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SOUTHERN DISTRICT OF CALIFORNIA  
BY DEPUTY

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14 UNITED STATES DISTRICT COURT  
15 SOUTHERN DISTRICT OF CALIFORNIA

16 UNITED STATES OF AMERICA, ) Case No. 05CR0314-BEN  
17 )  
18 Plaintiff, )  
19 ) PLEA AGREEMENT  
20 v. )  
21 TITAN CORPORATION, )  
22 Defendant. )

23 IT IS HEREBY AGREED between the plaintiff, UNITED STATES OF  
24 AMERICA, through its counsel, Carol C. Lam, United States  
25 Attorney, and Eric J. Beste, Assistant United States Attorney, and  
26 Steven E. Stone, Assistant United States Attorney, and Joshua R.  
27 Hochberg, Chief, Fraud Section, U.S. Department of Justice,  
28 Criminal Division, and Mark F. Mendelsohn, Acting Deputy Chief,

Def. Initials *MS* *D* *RW*

1 Fraud Section, U.S. Department of Justice, Criminal Division, and  
2 defendant, TITAN CORPORATION, with the advice and consent of Roger  
3 M. Witten and Martin J. Weinstein, counsel for defendant, as  
4 follows:

5 I

6 THE PLEA

7 Defendant agrees to waive Indictment and plead guilty to an  
8 Information charging defendant with:

9 Count 1: Making use of interstate and foreign  
10 instrumentalities corruptly in furtherance of unlawful  
11 payments to a foreign official for the purpose of  
12 influencing his acts and decisions to assist TITAN  
13 CORPORATION in obtaining and retaining business, in  
14 violation of Title 15, United States Code, Section  
15 78dd-1;

16 Count 2: Falsifying the books and records of TITAN  
17 CORPORATION in violation of Title 15, United States  
18 Code, Sections 78m(b)(2)(A) and 78m(b)(5); and

19 Count 3: Wilfully aiding and assisting in the preparation or  
20 presentation of a false or fraudulent tax return for TITAN  
21 CORPORATION in violation of Title 26, United States Code,  
22 Section 7206(2).

23 Defendant agrees that this Plea Agreement will be executed  
24 by an authorized corporate representative and counsel, and that  
25 the certifications contained at Exhibits 1 and 2 of this Plea  
26 Agreement will be executed prior to the filing of this Plea  
27 Agreement with the Court. Defendant further agrees that a  
28 Resolution duly adopted by the defendant's Board of Directors, in

1 the form attached to this Plea Agreement as Exhibit 3, or in a  
2 substantially similar form, represents that the signatures on this  
3 Plea Agreement by TITAN CORPORATION and its counsel are authorized  
4 by the Board of Directors of TITAN CORPORATION.

5 The Government agrees not to initiate any additional criminal  
6 charges against the defendant or its subsidiaries or affiliates  
7 under the Foreign Corrupt Practices Act ("FCPA"), under any other  
8 federal criminal statutes that are the basis for an alternative  
9 charge to the FCPA (including 18 U.S.C. sections 2, 3, 4, 371,  
10 1341, 1343, 1952, 1956 and 1957), or under any criminal provisions  
11 of Title 26 of the United States Code, for the conduct charged in  
12 the Information and set forth in the Factual Basis in section II.B  
13 herein or any other foreign transactions or events disclosed in  
14 writing (including in documents produced) by or on behalf of the  
15 defendant to the United States Department of Justice on or before  
16 the date of this Plea Agreement, except for any crimes of violence  
17 which may have been committed by the defendant. This Plea  
18 Agreement applies to the defendant only and does not prevent the  
19 United States Department of Justice from investigating or  
20 prosecuting any other individuals or entities.

21 Nothing in this Plea Agreement shields the defendant from  
22 prosecution for perjury, the giving of a false statement to a  
23 federal agent, or obstruction of justice in the event that it  
24 commits such an offense after the date of this Plea Agreement.  
25 Should the defendant commit perjury, give a false statement to a  
26 federal agent, or obstruct an investigation, then the United  
27 States will be free to prosecute TITAN CORPORATION for that  
28

1 offense and will be free to withdraw from this Plea Agreement or  
2 be relieved of its obligations, if any, under this Plea Agreement.

3 II

4 NATURE OF THE OFFENSES

5 A. ELEMENTS EXPLAINED

6 Defendant understands that the offenses to which defendant  
7 is pleading guilty have the following elements:

8 Count 1: Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1)

- 9 1. That the defendant acted corruptly;
- 10 2. That the defendant made use of the mails or  
11 any means or instrumentalities of interstate  
12 commerce in furtherance of an unlawful act  
13 under the Foreign Corrupt Practices Act;
- 14 3. That the defendant offered, paid, promised to  
15 pay, or authorized the payment of money or  
16 anything of value;
- 17 4. That the payment was to a person knowing that  
18 such money would be offered, given, or  
19 promised, directly or indirectly, to a  
20 foreign public official;
- 21 5. That the payment was to influence any act or  
22 decision of the foreign public official, to  
23 induce the foreign public official to do or  
24 omit to do any act in violation of his lawful  
25 duty, to induce the foreign public official  
26 to use his or its influence with a foreign  
27 government or instrumentality thereof to  
28 affect or influence any act or decision of

1 such government or instrumentality; or to  
2 obtain any improper advantage; and

3 6. That the payment was made to assist the  
4 defendant in obtaining or retaining business  
5 for or with, or directing business to, any  
6 person.

7  
8 Count 2: Falsifying Books & Records (15 U.S.C. §§ 78m(b)(2)(A) and  
9 78m(b)(5))

10 1. That the defendant was an "issuer" under the  
11 federal securities laws and therefore required to  
12 make and keep books, records, and accounts which,  
13 in reasonable detail, accurately and fairly  
14 reflected the transactions and disposition of its  
15 assets;

16 2. That the defendant knowingly falsified its books,  
17 records, and accounts; and

18 3. That the defendant acted willfully.

19 Count 3: Aid or Assist in Filing of False Return (26 U.S.C.  
20 § 7206(2))

21 1. That the defendant willfully aided, assisted, procured  
22 or advised in the preparation of an income tax return  
23 that was false; and

24 2. That the return was false as to any material matter -  
25 that is, a matter that was necessary to a determination  
26 of whether income tax was owed.

27 ///

28 ///

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1 B. ELEMENTS UNDERSTOOD AND ADMITTED - FACTUAL BASIS

2 Defendant has fully discussed the facts of this case with  
3 defense counsel. Defendant has committed each of the elements of  
4 the crime, and admits that there is a factual basis for this  
5 guilty plea. The following facts are true and undisputed:

6 1. Defendant TITAN CORPORATION maintained and continues to  
7 maintain its headquarters and principal place of business in San  
8 Diego, California. TITAN CORPORATION and its subsidiaries,  
9 including Titan Wireless, Inc., Titan Africa, Inc., and Titan  
10 Africa, S.A. (hereinafter collectively referred to as "TITAN"),  
11 were engaged in, among other things, the business of developing  
12 and constructing wireless telephone systems for, among others,  
13 certain developing nations.

14 2. TITAN CORPORATION was an "issuer" of securities within  
15 the meaning of the Securities and Exchange Act of 1934, and, as  
16 such, was subject to the provisions of the Foreign Corrupt  
17 Practices Act of 1977, 15 U.S.C. §§ 78dd-1 and 78m(b).

18 3. Titan Wireless, Titan Africa, Inc., and Titan Africa,  
19 S.A., although separately incorporated, (a) shared employees,  
20 officers, and personnel with TITAN CORPORATION; and (b) undertook  
21 the acts set forth herein and alleged in the Information with the  
22 authorization and subject to the control of TITAN CORPORATION.

