as appropriate, discipline of individuals responsible for the failure to detect a violation of the law or of compliance policies, standards, and procedures.
- h. The establishment of a reporting system by which officers, employees, agents, consultants, and other representatives may report suspected criminal conduct without fear of retribution or going through the chain of command or reporting the same to the employee's, agent's, or representative's immediate managers;
- i. The inclusion in all contracts and contract renewals entered into subsequent to the date of this Consent Decree with agents, consultants, and other representatives for purposes of business development in a foreign jurisdiction of a representation and undertaking by each prospective agent, consultant, and representative that no payments of money or anything of value will be offered, promised or paid, directly

or indirectly, to any foreign officials, foreign political parties, party officials, or candidates for foreign public or political party office to influence the acts of such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with a foreign government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which METCALF & EDDY is a participant. In addition, all such contracts shall contain an agreement by each prospective agent, consultant, and representative for business development in a foreign jurisdiction that it shall not retain any sub-agent or representative without the prior written consent of a senior officer of METCALF & EDDY. All such contracts shall further provide for termination of said contract as a result of any breach of such undertakings, representations, and agreements.

5. The defendant METCALF & EDDY further consents and agrees to implement financial and accounting procedures to be certified to by the company's chief financial officer. Such procedures shall be designed to ensure that METCALF & EDDY:
  - a. makes and keeps books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b. devises and maintains a system of internal accounting controls sufficient to provide reasonable assurances that:
    - i. transactions are executed in accordance with management's general or specific authorization;

- ii. transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
- iii. access to assets is permitted only in accordance with management's general or specific authorization; and
- iv. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

6. The defendant METCALF & EDDY hereby consents and agrees to promptly investigate and/or report any alleged violations by METCALF & EDDY, its officers, employees, agents, consultants, or other representatives, and any joint venture in which METCALF & EDDY is a participant, of the Foreign Corrupt Practices Act or any violations of other applicable foreign bribery laws to the Department of Justice.
7. Where the work contemplated by a joint venture will be performed in a foreign jurisdiction, the defendant METCALF & EDDY further consents and agrees to include in all of its joint venture agreements entered into or modified after the date of this Consent and Undertaking a representation and undertaking by each joint venture partner, with periodic certifications made to METCALF & EDDY, that no payments of money or anything of value will be or has been offered, promised or paid, directly or indirectly, to any foreign officials, foreign political parties, party officials, or candidates for foreign public or political party office to influence the acts of such officials, political parties, party officials, or candidates in their



official capacity, to induce them to use their influence with a foreign government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which METCALF & EDDY is a participant. In addition, all such agreements shall contain an agreement by each prospective joint venture partner that it shall not retain any sub-agent or representative without the prior written consent, after the exercise of due diligence, of a senior officer of METCALF & EDDY. All such contracts shall further provide for termination of said contract as a result of any breach of such undertakings, representations, and agreements.

8. The defendant METCALF & EDDY further consents and agrees that it shall provide on an annual basis for the next five years certifications of compliance with the Foreign Corrupt Practices Act to the United States Agency for International Development (USAID), any other Federal agencies for which METCALF & EDDY has overseas programs and/or contracts, and the Department of Justice. Such certifications shall be based upon audits conducted by an independent outside auditor. The defendant METCALF & EDDY agrees, upon request, to provide copies of the results of such audits and will use reasonable efforts to make the auditors available to the USAID, any other applicable Federal agency, and the Department of Justice for follow-up questions and clarifications. For purposes of this paragraph, "reasonable efforts" shall include, but not be limited to, including in retention agreements clauses requiring such auditors to cooperate with the United States.

9. The defendant METCALF & EDDY further agrees to conduct a periodic review, not less than once every five years, of its corporate policies and compliance programs regarding the Foreign Corrupt Practices Act and the anti-bribery provisions of each foreign jurisdiction to

which the defendant, its officers, employees, agents, and subsidiaries may be subject. Such periodic reviews will be conducted by independent legal and auditing firms retained for such purpose by the Board of Directors of METCALF & EDDY or its successors.

