

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

**ITILITY, LLC** )  
**14840 Conference Center Dr., Suite 100** )  
**Herndon, Virginia 20151** )

**Plaintiff,** )

**v.** )

Civil Case No.: 1:20-CV-00477-TSE-MSN

**THE STAFFING RESOURCE GROUP,** )  
**INC.** )  
**405 North Reo Street, Suite 255** )  
**Tampa, Florida 33609** )

**Serve: Britt R. Massing** )  
**405 North Reo Street, Suite 255** )  
**Tampa, Florida 33609** )

**and** )

**TRAVIS C. HIRE** )  
**7216 North Ola Avenue** )  
**Tampa, Florida 33604** )

**Serve: Travis C. Hire** )  
**7216 North Ola Avenue** )  
**Tampa, Florida 33604** )

**Defendants.** )

**AMENDED COMPLAINT**

PLAINTIFF, ITILITY, LLC (“ITility”), by its undersigned counsel, for its Amended Complaint for monetary damages against Defendants The Staffing Resource Group, Inc. (“SRG”) and Travis C. Hire (“Hire”) (collectively “Defendants”) states the following:

## INTRODUCTION

1. ITility is a service-disabled veteran-owned small business (“SDVOSB”) that provides solutions and services in support of the daily mission and business operations of its U.S. Government customers. ITility provides its clients with program management, systems engineering, enterprise services, system testing services, education and training, and administrative support.

2. On or about December 21, 2018, the United States Special Operations Command (“SOCOM”) issued a Request for Quotation No. 1344005, pursuant to which a contractor was sought that could provide geospatial engineering, modeling and simulation engineering, and information technology engineering support to SOCOM (the “Solicitation”). The Solicitation informed potential offerors that their proposals would be evaluated under three factors, to be submitted in three volumes: technical, past performance, and price, with the technical factor being the most important, in a best-value trade-off. Offerors were required to submit in their respective technical volume the resumes of key personnel that they were proposing, as well as signed letters of intent from each individual. ITility intended to develop and submit a competitive proposal (the “Proposal”) in response to the Solicitation.

3. In support of its Proposal development and Solicitation response efforts, on or about January 29, 2019, ITility entered into a Teaming Agreement with SRG. Pursuant to the terms of the Teaming Agreement, SRG agreed, *inter alia*, to provide ITility with recruiting services and submit to the resumes of potential candidates to be included in the technical volume of ITility’s Proposal. ITility and SRG had a previous history of working together to augment ITility’s internal recruiting capabilities.

4. Hire, SRG's Vice-President of Government Services at the time, undertook to comply with ITility's recruiting need on behalf of SRG, and provided ITility with the names of several potential candidates for consideration during the Proposal development and response process. Of those potential candidates presented to ITility by Hire were Sean Hord ("Hord") and Zackary Shifflett ("Shifflett"). SRG, through Hire, represented to ITility that Hire had conversations with both Hord and Shifflett about being presented as candidates, and had obtained their permission to be included in the Proposal.

5. Accordingly, ITility requested that SRG provide the requisite resumes and signed letters of intent for Hord and Shifflett for inclusion in the Proposal's technical volume, which were provided to ITility by SRG, through Hire.

6. Unbeknownst to ITility at the time, but well-known to Hire and SRG, neither Hord nor Shifflett had given permission to SRG or Hire to propose them to ITility as candidates for inclusion in the Proposal. Rather, Hire had knowingly and willfully forged Hord's and Shifflett's signatures on their respective letters of intent and presented such to ITility as genuine.

7. Due to ITility's previous business relationship and dealings with SRG, ITility had no reason to doubt the authenticity or validity of SRG's and Hire's representations concerning their interactions with either Hord or Shifflett. ITility reasonably relied upon the representations made by SRG and Hire concerning the validity of Hord's and Shifflett's availability as candidates and the authenticity of the signed LOIs.

8. Shortly thereafter, ITility submitted its Proposal in response to the Solicitation, which included, in the technical volume, the resumes and forged letters of intent for Hord and Shifflett. On March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award.

9. On March 29, 2019, ITility learned that one of its competitors during the bid process, Ironclad Technology Services, LLC (“Ironclad”), had filed a protest before the U.S. Court of Federal Claims concerning SOCOM’s award of the prime contract to ITility. SOCOM advised ITility that the basis of Ironclad’s protest concerned ITility’s inclusion of proposed personnel who had not given their permission to ITility to include them as part of its Proposal. ITility promptly contacted SRG concerning the allegations in Ironclad’s protest, which prompted SRG to conduct an internal investigation into the matter.