23 **TITAN ACTIVITIES IN BENIN**

24 **Background**

25 4. In 1998, TITAN embarked on a project to develop a  
26 telephone system in the African nation of the Republic of Benin  
27 and to generate revenue from operating the system for a number of  
28 years. TITAN generally understood that this project, and related

1 contracts and legal agreements, were subject to governmental  
2 approval in Benin, including approval by the Council of Ministers,  
3 which included the President of Benin.

4 5. In November 1998, certain TITAN personnel, including a  
5 TITAN CORPORATION officer, went to Benin and discussed their  
6 proposal with the Benin Minister of Telecommunications and the  
7 Director General of the Postal and Telecommunications Office of  
8 the Republic of Benin ("OPT"), an office under the Benin Ministry  
9 of Telecommunications. During this visit, the TITAN personnel and  
10 a consultant were introduced to a Beninese national ("The Benin  
11 Agent") and told that he had access to the President of Benin.

12 6. On or about July 28, 1999, with the consent of the OPT,  
13 TITAN acquired from an African company named Afronetwork, Ltd.  
14 all of Afronetwork's rights and obligations under various prior  
15 agreements with the OPT to develop and operate a wireless  
16 telephone system in Benin.

17 7. On or about July 28, 1999, the same date as  
18 Afronetwork's assignment of its rights to TITAN, TITAN entered  
19 into a Consulting Agreement with the Benin Agent making him  
20 TITAN's agent in Benin. Under the Consulting Agreement, the Benin  
21 Agent purportedly was to assist TITAN in marketing, to identify  
22 potential business, and to advise TITAN on financing requirements  
23 in Benin. TITAN did not conduct any formal due diligence  
24 regarding the Benin Agent's background, qualifications, other  
25 employment, or relationships with foreign government officials  
26 before or after engaging him.

27 8. Prior to engaging the Benin Agent - and no later than  
28 April 1999 - TITAN employees were aware that the Benin Agent was

1 the "Head of State's business advisor." In fact, at all relevant  
2 times, the Benin Agent was an advisor to the President of Benin.  
3 While working with the Benin Agent, at least one officer of a  
4 TITAN subsidiary believed that the Benin Agent traveled on a  
5 diplomatic Benin passport.

6 9. The Consulting Agreement stated that the Benin Agent  
7 would be paid a percentage of the price of equipment installed.  
8 On August 3, 1999, before virtually any equipment was installed,  
9 and only six days after signing the consulting agreement, the  
10 Benin Agent submitted an invoice to TITAN for \$399,919, which  
11 invoice detailed extensive services purportedly performed by the  
12 Benin Agent and various sub-agents and consultants.

13 10. One week later, on August 10, 1999, with written  
14 approval from a then-senior TITAN CORPORATION officer, TITAN  
15 CORPORATION paid the Benin Agent's invoice by sending a wire  
16 transfer in the amount of \$400,000 from a TITAN bank account in  
17 San Diego, California, to a bank account in Contonou, Benin held  
18 in the name of a relative of the Benin Agent. TITAN made the  
19 payment without any evidence that the purported services actually  
20 were performed or expenses actually incurred by the Benin Agent.

21 11. On August 17, 1999, TITAN entered an agreement with the  
22 OPT, known as the "BCT Contract," under which TITAN would build  
23 a wireless telephone network that would be transferred to the  
24 Benin government after TITAN was paid in full for equipment and  
25 services provided by TITAN. Under the BCT contract, the OPT had  
26 to obtain sites for telecommunications facilities, to secure  
27 authorization for use of specific frequencies, and to assist in

28



1 the exoneration of all customs, duties and taxes on equipment and  
2 products which TITAN imported into Benin for the BCT project.

3 12. On November 18, 1999, TITAN assigned its rights under  
4 the BCT Contract to Titan Africa, Inc.

5 13. For the BCT Contract, the parties established a  
6 supervisory group known as the BCT Steering Committee, which was  
7 comprised of several senior officers of TITAN CORPORATION and its  
8 subsidiaries, the Benin Agent, and the Director General of the  
9 OPT. The Steering Committee met either in the United States or  
10 in Paris, France, approximately every three months between  
11 February 2000 and March 2001.

12 Payments to Benin Presidential Campaign

13 14. Afronetwork's 1996 agreement to build a  
14 telecommunications network in Benin obligated Afronetwork (and  
15 TITAN upon assignment of the contract) to pay "part of its profits  
16 as subsidies for development" of certain "sectors" in Benin, such  
17 as health, education, and agriculture. TITAN was to determine the  
18 practical methods of carrying out these subsidies in consultation  
19 with the Benin cabinet departments responsible for those sectors.  
20 A then-officer of TITAN CORPORATION and certain TITAN employees  
21 were aware that these subsidies, which they referred to as "social  
22 payments," were required under the agreement assigned to TITAN.

23 15. On or around December 19-20, 2000, at a BCT Steering  
24 Committee meeting in Paris, France, the Benin Agent and the  
25 Director General of the OPT demanded that TITAN accelerate the  
26 "social payments" and insisted that they be paid before the next  
27 election in March 2001. Under the terms of the 1996 agreement,  
28 the social payments were not yet due, nor had there been any

1 coordination or consultation with Benin cabinet departments, as  
2 required under the 1996 agreement.

3 16. In or about December 2000, the BCT Steering Committee,  
4 including a then-senior officer and employees of TITAN, agreed  
5 to pay to the Benin Agent some \$2 million in expedited "social  
6 payments." This payment was to be made in exchange for, and  
7 contingent upon, the agreement of the OPT that TITAN's management  
8 fee under the BCT Contract be increased from 5% to 20% of the  
9 value of the equipment that TITAN provided under the contract.

10 17. In or about December 2000, TITAN had reason to believe  
11 that the accelerated "social payments" demanded by the Benin Agent  
12 and the Director General of OPT would not be used for the purposes  
13 identified in the BCT Contract. Nevertheless, a then-senior  
14 officer of TITAN caused the requested payments to be made to the  
15 Benin Agent, caused the payments to be made incrementally (rather  
16 than in one lump sum), and caused the payments to be supported by  
17 false invoices from the Benin Agent.

18 18. In late January 2001, the Benin Agent submitted two  
19 invoices totaling \$2,381,551. Neither invoice mentioned "social  
20 payments" or "subsidies" but instead falsely identified the  
21 purpose of the payments as customs exoneration and other services.  
22 Neither invoice reflected the true purpose of the requested  
23 payments - to provide funds for the benefit of the Benin  
24 President's re-election campaign.

25 19. Between January 2001 and May 2001, TITAN made seven  
26 payments to the Benin Agent totaling approximately \$2.1 million,  
27 during which period TITAN knew that the "social payments" in fact  
28 would be used to support the Benin President's re-election effort.

1           20. At the direction of a then-senior TITAN CORPORATION  
2 officer, on or around March 6, 2001 and April 10, 2001, TITAN  
3 wired two payments of \$500,000 each to the Benin Agent's offshore  
4 account in the Principality of Monaco from a TITAN bank account  
5 in San Diego, California.

