



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

JUN 03 2010

Office of the Deputy General Counsel

MEMORANDUM IN SUPPORT OF THE SUSPENSION OF:

L-3 COMMUNICATIONS INTEGRATED SYSTEMS, L.P., SPECIAL SUPPORT PROGRAMS DIVISION f/k/a L-3 COMMUNICATIONS INTEGRATED SYSTEMS, L.P., JOINT OPERATIONS GROUP

Effective this date the Air Force has suspended L-3 Communications Integrated Systems, L.P., Special Support Programs Division f/k/a L-3 Communications Integrated Systems, L.P., Joint Operations Group from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

INFORMATION IN THE RECORD

There is adequate evidence in the record establishing that:

1. L-3 Communications Integrated Systems, L.P., Special Support Programs Division f/k/a L-3 Communications Integrated Systems, L.P., Joint Operations Group (L-3 JOG), is a Lexington, Kentucky-based component of L-3 Communications Integrated Systems, L.P.
2. L-3 JOG performed contracts for the United States Special Operations Command (SOCOM), Special Operations Forces Support Activity, also based in Lexington, Kentucky.
3. SOCOM engaged a third party vendor to provide a no-notice audit of the e-mail applications utilized at SOCOM and managed by L-3 JOG.
4. The audit uncovered evidence that L-3 JOG purposefully and intentionally conducted email surveillance of L-3 JOG employees, employees of other Government contractors, and U.S. government employees where the emails contained attachments, using the SOCOM network. Specifically, L-3 JOG established a condition whereby specific e-mail traffic would be automatically copied to and maintained on an L-3 JOG-monitored Journal database, then released and sent to the e-mail recipient. This was done in such a manner that neither the Government nor the individuals whose emails were being monitored would be aware that their e-mail had been copied.
5. L-3 JOG has admitted to conducting the surveillance to assist L-3 JOG's own private, commercial interests. Specifically, L-3 JOG says that it used the SOCOM network willfully and deliberately in an attempt to discover whether its employees had shared its information with another contractor. L-3 JOG also obtained and saved information relevant to a competition for follow-on contract work, and collected and retained information relevant to a bid protest to which L-3 JOG was a party.

6. None of L-3 JOG's actions were appropriate under the terms of its contract or the standards of ethical business conduct.
7. There is an ongoing federal criminal investigation into the actions of L-3 JOG.

BASES FOR THE SUSPENSION

1. There is adequate evidence in the administrative record establishing that L-3 JOG committed criminal offenses in connection with obtaining, attempting to obtain or performing a public contract or subcontract. This evidence provides a basis for L-3 JOG's suspension pursuant to FAR 9.407-2(a)(1).
2. There is adequate evidence in the administrative record establishing that L-3 JOG committed theft. This evidence provides a separate and independent basis for L-3 JOG's suspension pursuant to FAR 9.407-2(a)(3).
3. There is adequate evidence in the administrative record establishing that L-3 JOG committed offenses indicating a lack of business integrity or business honesty that seriously and directly affect its present responsibility to be a Government contractor or subcontractor. This evidence provides a separate and independent basis for L-3 JOG's suspension pursuant to FAR 9.407-2(a)(9).
4. There is adequate evidence in the administrative record establishing that L-3 JOG's actions were of such a serious and compelling nature that they affect L-3 JOG's present responsibility to be a Government contractor or subcontractor. This evidence provides a separate and independent basis for L-3 JOG's suspension pursuant to FAR 9.407-2(c).

FINDINGS

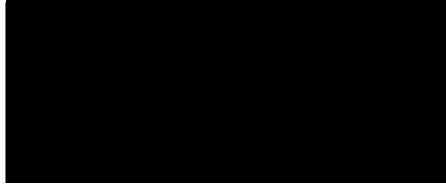
Each of the independent causes specified above directly affects the present responsibility of L-3 JOG to be a Government contractor or subcontractor, or a participant in federal assistance programs, and reflects negatively upon the propriety of doing business with L-3 JOG.

Given that the administrative record before me demonstrates that L-3 JOG has used a Government computer network to conduct its own private corporate intelligence-gathering activities in violation of both its contractual requirements and the position of trust it held as a manager of a highly sensitive computer network, and that L-3 JOG continues to bid for additional contracts to manage Government computer systems and networks, I find that protection of the Government's business interests requires L-3 JOG's immediate suspension pending the completion of the investigation and any ensuing criminal proceedings.