10. On or about April 3, 2019, SRG contacted ITility and informed it that SRG’s Executive Team had met with Hire, who confessed to forging both Hord’s and Shifflett’s signatures on their respective letters of intent, consistent with the allegations asserted by Ironclad. In response, ITility promptly contacted SOCOM and informed it of SRG’s findings.

11. Shortly thereafter, and as a direct result of Hire’s willful fraudulent conduct, SOCOM took corrective action in response to Ironclad’s bid protest by vacating its award to ITility and cancelling the Solicitation.

12. As a result of SRG’s breach of the Teaming Agreement and the willful fraudulent conduct engaged in by Hire, ITility was caused to suffer, and did suffer, significant financial losses including, but not limited to, lost profits from SOCOM’s vacating ITility’s prime contract award.

### **PARTIES**

13. ITility is a limited liability company organized under the laws of the Commonwealth of Virginia which is engaged in the business of government contracting and maintains its principal place of operations at 14840 Conference Center Drive, Suite 100, Chantilly, Virginia 20151.

14. SRG is a corporation organized under the laws of the State of Florida which is engaged in the business of providing staffing and recruiting services, and maintains its principal place of business at 405 North Reo Street, Suite 255, Tampa, Florida 33609.

15. Defendant Travis C. Hire is an adult natural person who resides in the State of Florida. At all times relevant to this action, Hire served as SRG's Vice-President of Government Services.

### **JURISDICTION AND VENUE**

16. This Court has subject matter jurisdiction over ITility's claims pursuant to 28 U.S.C. § 1332(a), because this action is between citizens of different states and the amount in controversy exceeds \$75,000.00, exclusive of interest and costs.

17. This Court has personal jurisdiction over Defendants pursuant to Va. Code Ann. § 8.01-328.1(A)(1)-(4) (2017), because a substantial portion of the events or omissions giving rise to the causes of action set forth in this Complaint, and the resulting injuries to ITility, occurred within Fairfax County, Virginia, where ITility's business operations are located. The causes of action herein arose from SRG contracting to provide services in Virginia, where it regularly conducts business, and where it maintains an office at 11921 Freedom Drive, Suite 550, Reston, Va. 20190. SRG and Hire regularly communicated with ITility and its agents in Virginia in support of SRG's performance of its duties and obligations under the terms of the Teaming Agreement.<sup>1</sup> Hire also communicated with ITility and presented candidates, along with all

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<sup>1</sup> Pursuant to Section 5.9 of the Teaming Agreement, SRG expressly agreed to submit to the jurisdiction and venue of this Court for any claim or cause of action arising out of, or relating to, the Teaming Agreement. *See* Jan. 29, 2019, Teaming Agreement, attached hereto as Exhibit A, at 7 ("This Agreement shall be construed, enforced, and interpreted in accordance with the laws of the Commonwealth of Virginia without regard to its laws relating to conflict or choice of laws rules. Any dispute, claim, action or suit arising out of or relating to this Agreement may

required documentation, to ITility in Virginia for inclusion in the technical volume of the Proposal.

18. Venue in this Court is proper, pursuant to 28 U.S.C. §§ 1391(b)(2) and (3).

**FACTS COMMON TO ALL COUNTS**

***Background of ITility and SRG***

19. ITility is an SDVSOB that provides solutions and services in support of the daily mission and business operations of its U.S. Government customers. ITility provides its Government clients with program management, systems engineering, enterprise services, system testing services, education and training, and administrative support.

20. At all times relevant to this action, Paul K. Reist (“Reist”) served as ITility’s Chief Executive Officer (CEO). Reist was involved in reviewing the Proposal’s content and monitoring the overall progress of the proposal effort.

21. SRG is a staffing and recruiting firm that promotes itself on its website as “providing specialized staffing solutions to its clients and consultants.”

22. At all times relevant to this action, Matt Spanke (“Spanke”) served as SRG’s Chief Operations Officer (COO). Upon information and belief, as SRG’s COO, Spanke was responsible for directing SRG’s business operations.

23. At all times relevant to this action, Christopher Elam (“Elam”) served as SRG’s Chief Financial Officer (CFO). Upon information and belief, as SRG’s CFO, Elam was responsible for leading SRG’s finance and operations teams.

24. At all times relevant to this action, Hire served as SRG’s Vice-President of Government Services. Upon information and belief, in this role Hire was responsible for

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only be brought exclusively in a court of competent jurisdiction in the Commonwealth of Virginia”).

managing SRG's recruiting and staffing efforts in the military coaching and transition, technical, information technology, aviation/aerospace, government contracts, operations, executive placements, accounting, clerical and administrative services, and finance markets.