6           21. TITAN made the remaining five payments, totaling  
7 approximately \$1.1 million, to the Benin Agent in cash in Benin.  
8 This was accomplished by the issuance of checks, drawn on a bank  
9 account of Titan Africa, S.A., made payable to employees of either  
10 Titan Africa, Inc., or Titan Africa S.A. TITAN issued these  
11 checks knowing that most of the cash proceeds from these checks  
12 would be given to the Benin Agent to support the re-election of  
13 the President of Benin, in the following approximate amounts (in  
14 U.S. dollars) and on the following dates:

- 15           A. \$400,000 on or around January 24, 2001;
- 16           B. \$500,000 on or around February 2, 2001;
- 17           C. \$107,500 on or around March 6, 2001;
- 18           D. \$107,500 on or around March 7, 2001; and
- 19           E. \$70,000 on or around May 29, 2001 (which funds  
20           were drawn from petty cash rather than by check).

21           22. At least a portion of the "social payments" that TITAN  
22 made through the Benin Agent were funneled to the re-election  
23 efforts of the Benin President. For example, these funds were  
24 used to purchase T-shirts bearing a picture of the President of  
25 Benin and instructing Beninese citizens to vote for him. Those  
26 T-Shirts with voting instructions were distributed to the  
27 electorate just prior to the Benin presidential election.

28

1           23. The use of most of the purported "social payments" to  
2 support the re-election of the Benin President was known by then-  
3 employees of TITAN prior to the completion of the payments.  
4 Additionally, in November 2001, an officer of Titan Africa, Inc.,  
5 stated in an "aide memoire" that the approximately \$2 million in  
6 "social payments" had been made to purchase T-shirts and related  
7 items.

8           24. In or about March 2001, TITAN demanded that the OPT  
9 approve an increase of TITAN's management fee under the BCT  
10 Contract as a condition to its continuing to make "social  
11 payments."

12           25. On March 25, 2001, the incumbent President of Benin was  
13 announced as the winner of the Benin presidential election.

14           26. On or around March 29, 2001, a then-senior officer of  
15 TITAN CORPORATION and employees of TITAN CORPORATION and its  
16 subsidiaries met with the Benin Agent and representatives of the  
17 OPT in Paris, France at a BCT Steering Committee meeting. During  
18 the meeting, the Director General of the OPT reaffirmed that  
19 TITAN's management fee for operating the wireless telephone system  
20 in Benin would be increased from 5% to 20%.

21           27. On or around March 29, 2001, the Director General of OPT  
22 signed a letter to a then-senior TITAN CORPORATION officer  
23 increasing TITAN's project management fees from 5% to 20%.  
24 Thereafter, as detailed above, TITAN made two additional "social  
25 payments" to the Benin Agent totaling \$570,000.

26           28. On or around June 25, 2001, TITAN and the OPT signed an  
27 agreement that, among other things, falsely stated that TITAN had  
28 made "substantial contributions to social programs in Benin" when

1 in fact most of such payments had been to assist in the re-  
2 election campaign of Benin's President. The agreement also  
3 confirmed the retroactive increase in TITAN's management fee from  
4 5% to 20%.

5 29. On January 23, 2003, TITAN submitted a Request for  
6 Arbitration under the BCT Contract and claimed that the entire 20%  
7 management fee was worth "not less than \$9,100,000." Based on  
8 this claim, the increase in TITAN's management fee from 5% to 20%  
9 was worth approximately \$6,825,000.

10 30. Beginning in 2001, TITAN CORPORATION falsely  
11 characterized the payments to the Benin Agent as "social payments"  
12 under the BCT Contract and, despite knowing that most of the  
13 payments to the Benin Agent would be and were used to support the  
14 re-election of the President of Benin, maintained those false  
15 books through at least January 1, 2004.

#### 16 TITAN'S INTERNAL CONTROLS

##### 17 FCPA Compliance

18 31. In its 23 years of existence prior to 2004, TITAN has  
19 never had a FCPA compliance program or procedures. TITAN's only  
20 related "policy" is a statement in TITAN CORPORATION's Code of  
21 Ethics, which all TITAN employees were required to sign annually,  
22 stating "employees must be fully familiar with and strictly adhere  
23 to such provisions as the Foreign Corrupt Practices Act that  
24 prohibit payments or gifts to foreign government officials for the  
25 purpose of influencing official government acts or assistance in  
26 obtaining business." TITAN did not enforce that policy nor did  
27 it provide its employees with any information concerning the FCPA  
28 or its purposes.

1 32. TITAN never conducted any FCPA compliance training.  
2 Moreover, although Titan Wireless employees were required to sign  
3 the TITAN CORPORATION Code of Ethics when hired, employees of  
4 wholly-owned subsidiaries Titan Africa, Inc., and Titan Africa,  
5 S.A., were not so required.

6 33. From 1999 to February 2004, TITAN did not maintain any  
7 due diligence files on its foreign agents. Prior to making any  
8 of the millions of dollars of payments to the Benin Agent, TITAN  
9 failed to perform adequate due diligence on the Benin Agent. In  
10 fact, there is no evidence that TITAN conducted any due diligence  
11 prior to or after retaining foreign agents and consultants.

12 Internal Controls in Benin

13 34. TITAN had knowledge of a serious lack of internal  
14 controls in certain of its African subsidiaries. Such notice came  
15 from, among other things:

- 16 A. A Management Letter from TITAN's external auditor for  
17 fiscal year 2000 stated that there was a "need to  
18 establish standard policies and procedures to be  
19 followed by the entities reporting to Titan Wireless;"  
20 B. Written allegations sent to certain TITAN officers in  
21 2001 and 2002 claiming that a Titan Wireless employee  
22 in Benin had forged invoices and bills and paid bribes  
23 in Benin; and  
24 C. Written notification in 2002 from the external auditor  
25 of Titan Africa, S.A., that it was unable to issue an  
26 opinion on the financial statements for either of  
27 fiscal years 2000 and 2001 because it was unable to  
28 substantiate payments made by Titan Africa, S.A.,

1 citing \$1.8 million in "missing cash" and highlighting  
2 the lack of internal controls within Titan Africa, S.A.

3 D. A draft "process review" report on "Titan Africa"  
4 issued by TITAN CORPORATION's external auditor on or  
5 about August 29, 2001, which stated that "there is no  
6 accounting system set up in the company," that the  
7 system used to compute accounting data "is not  
8 reliable," and that there were risks at "Titan Africa"  
9 such as "intentional mistake: loss of cash," "fraud,"  
10 and "loss of data."

11 TITAN failed to properly investigate these warnings, take  
12 corrective action, or report these issues to TITAN CORPORATION's  
13 audit committee.

14 **Additional Internal Controls and Books & Records Issues**

15 35. In 2001, TITAN CORPORATION acquired Datron Systems Inc.  
16 ("Datron") and thereafter operated it as a subsidiary. TITAN  
17 CORPORATION did not perform any FCPA due diligence on Datron's  
18 foreign agents prior to or subsequent to the acquisition.

19 36. Prior to its acquisition by TITAN CORPORATION, Datron  
20 did have a written FCPA policy, which required that all payments  
21 to its foreign agents be made in the name of the recipient and  
22 generally should be made in-country. The Datron FCPA policy also  
23 required Datron to compile and keep a diligence file on each of  
24 its foreign agents. Datron and its employees, both before and  
25 after its acquisition by TITAN CORPORATION, ignored this policy.

26 **Improper Deduction of Payments to the Benin Agent**

27 37. The United States Internal Revenue Code ("the Code")  
28 typically allows taxpayers to deduct from income all ordinary and

1 necessary expenses incurred in the operation of any trade or  
2 business. However, the Code specifically prohibits taxpayers from  
3 deducting any direct or indirect payment made to an official or  
4 employee of any government, or of any agency or instrumentality  
5 of any government, if the payment constitutes an illegal bribe or  
6 kickback or is unlawful under the FCPA. 26 U.S.C. § 162(c).