DECISION

Pursuant to the authority granted by FAR Subpart 9.4, the Defense FAR Subpart 209.4, and 32 C.F.R. Section 25, and based upon the evidence contained in the administrative record and the findings herein, L-3 Communications Integrated Systems, L.P., Special Support Programs

Division f/k/a L-3 Communications Integrated Systems, L.P., Joint Operations Group is hereby suspended this day. The suspension is temporary pending completion of the criminal investigations and any ensuing criminal proceedings.



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203

Office Of The Deputy General Counsel

VIA FEDERAL EXPRESS

JUN 03 2010

Special Support Programs Division
f/k/a
Joint Operations Group
L-3 Communications Integrated Systems, L.P.
5749 Briar Hill Road
Lexington, KY 40516

Re: Notice of Suspension

Ladies and Gentlemen:

You are hereby notified that the Air Force has suspended L-3 Communications Integrated Systems, L.P., Special Support Programs Division f/k/a L-3 Communications Integrated Systems, L.P., Joint Operations Group, from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to the authority of and the suspension procedures contained in the Federal Acquisition Regulation (FAR) Subpart 9.4. Copies of FAR Subpart 9.4, Defense FAR Supplement 9.4 and Appendix H, and 32 C.F.R. Part 25 are provided on our website at www.safgc.hq.af.mil/safgcr.htm. 32 C.F.R. Part 25 is the Defense Department's implementation of the Nonprocurement Common Rule, referenced in FAR 9.401.

The suspension is based upon the information in the attached Memorandum In Support of Suspension (Encl. 1).

The suspension is effective this day and has the following consequences during the period of suspension:

1. Your company name, L-3 Communications Integrated Systems, L.P., Special Support Programs Division f/k/a L-3 Communications Integrated Systems, L.P., Joint Operations Group, will be published in the List of Parties Excluded From Federal Procurement and Nonprocurement Programs, a publication of the General Services Administration containing the names of contractors suspended, debarred, proposed for debarment, or declared ineligible by any agency of the Federal Government. Suspension is effective throughout the executive branch of the Federal Government.

2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government approval will not be approved for you by any agency in the executive branch of the Federal Government unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between you and the agency.

3. You may not conduct business with the Federal Government as an agent or representative of other contractors, nor may you act as a surety for other contractors.

4. No Government contractor may award a subcontract equal to or in excess of \$30,000 to you unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which you are either a participant or principal, unless the head of the agency grants an exception in writing. (Covered transactions are defined at 32 C.F.R. Section 25.110).

6. You may not act as an agent or representative of other participants in federal assistance programs.

7. Your affiliation with or relationship to any organization doing business with the Government will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a Government contractor or subcontractor.

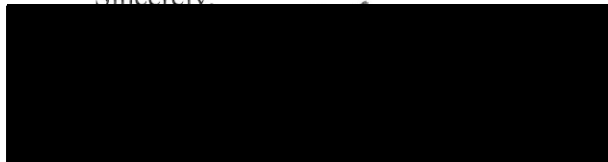
Within thirty calendar days after receipt of this notice, a representative on your behalf may submit, either in person or in writing, or both, information and argument in opposition to the suspension.

If you designate a representative to respond, please notify me in writing of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

Your submission, if any, should include any specific information that may raise a genuine dispute over material facts. If it is found that the information submitted raises a genuine dispute over material facts, fact finding may be conducted to determine the disputed facts. Facts set forth in an indictment, information, or other charging document, however, are not subject to dispute in this proceeding.

The suspension proceeding has been initiated on the basis of the administrative record. A copy of the record will be forward to you upon request. Any written information that you submit will be added to the administrative record. Any communication regarding this matter should be directed to my counsel, David Robbins at (703) 588-0154 or by e-mail at "david.robbins@pentagon.af.mil." Any written submissions should be forwarded via express mail to Mr. Robbins at SAF/GCR, 4040 N. Fairfax Drive, Suite 204, Arlington, Virginia 22203-1613.

Sincerely,



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

1 Encl.
a/s