*SOCOM Request for Quotation No. 1344005 (the "Solicitation")*

25. On or about December 21, 2018, SOCOM issued Request for Quotation No. 1344005 (the "Solicitation") in which a contractor was sought that could provide geospatial engineering, modeling and simulation engineering, and information technology engineering support to SOCOM.

26. The Solicitation contemplated issuing a firm fixed price task order, having a base performance period of one year, with three one-year option periods.

27. Upon information and belief, the total contract value of SOCOM's Solicitation exceeded one million dollars (\$1,000,000.00).

28. The Solicitation informed potential offerors that their proposals would be evaluated under three factors, to be submitted in three volumes: technical, past performance, and price, with the technical factor being the most important, in a best-value trade-off. Offerors were required to submit in their respective technical volume the resumes of key personnel that they were proposing, as well as signed letters of intent from each individual.

29. The Solicitation not only called for the submission of a detailed written technical proposal, but it also required the preparation and presentation of an oral proposal, addressing seven specific technical questions that the Government identified after the written submissions were evaluated.

30. ITility intended to develop and submit a competitive proposal in response to the Solicitation, and undertook to do so.

31. After the release of the Solicitation, ITility initiated its Proposal development and response efforts. This process included an internal kick-off meeting, recruiting efforts, proposal drafting, and pricing analyses.

32. The preparation of proposals in response to multi-million dollar-value, lengthy and complex government solicitations is a highly complex, time-consuming, and expensive process.

***ITility and SRG Enter into a Teaming Agreement for the Development  
and Submission of a Proposal in Response to the Solicitation***

33. On or about January 29, 2019, ITility entered into a Teaming Agreement with SRG, pursuant to which SRG agreed, *inter alia*, to provide recruiting and placement services in support of ITility's Proposal development and response efforts. *See* Exhibit A.

34. ITility and SRG had a previous history of working together to augment ITility's internal recruiting capabilities. ITility had worked with SRG on multiple procurements and had never experienced any form of unlawful or unethical conduct engaged in by either SRG or its agents.

35. Pursuant to the terms of the Teaming Agreement and the Statement of Work ("SOW") attached thereto, SRG agreed to actively participate in the Proposal development process and to provide certain information and services to ITility in its efforts to develop and submit the Proposal.

36. Upon information and belief, SRG wished to demonstrate its sophistication and capabilities to ITility in the event that ITility was awarded the prime contract in response to the Solicitation, so SRG could serve as a future subcontractor for ITility.

37. The Teaming Agreement created certain duties and obligations for SRG during the Proposal development and response process. Specifically, Section 1.1 of the Teaming



Agreement provides that ITility's development of the Proposal "will include [SRG] for the conduct of the services described in the Statement of Work set forth under Attachment 'A' hereto."

38. Section 1.2 of the Teaming Agreement further details SRG's obligations stating that, during the term of the Teaming Agreement, SRG shall: "Furnish to [ITility] for incorporation into the proposal complete and full information required for that portion of the proposal assigned to [SRG] by Attachment 'A', Statement of Work; including manuscripts, drawings, data, technical approach, cost and pricing data and other information (the "Data") as may be required by [ITility] in order to ensure that a fully responsive proposal is submitted to the Government."

39. In Section 5.6 of the Teaming Agreement SRG expressly represents that, while performing its duties, by and through the conduct of its employees and agents, it will "comply with all applicable federal, state or local laws, regulations or ordinances in effect or hereafter adopted including those that prohibit unethical conduct regarding the obtaining, retention or conduct of business or an unfair advantage."

40. The Teaming Agreement further provides, at Section 5.6, that, should SRG fail to discharge its requisite obligations under the Teaming Agreement in compliance with all applicable federal, state or local laws, regulations or ordinances, it "shall indemnify [ITility] for any penalty, loss or expenses incurred by [ITility] as a result of [SRG's] breach of any of its obligations under this Article."

41. Section 5.9 of the Teaming Agreement entitles ITility to receive an award of its reasonable attorneys' fees and costs, including any fees incurred on appeal, in the event that it is caused to initiate, and prevails, in a lawsuit against SRG to enforce the provisions of the

Teaming Agreement, or as a result of SRG's breach, or threatened breach, of any portion of the Teaming Agreement.

***Hire's Commission of Willful Fraud and SRG's Breach of the Teaming Agreement***

42. The development of ITility's written Proposal and the related oral presentation spanned nearly two-and-one-half months of continuous effort on the part of ITility.