7 38. As described more fully above, TITAN recorded on its  
8 books and records approximately \$2.1 million in improper payments  
9 made to the Benin Agent, and falsely characterized these payments  
10 as customs exonerations and other apparently legitimate business  
11 expenses. Because of this improper characterization, the \$2.1  
12 million in "social payments" were recorded on the books and  
13 records of Titan Wireless as an account receivable entitled  
14 "Reimbursable Operating Expenses." In or about July 2002, the  
15 amount of the total accounts receivable related to the BCT  
16 Contract stood at approximately \$50 million, a portion of which  
17 was the remaining balance of the "Reimbursable Operating  
18 Expenses."

19 39. In or about July 2002, in conjunction with TITAN  
20 CORPORATION's decision to exit all of its worldwide  
21 telecommunications business, TITAN CORPORATION agreed to settle  
22 its outstanding accounts receivable with the OPT of Benin for  
23 approximately \$30 million. Also during 2002, TITAN CORPORATION  
24 wrote-off the remaining accounts receivable related to the BCT  
25 Contract valued at approximately \$20 million, a portion of which  
26 contained the remaining balance of the "Reimbursable Operating  
27 Expenses." This bad debt expense write-off included some portion  
28 of the Benin payments made by TITAN CORPORATION in violation of



1 the FCPA. TITAN CORPORATION deducted on the company's tax returns  
2 the entire \$20 million write-off of accounts receivable related  
3 to the BCT Contract, including the remaining balance of the  
4 "Reimbursable Operating Expenses."

5 40. In or about September 2003, TITAN CORPORATION willfully  
6 caused to be filed with the U.S. Internal Revenue Service a  
7 consolidated Form 1120, U.S. Corporate Income Tax Return, for tax  
8 year 2002, that included on Line 15, Bad Debts, the amount of  
9 \$76,214,512.00, knowing that it included a portion of the improper  
10 Benin payments which could not be claimed as a deduction on TITAN  
11 CORPORATION's income tax return.

12 III

13 PENALTIES

14 Defendant understands that the crimes to which defendant is  
15 pleading guilty carry the following penalties:

16 Count 1: Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1)

- 17 A. a maximum fine of the greater of \$2,000,000 (15 U.S.C.  
18 § 78ff(c)(1)(A)) or twice the gross pecuniary gain  
19 derived from the offense or twice the gross pecuniary  
20 loss suffered by a person other than the defendant as  
21 a result of the offense (18 U.S.C. § 3571);  
22 B. a maximum term of probation of up to five years (18  
23 U.S.C. § 3561(a), (c)); and  
24 C. a mandatory special assessment of \$400 per count (18  
25 U.S.C. § 3013(a)(2)(B)).  
26  
27  
28

1  
2 Count 2: False Books & Records (15 U.S.C. §§ 78m(b) (2) (A) and  
3 78m(b) (5))

- 4 A. a maximum fine of the greater of \$25,000,000 (15 U.S.C.  
5 § 78ff(a)) or twice the gross pecuniary gain derived  
6 from the offense or twice the gross pecuniary loss  
7 suffered by a person other than the defendant as a  
8 result of the offense (18 U.S.C. § 3571);  
9 B. a maximum term of probation of up to five years (18  
10 U.S.C. § 3561(a), (c)); and  
11 C. a mandatory special assessment of \$400 per count (18  
12 U.S.C. § 3013 (a) (2) (B)).

13 Count 3: Aid or Assist in Filing of False Return (26 U.S.C.  
14 § 7206(2))

- 15 A. a maximum fine of \$500,000 and the costs of prosecution  
16 (26 U.S.C. § 7206);  
17 B. a maximum term of probation of up to five years (18  
18 U.S.C. § 3561(a), (c)); and  
19 C. a mandatory special assessment of \$400 per count (18  
20 U.S.C. § 3013 (a) (2) (B)).

21 IV

22 DEFENDANT'S WAIVER OF TRIAL RIGHTS

23 Defendant understands that this guilty plea waives the right  
24 to:

- 25 A. continue to plead not guilty and require the Government  
26 to prove the elements of the crime beyond a reasonable  
27 doubt;  
28 B. a speedy and public trial by jury;  
C. the assistance of counsel at all stages of trial;

- 1 D. confront and cross-examine adverse witnesses;  
2 E. present evidence and to have witnesses testify on  
3 behalf of defendant; and  
4 F. not testify or have any adverse inferences drawn from  
5 the failure to testify, to the extent authorized by  
6 law.

7 V

8 DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE  
9 PROVIDED WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE INFORMATION

10 The Government represents that any information establishing  
11 the factual innocence of defendant known to the undersigned  
12 prosecutor in this case has been turned over to defendant. The  
13 Government will continue to provide such information establishing  
14 the factual innocence of defendant.

15 Defendant understands that if this case proceeded to trial,  
16 the Government would be required to provide impeachment  
17 information relating to any informants or other witnesses. In  
18 addition, if defendant raised an affirmative defense, the  
19 Government would be required to provide information in its  
20 possession that supports such a defense. Defendant acknowledges,  
21 however, that by pleading guilty defendant will not be provided  
22 this information, if any, and defendant also waives the right to  
23 this information. Finally, defendant agrees not to attempt to  
24 withdraw the guilty plea or to file a collateral attack based on  
25 the existence of this information.

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VI

DEFENDANT'S REPRESENTATION THAT GUILTY  
PLEA IS KNOWING AND VOLUNTARY

Defendant represents that:

- A. Defendant has had a full opportunity to discuss all the facts and circumstances of this case with defense counsel, and has a clear understanding of the charges and the consequences of this plea;
- B. No one has made any promises or offered any rewards in return for this guilty plea, other than those contained in this Plea Agreement or otherwise disclosed to the court;
- C. No one has threatened defendant to induce this guilty plea; and
- D. Defendant is pleading guilty because in truth and in fact defendant is guilty and for no other reason.

VII

AGREEMENT LIMITED TO U.S. ATTORNEY'S OFFICE  
SOUTHERN DISTRICT OF CALIFORNIA,  
THE FRAUD SECTION, AND THE TAX DIVISION

This Plea Agreement is limited to the United States Attorney's Office for the Southern District of California; the Fraud Section of the United States Department of Justice, Criminal Division; and the Criminal Enforcement Sections of the United States Department of Justice, Tax Division. This Plea Agreement cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, although the Government will bring this Plea Agreement to the attention of other authorities if requested by defendant.

1 VIII

2 APPLICABILITY OF SENTENCING GUIDELINES

3 Defendant understands the sentence imposed will be based on  
4 the factors set forth in 18 U.S.C. § 3553(a). Defendant  
5 understands further that in imposing the sentence, the sentencing  
6 judge must consult the United States Sentencing Guidelines  
7 ("Guidelines") and take them into account. Defendant has  
8 discussed the Guidelines with defense counsel and understands that  
9 the Guidelines are only advisory, not mandatory, and the court may  
10 impose a sentence more severe or less severe than otherwise  
11 applicable under the Guidelines, up to the maximum in the statute  
12 of conviction. Defendant understands further that the sentence  
13 cannot be determined until a presentence report has been prepared  
14 by the U.S. Probation Office and defense counsel and the  
15 Government have had an opportunity to review and challenge the  
16 presentence report. Nothing in this Plea Agreement shall be  
17 construed as limiting the Government's duty to provide complete  
18 and accurate facts to the district court and the U.S. Probation  
19 Office.

