

UNITED STATES DEPARTMENT OF LABOR
OFFICE OF ADMINISTRATIVE LAW JUDGES
WASHINGTON, D.C. 20036

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IN THE MATTER OF)	
HUDSON INSTITUTE, INC.,		
Complainant,		
)	
v.		Case No. 89-JTP-16
		and 90-JTP-31
U.S. DEPARTMENT OF LABOR,		
Respondent.		

SETTLEMENT AGREEMENT

This agreement is entered into between the United States Department of Labor and Hudson Institute, Inc. in complete resolution of the above-referenced cases.

WITNESSETH THAT:

WHEREAS, Hudson Institute, Inc. (Grantee) and the United States Department of Labor (Department) entered into Grant No. 99-6-3370-75-002-02, which together with any and all modifications thereto, are referred to as the "Grant"; and

WHEREAS, the Department issued a final determination on March 13, 1989, relating to the findings of Audit Report No. 18-88-001-03-380 covering the period February 21, 1986 through September 30, 1987, wherein it was determined that \$410,373.00 in costs were not allowable and \$396,789.00 in costs were subject to debt collection; and

WHEREAS, the Department issued a final determination on August 1, 1990 relating to the findings of Audit Report No. 18-90-012-03-380 covering the period February 21, 1986 through August 31, 1989, wherein it was determined that \$95,848.00 in costs were not allowable; and

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WHEREAS, the Grantee, Inc. appealed the findings of these final determinations to the Department's Office of Administrative Law Judges where said matters are now pending as Case Nos. 89-JTP-16 and 90-JTP-31 respectively; and

WHEREAS, the Department disallowed \$327,166.00 in Case No. 89-JTP-16 based on the failure of the Grantee to submit an indirect cost rate proposal for fiscal years 1986 and 1987 to its cognizant agency, Defense Contract Audit Agency (DCAA), and the Grantee has submitted indirect cost rate proposals to DCAA and obtained final indirect cost rates for those years which the Department has accepted; and

WHEREAS, the Department owes the Grantee \$82,870.00 under the Grant based on invoices submitted; and

WHEREAS, the parties desire to settle their differences in these matters.

NOW THEREFORE, the parties do agree as follows:

1. The Department, having reviewed these cases, hereby determines that, consistent with law and policy, it is in the best interest of the Department to accept the Grantee's offer to reduce program funding by \$14,919. This will leave a balance owed the Grantee under the grant of \$67,951.00 which will be paid by the Department to the Grantee. The reduction in funding represents full satisfaction of the amounts which were disallowed and are now on appeal.

2. The Grantee agrees to forego the opportunity to pursue collection of account receivables generated by the sale of Workforce 2000 books and executive summaries before October 31, 1989.

3. The Grantee and the Department agree that this Settlement Agreement represents a full, final and complete settlement of all matters related to the Grant.

4. The parties agree that they will bear their own costs and fees, including attorney fees, incurred by them in connection with any stage of these proceedings.

5. This settlement is to be effective upon the signature of all parties.

6. Upon consummation of this settlement, Case Nos. 89-JTP-16 and 90-JTP-31 may be dismissed with prejudice by the Office of Administrative Law Judges.

APPROVED:

DATED: May 6, 1991

R. Mark Lubbers
R. MARK LUBBERS
Senior Vice President
Hudson Institute, Inc.

DATED: May 6 1991

Daniel F. Evans
DANIEL F. EVANS, JR./ ESQ.
Baker & Daniels
Attorney for Hudson
Institute, Inc.

DATED: May 15, 1991

Charles A. Wood Jr.
CHARLES A. WOOD, JR.
Chief, Division of Audit,
Closeout and Appeals
Resolution
U.S. Department of Labor

DATED: May 13, 1991

Frank P. Buckley
FRANK P. BUCKLEY, ESQ.
Attorney
U.S. Department of Labor