43. Pursuant to the terms of the Teaming Agreement, SRG agreed to provide ITility with recruiting services and submit to ITility the resumes of potential candidates to ITility for inclusion in the technical volume of the Proposal.

44. On or around January 2019, Hire, in his role as SRG's Vice-President of Government Services, undertook to comply with ITility's recruiting needs on behalf of SRG, and provided the names of several potential candidates for ITility's consideration.

45. Hord and Shifflett were two potential candidates presented to ITility by Hire, and SRG, through Hire, represented to ITility that Hire had numerous conversations with both Hord and Shifflett concerning their being presented as candidates.

46. On or about February 2, 2019, ITility requested that Hire obtain Hord's and Shifflett's permission to use their names and resumes in the Proposal. ITility also requested that Hire obtain a signed letter of intent ("LOI") from each candidate.

47. Hire expressly represented to ITility that he had obtained Hord's and Shifflett's permission to be included as candidates in the technical volume of the Proposal and, on or about February 3, 2019, Hire provided ITility with signed LOIs from Hord and Shifflett. *See* Feb. 1, 2019, Shifflett LOI, attached hereto as Exhibit B; Feb. 3, 2019, Hord e-signed LOI, attached hereto as Exhibit C.

48. Hire had provided an LOI to ITility that bore Hord's electronic signature, and told ITility that Hord had provided an electronic signature because he "was not near a printer" and "could not scan a signed version," or words to that effect. Hire further represented to ITility that, upon request, he could provide it with an LOI for Mr. Hord bearing his handwritten signature and, in response, ITility requested that he do so.

49. On or about February 4, 2019, Hire provided ITility with a second LOI for Hord and represented to ITility that it bore his handwritten signature. *See* Feb. 3, 2019, Hord hand-signed LOI, attached hereto as Exhibit D.

50. Due to ITility's previous business relationship and interactions with SRG, it had no reason to doubt the authenticity or validity of either Hire or SRG's representations concerning their dealings with Hord and Shifflett.

51. ITility reasonably relied upon the representations made by SRG and Hire concerning the authenticity and validity of Hord's and Shifflett's signed LOIs.

52. However, unbeknownst to ITility at the time, but well-known to Hire and SRG, was the fact that neither Hord nor Shifflett had given Hire or SRG permission to be presented as candidates for inclusion in the technical volume of the Proposal, nor had either provided Hire or SRG with a signed LOI.

53. Contrary to what he represented to SRG that he had done, Hire, on behalf of SRG, had knowingly and willfully forged Hord's and Shifflett's signatures on their respective LOIs for submission to ITility and, ultimately, the Government, while representing to ITility that they were authentic and authorized by the purported signatories.

54. Thereafter, ITility submitted its Proposal in response to the Solicitation, which included the resumes of Hord and Shifflett in the technical volume thereof. The Proposal also

contained the LOIs for both candidates that, unbeknownst to ITility, were forged and fraudulent.

55. On March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award.

***Ironclad's Protest of SOCOM's Award to ITility and SRG's  
Investigation into Hire's Fraudulent Conduct***

56. On March 29, 2019, ITility learned that Ironclad, one of its competitors during the bid process, had filed a protest before the U.S. Court of Federal Claims concerning SOCOM's award of the prime contract to ITility.

57. SOCOM advised ITility that Ironclad's bid protest concerned ITility's inclusion of proposed personnel (Hord) who had not given his permission to ITility to submit his candidacy as part of its Proposal.

58. At or around this time, ITility contacted Hire and SRG about the allegations in Ironclad's bid protest, and requested that it be provided with the email communications from Hord that would demonstrate his permission and willingness to be included in ITility's Proposal.

59. On March 30, 2019, Hire sent ITility an email with an attached email string containing what appeared to be an exchange between Hire and Hord, in which Hord provided a signed LOI to Hire.

60. On April 1, 2019, ITility provided the email string from Hire to SOCOM, which responded that it would require the "native" email file, meaning the original file sent from Hord to Hire. ITility therefore asked Hire to provide the email string and its contents in native format.

61. On April 2, 2019, Hire informed Reist via email that he was unable to recover the requested email communications. Hire misrepresented to Reist that he believed that the requested emails had been deleted by SRG's email system.

62. After receiving the representation from Hire that the subject emails had been deleted, Reist immediately contacted Spanke, who stated that SRG would promptly investigate the matter and provide its findings to ITility.