20 IX

21 SENTENCE IS WITHIN SOLE DISCRETION OF JUDGE

22 This Plea Agreement is made pursuant to Federal Rule of  
23 Criminal Procedure 11(c)(1)(B). Defendant understands that the  
24 sentence is within the sole discretion of the sentencing judge.  
25 The Government has not made and will not make any representation  
26 as to what sentence defendant will receive. Defendant understands  
27 that the sentencing judge may impose the maximum sentence provided  
28 by statute, and is also aware that any estimate of the probable

1 sentence by defense counsel is a prediction, not a promise, and  
2 is not binding on the Court. Likewise, the recommendation made  
3 by the Government is not binding on the Court, and it is uncertain  
4 at this time what defendant's sentence will be. Defendant also  
5 has been advised and understands that if the sentencing judge does  
6 not follow any of the parties' sentencing recommendations,  
7 defendant nevertheless has no right to withdraw the plea.

8 X

9 PARTIES' SENTENCING RECOMMENDATIONS

10 A. SENTENCING GUIDELINE CALCULATIONS

11 Although the parties understand that the Guidelines are only  
12 advisory and just one of the factors the court will consider under  
13 18 U.S.C. § 3553(a) in imposing a sentence, the parties will  
14 jointly recommend the following Base Offense Level and Adjustments  
15 under the Guidelines effective as of November 1, 2002:

16 1. Calculation of Offense Level:

17 a. Count 1: Foreign Corrupt Practices Act (15  
18 U.S.C. § 78dd-1)

19	Base Offense Level (U.S.S.G. § 2C1.1(a)):	10
20	Benefit received or to be received of more	
21	than \$2,500,000 but less than \$7,000,000	
	(U.S.S.G. §§ 2C1.1(b)(2)(A), 2B1.1(b)(1)(J))	+18
22	TOTAL OFFENSE LEVEL:	28

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b. Count 2: False Books & Records (15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(5))

Base Offense Level (U.S.S.G. § 2B1.1(a)(2)): 6  
Loss of more than \$2,500,000  
but less than \$7,000,000  
(U.S.S.G. §2B1.1(b)(1)(J)) +18  
TOTAL OFFENSE LEVEL: 24

c. Count 3: Aid or Assist in Filing of False Return (26 U.S.C. § 7206(2))

Base Offense Level (U.S.S.G. § 2T1.4(a)(2)): 6  
TOTAL OFFENSE LEVEL: 6

d. Application of Multiple Count Grouping Rules

Because the offense levels of all three counts are largely determined based on the total amount of harm or loss, the counts are grouped together under U.S.S.G. § 3D1.2(d). Accordingly, pursuant to U.S.S.G. 3D1.3(b), the TOTAL OFFENSE LEVEL is 28. There are no additional levels to be added under U.S.S.G. § 3D1.4.

2. Calculation of Culpability Score:

Base Score (U.S.S.G. § 8C2.5(a)) 5  
Involvement in or tolerance of criminal activity in an organization of 5,000 or more employees and an individual within high level personnel of the organization participated in, condoned, or was willfully ignorant of the offense (U.S.S.G. § 8C.2.5(b)(1)(A)) +5  
Self-reporting, cooperation, acceptance of responsibility (U.S.S.G. § 8C2.5(g)(1)) -5  
TOTAL CULPABILITY SCORE: 5

3. Calculation of Fine Range:

Base Fine Based on Pecuniary Gain to Defendant from Offense (U.S.S.G. § 8C2.4(a)(2)): \$6,825,000  
Multipliers (U.S.S.G. § 8C2.6): 1.00 / 2.00  
Fine Range (U.S.S.G. § 8C2.7): \$6,825,000-\$13,650,000

1 B. ACCEPTANCE OF RESPONSIBILITY

2 Notwithstanding paragraph A above, the Government will not  
3 recommend any adjustment for Self Reporting, Cooperation,  
4 Acceptance of Responsibility if defendant:

- 5 1. Fails to admit a complete factual basis for the  
6 plea at the time it is entered, or
- 7 2. Denies involvement in the offense, gives  
8 conflicting statements about that involvement, or  
9 is untruthful with the Government, the court or  
10 probation officer, or
- 11 3. Fails to appear in court, or
- 12 4. Engages in additional criminal conduct, or
- 13 5. Attempts to withdraw the plea, or
- 14 6. Refuses to abide by any lawful court order.

15 C. NO OTHER ADJUSTMENTS ARE RECOMMENDED

16 The parties agree not to recommend any upward or downward  
17 adjustments other than those listed above.

18 D. NO DEPARTURES ARE RECOMMENDED

19 The parties agree not to recommend any upward or downward  
20 departures.

21 E. "FACTUAL BASIS" AND "RELEVANT CONDUCT" INFORMATION

22 Defendant agrees that the facts in the "factual basis"  
23 paragraph of this Plea Agreement are true, and may be considered  
24 as "relevant conduct" under U.S.S.G. § 1B1.3 and as the nature and  
25 circumstances of the offense under 18 U.S.C. § 3553(a)(1).

26 F. SPECIAL ASSESSMENT/FINE

27 Special Assessment. The parties will jointly recommend that  
28 defendant pay a special assessment in the amount of \$1200 to be



1 paid forthwith at time of sentencing. The special assessment  
2 shall be paid through the office of the Clerk of the District  
3 Court by bank or cashier's check or money order made payable to  
4 the "Clerk, United States District Court."

5 Fine. The parties will jointly recommend that defendant pay  
6 a fine in the amount of \$13,000,000 to be paid forthwith at the  
7 time of sentencing. This fine is within the recommended  
8 Guidelines ranges set forth in paragraph A above. The parties  
9 believe this fine appropriately recognizes the defendant's conduct  
10 and cooperation. The fine shall be paid through the Office of the  
11 Clerk of the District Court by bank or cashier's check or money  
12 order made payable to the "Clerk, United States District Court."

13 G. ORGANIZATIONAL PROBATION

14 The parties agree that organizational probation is  
15 appropriate in this case and shall include, as a condition of  
16 probation, the implementation of a compliance program as set forth  
17 below. The parties recommend a term of probation of 3 years.

18 H. COMMUNITY SERVICE

19 The parties agree that community service need not be ordered  
20 in this case.

21 I. FORFEITURE

22 The parties agree that forfeiture need not be ordered in this  
23 case.

24 XI

25 COOPERATION & REMEDIATION

26 A. COOPERATION

27 Defendant agrees to cooperate fully with the Fraud Section  
28 and the United States Attorney's Office and, as directed by the

1 Fraud Section and the United States Attorney's Office, with any  
2 other federal, state, or local or foreign law enforcement agency.

3 This cooperation requires defendant to:

- 4           1. Provide full disclosure of all information known  
5           to defendant or its outside counsel as of the date  
6           of this Plea Agreement of foreign payments and the  
7           accounting thereof;
- 8           2. Produce voluntarily all documents, records, or  
9           other tangible evidence relating to such payments  
10           about which the Fraud Section or the United States  
11           Attorney's Office, or their designee, inquires;
- 12           3. Recommend orally and in writing that all TITAN  
13           CORPORATION officers, directors, employees,  
14           agents, and consultants cooperate fully with any  
15           investigation or prosecution conducted by the  
16           Fraud Section or the United States Attorney's  
17           Office relating to such payments, including  
18           appearing for interviews and testimony in the  
19           United States;
- 20           4. Provide access to copies of original documents and  
21           records relating to such payments;
- 22           5. Provide access to defendant's outside accounting  
23           consultants as well as the records, reports, and  
24           documents of those outside accounting consultants  
25           relating to such payments disclosed to the Fraud  
26           Section or the United States Attorney's Office as  
27           of the date of this Plea Agreement; and

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6. Provide all memoranda of interviews compiled and prepared by TITAN CORPORATION's counsel, outside counsel, consultants, accountants or other agents of interviews with individuals relating to such payments disclosed to the Fraud Section or the United States Attorney's Office as of the date of this Plea Agreement.