10. The defendant METCALF & EDDY agrees to provide to each officer and manager of the company and all subsidiaries thereof, a copy of the complaint, undertaking, and order of permanent injunction in this proceeding. The defendant shall obtain from each such officer and manager a certification as to the receipt of these documents. Where an officer or manager fails to certify receipt of these documents, METCALF & EDDY shall retransmit them via a nationally recognized over-night courier and maintain proof of transmittal in its files. These certifications and documentation shall be made available to the U.S. Department of Justice upon request.
11. The defendant METCALF & EDDY agrees to cooperate truthfully and completely with the United States in its investigation of possible violations of federal law arising out of this investigation of METCALF & EDDY and any of its present and former officers and employees and in any trial or other proceedings arising out of this investigation of M&E International and METCALF & EDDY and any of its present and former officers and employees.
  - a. METCALF & EDDY understands and agrees that its cooperation obligations will require it, among other things, to do the following:
    - i. provide full disclosure of all information known to METCALF & EDDY as of the date of execution of this agreement by the parties concerning the

- payments of money or anything of value to government officials beginning in 1994;
- ii. provide full disclosure of all information known to METCALF & EDDY as of the date of execution of this agreement by the parties concerning any payments by METCALF & EDDY or any of its subsidiary entities made directly or indirectly to any foreign officials for the purpose of influencing such officials;
  - iii. provide full disclosure of all instances known to METCALF & EDDY as of the date of execution of this agreement by the parties of improper accounting for payments or expenses associated with United States government-funded projects;
  - iv. provide access to copies of original documents and records relating to the above;
  - v. require that, upon request and reasonable notice by the Department of Justice, METCALF & EDDY's directors, officers and employees make themselves available for interviews by law enforcement agents and for attendance at legal and judicial proceedings, including grand jury sessions, trials and other court hearings relating to the above;
  - vi. take all reasonable measures to ensure that METCALF & EDDY's directors, officers and employees cooperate fully and truthfully with the United States and disclose all information with respect to their activities and those of others

relating to violations of federal laws, including the Foreign Corrupt Practices Act relating to the above.

- b. In return for METCALF & EDDY's full and truthful cooperation, the United States agrees not to use any information provided by METCALF & EDDY pursuant to this agreement (or any information directly or indirectly derived therefrom) against METCALF & EDDY or its subsidiaries in any criminal case except: in a prosecution for perjury or obstruction of justice; in a prosecution for making a false statement after the date of this agreement; or in a prosecution or other proceeding relating to any crime of violence; in a prosecution or other proceeding relating to a violation of any provision of Title 26 of United States Code.
  - c. If the United States determines that METCALF & EDDY has breached this agreement by knowingly making any false, incomplete or misleading statement, or by knowingly providing any false, incomplete or misleading information, to any law enforcement personnel, grand jury or court, the United States may terminate this agreement and may prosecute METCALF & EDDY for any and all offenses that could be charged against it including, but not limited to, false statements and perjury.
12. The defendant METCALF & EDDY further agrees to reimburse the United States of America for the costs of its investigation in this matter. The defendant METCALF & EDDY agrees to pay by check or money order, within ten days after judgment is entered by the Court in this matter, a civil fine in the amount of \$400,000 and reimbursement for the costs of investigation in the amount of \$50,000.

13. The defendant METCALF & EDDY further consents and agrees that this Consent and Undertaking shall be incorporated by reference in the Final Judgment of Permanent Injunction, in the form attached hereto as Exhibit A, to be entered by the Court in this action, and further agrees that this court shall retain jurisdiction in this matter for all purposes.

METCALF & EDDY, INC.

By: Michael A. Szomjassy  
Michael A. Szomjassy  
President

By: \_\_\_\_\_  
(Second signature not required)

On this 9th day of December, 1999, before me personally comes Michael A. Szomjassy, who executed the foregoing Consent and Undertaking on behalf of Metcalf & Eddy, Inc., and he being duly sworn did depose and say he is the President of Metcalf & Eddy, Inc. and has been duly and properly authorized and empowered to take, execute and deliver the foregoing consent and undertaking on behalf of METCALF & EDDY.