B. REMEDIATION

Defendant TITAN CORPORATION agrees to implement and maintain a compliance and ethics program that includes, at a minimum, the basic components set forth in Exhibit 4, which are hereby incorporated herein. TITAN CORPORATION's program must be designed to detect and deter violations of the Foreign Corrupt Practices Act and other anti-bribery statutes, both domestic and foreign, and to ensure that its books, records, and accounts, in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets, and that it has 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.

1 TITAN CORPORATION agrees to file a correct and accurate  
2 amended U.S. Corporate Tax Return for the 2002 tax year. If in  
3 the course of preparing the amended return, TITAN CORPORATION  
4 discovers other amounts that were improperly deducted, and it  
5 correctly accounts for such deductions on its amended return, the  
6 Government will not initiate criminal charges against TITAN  
7 CORPORATION for those amounts. TITAN CORPORATION further agrees  
8 to cooperate fully with any future Internal Revenue Service audit.

9 XII

10 DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK

11 In exchange for the Government's concessions in this Plea  
12 Agreement, defendant waives, to the full extent of the law, any  
13 right to appeal or to collaterally attack the conviction and  
14 sentence. If defendant believes the Government's recommendation  
15 is not in accord with this Plea Agreement, defendant will object  
16 at the time of sentencing; otherwise the objection will be deemed  
17 waived.

18 XIII

19 BREACH OF THE PLEA AGREEMENT  
20 WILL PERMIT THE GOVERNMENT TO RECOMMEND A  
HIGHER SENTENCE OR SET ASIDE THE PLEA

21 This Plea Agreement is based on the understanding that, prior  
22 to defendant's sentencing in this case, defendant has not  
23 committed any offense not known to the Government prior to  
24 defendant's sentencing. This Plea Agreement is further based on  
25 the understanding that defendant will commit no additional  
26 criminal conduct before sentencing. If defendant has engaged in  
27 or engages in additional criminal conduct during this period, or  
28 breaches any of the terms of any agreement with the Government,

1 the Government will not be bound by the recommendations in this  
2 Plea Agreement, and may recommend any lawful sentence. In  
3 addition, at its option, the Government may move to set aside the  
4 plea.

5 XIV

6 ENTIRE AGREEMENT

7 This Plea Agreement embodies the entire Plea Agreement  
8 between the parties and supersedes any other Plea Agreement,  
9 written or oral.

10 XV

11 MODIFICATION OF PLEA AGREEMENT MUST BE IN WRITING

12 No modification of this Plea Agreement shall be effective  
13 unless in writing signed by all parties.

14 XVI

15 DEFENDANT AND COUNSEL FULLY UNDERSTAND PLEA AGREEMENT

16 By signing this Plea Agreement, defendant certifies that  
17 defendant has read it. Defendant has discussed the terms of this  
18 Plea Agreement with defense counsel and fully understands its  
19 meaning and effect.

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DEFENDANT SATISFIED WITH COUNSEL

Defendant has consulted with counsel and is satisfied with counsel's representation.

CAROL C. LAM  
United States Attorney


2/25/05  
DATED

  
ERIC J. BESTE  
Assistant U.S. Attorney

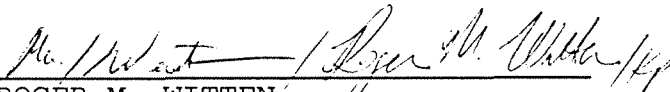
STEVEN E. STONE  
Assistant U.S. Attorney

JOSHUA R. HOCHBERG  
Chief, Fraud Section  
U.S. Department of Justice  
Criminal Division

2/25/05  
DATED


  
MARK F. MENDELSON  
Acting Deputy Chief

\_\_\_\_\_  
DATED

  
ROGER M. WITTEN  
MARTIN J. WEINSTEIN  
Attorneys for Defendant  
TITAN CORPORATION

IN ADDITION TO THE FOREGOING PROVISIONS TO WHICH TITAN CORPORATION AGREES, I SWEAR UNDER PENALTY OF PERJURY ON BEHALF OF TITAN CORPORATION THAT THE FACTS IN THE "FACTUAL BASIS" PARAGRAPH ABOVE ARE TRUE.

Feb. 22, 2005  
DATED


  
DAVID W. DANJCZEK  
Vice President  
TITAN CORPORATION  
Defendant

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EXHIBIT 1

REPRESENTATIVE'S CERTIFICATE

I have read this Plea Agreement and carefully reviewed every part of it with counsel for TITAN CORPORATION. I understand the terms of this Plea Agreement and voluntarily agree, on behalf of TITAN CORPORATION, to each of the terms. Before signing this Plea Agreement, I consulted with the attorneys for TITAN CORPORATION. The attorneys fully advised me of TITAN CORPORATION's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Plea Agreement. No promises or inducements have been made to TITAN CORPORATION other than those contained in this Plea Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Plea Agreement on behalf of TITAN CORPORATION, in any way to enter into this Plea Agreement. TITAN CORPORATION is also satisfied with counsel's representation in advising the company regarding this Plea Agreement. I certify that I am an officer of TITAN CORPORATION, and that I have been duly authorized by TITAN CORPORATION to execute this Plea Agreement on behalf of TITAN CORPORATION.

  
DAVID W. DANJCZEK  
Vice President,  
Corporate Compliance & Ethics  
TITAN CORPORATION

Feb. 22, 2005  
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EXHIBIT 2


CERTIFICATE OF COUNSEL

I am counsel for TITAN CORPORATION. In connection with such representation, I have examined relevant TITAN CORPORATION documents, and have discussed this Plea Agreement with the authorized representative of TITAN CORPORATION. Based on my review of the foregoing materials and discussions, I am of the opinion that:

1. David W. Danjczek is duly authorized to enter into this Plea Agreement on behalf of TITAN CORPORATION.

2. This Plea Agreement has been duly and validly authorized, executed and delivered on behalf of TITAN CORPORATION, and is a valid and binding obligation of TITAN CORPORATION.

Further, I have carefully reviewed every part of this Plea Agreement with directors of TITAN CORPORATION. I have fully advised these directors of the company's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Plea Agreement. To my knowledge, TITAN CORPORATION's decision to enter into this Plea Agreement is an informed and voluntary one.

  
\_\_\_\_\_  
ROGER M. WITTEN  
MARTIN J. WEINSTEIN  
Attorneys for Defendant  
TITAN CORPORATION

2/22/05  
DATED



1 EXHIBIT 3

2 CERTIFIED COPY OF RESOLUTION

3 Upon motion duly made by Director \_\_\_\_\_, seconded by  
4 Director \_\_\_\_\_, and unanimously carried by the  
5 affirmative vote of all the Directors present, the following  
6 resolutions were adopted:

7 RESOLVED, that TITAN CORPORATION, which has been the subject  
8 of an investigation by the United States Department of  
9 Justice, consents to a settlement of the investigation and  
10 will, in the Southern District of California, enter a plea  
11 of guilty to a three-count Information charging TITAN  
12 CORPORATION with violating the Foreign Corrupt Practices Act,  
13 Title 15, United States Code, Section 78dd-1; Falsifying  
14 Books and Records, Title 15, United States Code, Sections  
15 78m(b)(2)(A) and 78m(b)(5); and Aiding or Assisting in the  
16 Filing of a False Tax Return, in violation of Title 26,  
17 United States Code, Section 7206(2); and

18 RESOLVED FURTHER, that DAVID W. DANJCZEK, the Vice President,  
19 Corporate Compliance & Ethics, of this Corporation be, and  
20 hereby is, authorized to waive indictment and enter a plea  
21 of guilty to the Information substantially in such form as  
22 reviewed by this Board of Directors at this meeting; and

23 RESOLVED FURTHER, that DAVID W. DANJCZEK, the Vice President,  
24 Corporate Compliance & Ethics, of this Corporation be, and  
25 hereby is, authorized to execute the Plea Agreement on behalf  
26 of the Corporation substantially in such form as reviewed by  
27 this Board of Directors at this meeting.

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1 I, \_\_\_\_\_, hereby certify that I am the duly  
2 elected Secretary of TITAN CORPORATION; that the foregoing is a  
3 full, true and correct copy of resolutions duly adopted by the  
4 Board of Directors of said Corporation, at a meeting thereof duly  
5 held at the office of the Corporation, in \_\_\_\_\_, and have  
6 not been rescinded or revoked; and that the foregoing resolutions  
7 are not contrary to any provisions in the Articles of  
8 Incorporation or By-Laws of TITAN CORPORATION.

9 IN WITNESS WHEREOF, I have hereunto signed my name as  
10 Secretary and affixed the Seal of said Corporation this the \_\_\_\_\_  
11 day of February 2005.

12 \_\_\_\_\_  
13 Secretary of the Board of Directors  
14 TITAN CORPORATION

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## CERTIFIED COPY OF RESOLUTIONS

The following resolutions were adopted by the affirmative vote of all of the members of the Board of Directors of The Titan Corporation present at a meeting on February 15, 2005 (with one Director abstaining):

RESOLVED, that the Board of Directors (the "Board") of The Titan Corporation, a Delaware corporation ("Titan"), has determined that, subject to the determination by the executive officers of Titan that such executive officers are reasonably satisfied that the Department of Defense of the United States government will not use the matters contemplated by either the Consent of Defendant Titan Corporation To Entry Of Judgment relating to the pending investigation by the Securities and Exchange Commission (the "Consent Decree") or the Plea Agreement relating to the pending investigation of the Department of Justice of the United States government (the "Plea Agreement") to disbar Titan or its subsidiaries from continuing to do business with the Department of Defense, it is desirable and in the best interests of Titan and its stockholders, that, in connection with the investigations conducted by the Securities and Exchange Commission and the Department of Justice, Titan negotiate, approve, accept, execute and deliver the Consent Decree substantially in the form presented to the Board and discussed at this meeting and the Plea Agreement substantially in the form presented to the Board and discussed at this meeting; and be it further

RESOLVED, that David W. Danjczek, the Corporate Vice President of Compliance & Ethics of Titan (the "Authorized Officer"), be, and hereby is, authorized to act on behalf of Titan and in his sole discretion, to negotiate, approve, accept, execute and deliver on behalf of Titan the Consent Decree, in connection with the investigation conducted by the Securities and Exchange Commission; in this connection, the Authorized Officer be, and hereby is, authorized to undertake such actions as the Authorized Officer may deem necessary and advisable, including, without limitation, the execution of such documentation and the payment of such fines, penalties or disgorgement of profits, in each case as may be required to the Securities and Exchange Commission in order to carry out the foregoing; and be it further

RESOLVED, that the Authorized Officer be, and hereby is, authorized to act on behalf of Titan and in his sole discretion, to negotiate, approve, accept, execute and deliver on behalf of Titan the Plea Agreement, in connection with the investigation conducted by the Department of Justice; in this connection, the Authorized Officer be, and hereby is, authorized to undertake such actions as the Authorized Officer may deem necessary and advisable, including, without limitation, the execution of such documentation and the payment of such fines, penalties or disgorgement of profits, in each case as may be required to the Department of Justice in order to carry out the foregoing; and be it further

RESOLVED, that, upon the execution and delivery of the Consent Decree and the Plea Agreement, the Authorized Officer be, and hereby is, authorized to, in the Southern District of California, enter a plea of guilty to a three-count Information charging Titan with violating the Foreign Corrupt Practices Act, Title 15, United States Code, Section 78dd-1; falsifying books and records in violation of Title 15, United States Code, Sections 78m(b)(2)(A) and 78m(b)(5); and willfully aiding and assisting in the preparation or presentation of a false or fraudulent tax return in violation of Title 26, United States Code, Section 7206(2); and be it further

RESOLVED, that, upon the execution and delivery of the Consent Decree and the Plea Agreement, the Authorized Officer be, and hereby is, authorized to waive indictment and enter a plea of guilty to the Information substantially in such form as reviewed and discussed by the Board at this meeting; and be it further

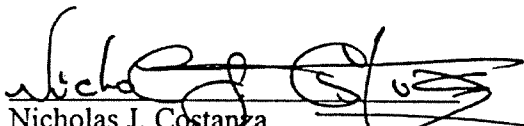
RESOLVED, that the execution and delivery by the Authorized Officer of the Consent Decree and the Plea Agreement shall, without any further action by the Board, be satisfactory evidence to the Board that the condition set forth in the first resolution above has been satisfied; and be it further

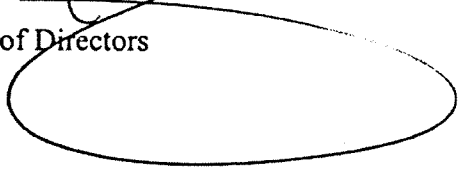
RESOLVED, that the Authorized Officer be, and hereby is, authorized to act on behalf of Titan and in his sole discretion, to negotiate, approve, accept, execute and deliver on behalf of Titan the Administrative Settlement Agreement with the Department of Defense of the United States government substantially in the form presented to the Board and discussed at this meeting; in this connection, the Authorized Officer be, and hereby is, authorized to undertake such actions as the Authorized Officer may deem necessary and advisable as may be required in order to carry out the foregoing; and be it further

RESOLVED, that the Authorized Officer be, and hereby is, authorized to negotiate, approve, accept, execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which the Authorized Officer may deem necessary or advisable in order to effectuate the purposes of each and all of the foregoing resolutions.

I, Nicholas J. Costanza, hereby certify that I am the duly elected Secretary of The Titan Corporation; that the foregoing is a full, true and correct copy of the resolutions duly adopted by the Board of Directors of The Titan Corporation (with one Director abstaining), at a meeting thereof duly held on February 15, 2005, and have not been rescinded or revoked; and that the foregoing resolutions are not contrary to any provisions in the Certificate of Incorporation or By-Laws of The Titan Corporation.

IN WITNESS HEREOF, I have hereunto signed my name as Secretary and affixed the Seal of The Titan Corporation this 24th day of February, 2005.