Barbara A. Lovuolo  
Notary Public  
My Commission Expires:

BARBARA A. LOVUOLO, Notary Public  
My Commission Expires May 10, 2002

HACIVCONS7.WPD  
December 8, 1999 (3:51pm)

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA, )  
)  
*Plaintiff,* )  
)  
v. )  
)  
METCALF & EDDY, INC., )  
)  
*Defendant.* )

Civil Action No.

99CV12566 NG  
FINAL JUDGMENT OF PERMANENT INJUNCTION AGAINST METCALF & EDDY, INC.  
DEC 14 3 31 PM '99

Plaintiff United States of America having duly commenced this action by filing a Complaint for Permanent Injunction and Ancillary Relief, and defendant METCALF & EDDY, INC. ("METCALF & EDDY"), as successor by merger to Metcalf & Eddy International, Inc. ("M&E International"), having appeared and admitted to the jurisdiction of the Court over it and over the subject matter of this action; having waived the making of any findings of fact or conclusions of law; before the taking of any testimony and without trial, argument, or adjudication of any issue of fact or law herein; without admitting or denying the allegations of the Complaint, having consented to the entry of this Final Judgment of Permanent Injunction; and having entered into certain undertakings contained in the Consent and Undertaking of defendant METCALF & EDDY annexed hereto and incorporated herein, it is hereby

I.

ORDERED, ADJUDGED AND DECREED that defendant METCALF & EDDY, successor by merger to M&E International, its agents, servants, employees, successors, assigns, attorneys in fact, and those persons in active concert or participation with them, and each of them, are hereby permanently restrained and enjoined from violating Sections 104(a) and (i) of the Foreign Corrupt

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Practices Act of 1977 (15 U.S.C. § 78dd-2(a. i)), directly or indirectly, by use of the mails, or any means or instrumentalities of interstate commerce or by taking any act outside the United States corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift promise to give, or authorization of the giving of anything of value to:

- (1) any foreign official for purpose of --
  - (A) influencing any act or decision of such foreign official in his official capacity, inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or securing any improper advantage; or
  - (B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality.

in order to assist the defendant in obtaining or retaining business for or with, or directing business to, any person; or

- (2) any foreign political party or official thereof or any candidate for foreign political office for purposes of -
  - (A) influencing any act or decision of such party, official, or candidate in its or his official capacity, inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or securing any improper advantage; or

- (B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality.

in order to assist the defendant in obtaining or retaining business for or with, or directing business to, any person; or

- (3) any person, while knowing that all or a portion of such, money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of --

- (A) influencing any act or decision of such foreign official, political party, party official, or candidate, in his or its official capacity, inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, or candidate, or securing any improper advantage; or

- (B) inducing such foreign official, political party, party official, or candidate to use his or its influences with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist the defendant in obtaining business for or with, or directing business to, any person.



II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant METCALF & EDDY, as successor to M&E International, shall pay, within ten days and in the manner directed by the United States Attorney for the District of Massachusetts, a civil fine, pursuant to Section 104(g)(1)(B) of the Foreign Corrupt Practices Act (15 U.S.C. § 78dd-2(g)(1)(B)), in the amount of \$400,000.00.

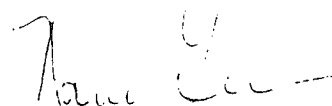
III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent and Undertaking of defendant METCALF & EDDY be, and the same hereby is, incorporated herein with the same force and effect as if fully set forth herein.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant METCALF & EDDY shall fully comply with its undertakings as set forth in the attached Consent and Undertakings of METCALF & EDDY.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court retain jurisdiction of this matter for all purposes.

  
\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

Dated: December 7 1999  
Boston, Massachusetts

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December 7, 1999 (9:27AM)