  
Nicholas J. Costanza  
Secretary of the Board of Directors  
The Titan Corporation



1 EXHIBIT 4

2 COMPLIANCE PROGRAM

3 The remedial compliance program that the defendant is  
4 required to implement pursuant to Section XI.B of the Plea  
5 Agreement shall include, at a *minimum*, the following components:

6 a. A clearly articulated corporate policy against  
7 violations of the Foreign Corrupt Practices Act and  
8 other applicable anti-bribery laws and the  
9 establishment of compliance standards and procedures to  
10 be followed by its officers, directors, employees,  
11 agents, consultants, joint ventures, and sub-  
12 contractors that are reasonably capable of reducing the  
13 prospect of violative conduct;

14 b. The assignment to one or more senior corporate  
15 officials of the responsibility for oversight of  
16 compliance with such policies, standards, and  
17 procedures. Such officials shall have the authority  
18 and responsibility to implement and utilize monitoring  
19 and auditing systems reasonably designed to detect  
20 criminal conduct by the company's employees and other  
21 agents, including, where appropriate, the retention of  
22 outside counsel and independent auditors to conduct  
23 investigations and audits. In addition, such officials  
24 shall be charged with making any necessary  
25 modifications to the compliance program to respond to  
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1 detected violations and to prevent further similar  
2 violations;

3 c. The establishment and maintenance of a committee to  
4 review (i) the retention of any agent, consultant, or  
5 other representative for purposes of business  
6 development or lobbying in a foreign jurisdiction, (ii)  
7 the retention of any sub-contractor for a project in  
8 which a foreign government or public international  
9 organization, or instrumentalities thereof, is the  
10 ultimate customer or beneficiary, and (iii) all  
11 contracts related thereto. The committee also will  
12 review the suitability of all prospective joint venture  
13 partners for purposes of compliance with the Foreign  
14 Corrupt Practices Act, as well as the adequacy of the  
15 due diligence performed in connection with the  
16 selection of the joint venture partner, any subsequent  
17 due diligence relating to the continued suitability of  
18 such joint venture partner, and any due diligence in  
19 connection with approvals of the retention of sub-  
20 agents, sub-contractors, and consultants by the joint  
21 venture for purpose of business development in a  
22 jurisdiction other than the United States. The  
23 majority of the committee shall be comprised of persons  
24 who are not subordinate to the most senior officer of  
25 the department or unit responsible for the relevant  
26 transaction;

1 d. Clearly articulated corporate procedures to ensure that  
2 TITAN CORPORATION exercises due care to assure that  
3 substantial discretionary authority is not delegated to  
4 individuals whom the defendant knows, or should know  
5 through the exercise of due diligence, have a  
6 propensity to engage in illegal activities;

7 e. Clearly articulated corporate procedures to assure that  
8 all necessary and prudent precautions are taken to  
9 ensure that TITAN CORPORATION has formed business  
10 relationships with reputable and qualified agents,  
11 consultants and other representatives for purposes of  
12 business development and lobbying in foreign  
13 jurisdictions and with reputable and qualified sub-  
14 contractors for projects in which foreign governments  
15 or public international organizations, or  
16 instrumentalities thereof, are the ultimate customers  
17 or beneficiaries. Such policy shall require that  
18 evidence of such a "due diligence" inquiry be  
19 maintained in TITAN CORPORATION's files;

20 f. The effective communication to all officers, employees,  
21 agents, consultants, and other representatives, and to  
22 sub-contractors, of corporate policies, standards, and  
23 procedures regarding the Foreign Corrupt Practices Act  
24 by requiring regular training concerning the  
25 requirements of the Foreign Corrupt Practices Act and  
26 of other applicable foreign bribery laws on a periodic  
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1 basis to its officers and employees involved in foreign  
2 projects. With respect to the training of agents,  
3 consultants, or other representatives retained in  
4 connection with foreign business, as well as sub-  
5 contractors for projects in which foreign governments  
6 or public international organizations, or  
7 instrumentalities thereof, are the ultimate customers  
8 or beneficiaries, such training shall be given as soon  
9 as practicable following their retention and  
10 periodically thereafter;

11 g. The implementation of appropriate disciplinary  
12 mechanisms, including as appropriate, discipline of  
13 individuals responsible for the failure to detect a  
14 violation of the law or of compliance policies,  
15 standards, and procedures;

16 h. The establishment of a reporting system by which  
17 officers, employees, agents, consultants, and other  
18 representatives, as well as sub-contractors, may report  
19 suspected criminal conduct without fear of retribution  
20 or going through the chain of command or reporting the  
21 same to the employee's, agent's, representative's, or  
22 sub-contractor's immediate managers;

23 i. The inclusion in all contracts and contract renewals  
24 entered into subsequent to the date of this Plea  
25 Agreement with agents, consultants, and other  
26 representatives for purposes of business development in  
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1 a foreign jurisdiction, and sub-contractors for  
2 projects in which foreign governments or public  
3 international organizations, or instrumentalities  
4 thereof, are the ultimate customers or beneficiaries,  
5 and undertaking by each prospective agent, consultant,  
6 representative, and sub-contractor that no payments of  
7 money or anything of value will be offered, promised or  
8 paid, directly or indirectly, to any foreign officials,  
9 foreign political parties, party officials, or  
10 candidates for foreign public or political party office  
11 to influence the acts of such officials, political  
12 parties, party officials, or candidates in their  
13 official capacity, to induce them to use their  
14 influence with a foreign government or an  
15 instrumentality thereof, or to obtain an improper  
16 advantage in connection with any business venture or  
17 contract in which TITAN CORPORATION is a participant.  
18 In addition, all such contracts shall contain an  
19 agreement by each prospective agent, consultant, and  
20 representative for business development in a foreign  
21 jurisdiction, and by sub-contractors for projects in  
22 which foreign governments or public international  
23 organizations, or instrumentalities thereof, are the  
24 ultimate customers or beneficiaries, providing TITAN  
25 CORPORATION with audit rights and an undertaking that  
26 it shall not retain any sub-agent, sub-contractor, or  
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1 representative without the prior written consent of a  
2 senior officer of TITAN CORPORATION. All such  
3 contracts shall further provide for termination of said  
4 contract as a result of any breach of such  
5 undertakings, representations, and agreements;

6 j. The inclusion in all joint venture agreements entered  
7 into or modified hereafter a representation and  
8 undertaking by each joint venture partner, with  
9 periodic certifications made to TITAN CORPORATION, that  
10 no payments of money or anything of value will be or  
11 has been offered, promised or paid, directly or  
12 indirectly, to any foreign officials, foreign political  
13 parties, party officials, or candidates for foreign  
14 public or political party office to influence the acts  
15 of such officials, political parties, party officials,  
16 or candidates in their official capacity, to induce  
17 them to use their influence with a foreign government  
18 or an instrumentality thereof, or to obtain an improper  
19 advantage in connection with any business venture or  
20 contract in which TITAN CORPORATION is a participant.  
21 In addition, all such agreements shall contain an  
22 agreement by each prospective joint venture partner  
23 providing TITAN CORPORATION with audit rights and an  
24 undertaking that it shall not retain any sub-agent,  
25 sub-contractor, or representative without the prior  
26 written consent, after the exercise of due diligence,  
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1 of a senior officer of TITAN CORPORATION. All such  
2 contracts shall further provide for termination of said  
3 contract as a result of any breach of such  
4 undertakings, representations, and agreements;

5 k. TITAN CORPORATION will conduct periodic reviews, not  
6 less than once every five years, of its corporate  
7 policies and compliance programs regarding the Foreign  
8 Corrupt Practices Act and the anti-bribery provisions  
9 of each foreign jurisdiction to which the defendant,  
10 its officers, employees, agents, sub-contractors,  
11 affiliates, and subsidiaries may be subject. Such  
12 periodic reviews will be conducted by independent legal  
13 and auditing firms retained for such purpose by the  
14 Board of Directors of TITAN CORPORATION or its  
15 successors; and

16 l. TITAN CORPORATION will, using objective measures,  
17 determine the regions or countries in which it operates  
18 that pose higher risks of corruption. It will, on a  
19 periodic basis, conduct rigorous FCPA audits of its  
20 operations in such regions or countries, which audits  
21 shall include:

22 i. detailed audits of the operating unit's books and  
23 records, with specific attention to payments and  
24 commissions to agents, consultants, and sub-  
25 contractors and contributions to joint ventures;  
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- ii. audits of selected agents, consultants, sub-contractors, and joint ventures, where authorized by the governing contract or retention agreement; and
- iii. interviews with relevant employees, consultant, agents, sub-contractors, and joint venture partners.