63. On or about April 3, 2019, Spanke contacted Reist and informed him that SRG had conducted an investigation, which resulted in Hire confessing to knowingly and willfully forging Hord's signature on his LOI and presenting it to ITility as genuine. Spanke further confirmed that, contrary to what Hire had told ITility, SRG did not have Hord's permission to be included as a candidate in the Proposal, and that as a result of Hire's fraudulent conduct, his employment with SRG had been terminated.

64. As a result of receiving this information, Reist requested that Spanke provide a declaration regarding the events, which he agreed to provide. *See* April 4, 2019, Declaration of M. Spanke, attached hereto as Exhibit E. In his declaration, under the penalty of perjury, Spanke confirms that Hire had confessed to knowingly and willfully forging Hord's signature on the LOI.

65. Elam also provided ITility with a declaration similar to Spanke's, in which he confirmed that Hire had confessed to knowingly and willfully forging Hord's signature on the LOI. *See* April 4, 2019, Declaration of C. Elam, attached hereto as Exhibit F.

66. SRG's investigation later revealed that, as with Hord, Hire did not have Shifflett's permission to include him as a candidate in Proposal either, and Hire had also knowingly and willfully forged Shifflett's signature on his respective LOI, thereby compounding the fraud perpetrated by SRG through Hire. Spanke informed Reist of this on April 11, 2019, and provided a declaration confirming the foregoing on the same day. *See* April 11, 2019, Declaration of M. Spanke, attached hereto as Exhibit G.

67. At or around this time, ITility contacted SOCOM's Contracting Officer for the Solicitation and informed him of the results of SRG's investigation into Hord's and Shifflett's candidacies.

***SOCOM's Vacation of ITility's Prime Contract Award and ITility's Damages Incurred***

68. On or around April 17, 2019, as a direct result of Hire's fraudulent conduct on behalf of SRG, SOCOM took corrective action in response to Ironclad's bid protest by vacating its award to ITility and cancelling the entire solicitation.

69. As a result of SRG's breach of the Teaming Agreement and the fraud perpetrated by Hire, ITility suffered significant financial loss including, but not limited to, lost profits as a result of SOCOM vacating ITility's prime contract award.

70. ITility also expended approximately nearly \$300,000.00 in the preparation and submission of the Proposal to SOCOM.

71. In addition, ITility stood to gain profits on its performance of the SOCOM prime contract award and, over the course of the four-year life of the contract, ITility will lose, at a minimum, \$500,000.00 in profits.

**COUNT ONE**  
**(Breach of Contract – Defendant SRG)**

72. ITility incorporates by reference each of the foregoing allegations as if fully set forth herein.

73. The Teaming Agreement is a valid, binding, and enforceable contract, according to its terms.

74. ITility fully performed its obligations under the terms of the Teaming Agreement.

75. Pursuant to Section 1.2 of the Teaming Agreement, SRG was required to “[f]urnish to [ITility] for incorporation into the proposal complete and full information required

for that portion of the proposal assigned to [SRG] by Attachment ‘A’, Statement of Work; including manuscripts, drawings, data, technical approach, cost and pricing data and other information (the “Data”) as may be required by [ITility] in order to ensure that a fully responsive proposal is submitted to the Government.”

76. In the performance of its duties and obligations, SRG expressly agreed in Section 5.6 to “comply with all applicable federal, state or local laws, regulations or ordinances in effect or hereafter adopted including those that prohibit unethical conduct regarding the obtaining, retention or conduct of business or an unfair advantage.”

77. At all time relevant to this action, it was unlawful to forge, or maliciously affix, the likeness of another’s signature to any writing, without the permission of that person, with the intent to create the false impression that the writing was signed by that person. Va. Code Ann. §§ 18.2-172, 18.2-172.2 (2008).

78. At all times relevant to this action, it was also unlawful for anyone to knowingly execute, or attempt to execute, “any scheme or artifice with the intent – (1) to defraud the United States; or (2) to obtain money or property by means of false or fraudulent pretenses, representations, or promises in any grant, contract, subcontract, subsidy, loan, guarantee, insurance, or other form of Federal assistance . . . if the value of such grant, contract, subcontract, subsidy, loan, guarantee, insurance, or other form of Federal assistance, or any constituent part thereof, is \$1,000,000 or more . . .” 18 U.S.C. § 1031(a) (2010).

79. Pursuant to Section 5.6 of the Teaming Agreement, SRG was required to comply with all applicable federal and state laws, including 18 U.S.C. § 1031(a) and Va. Code Ann. §§ 18.2-172, 18.2-172.2(2008).

80. At all times relevant to this action, Hire was in the employ of SRG and held the title of Vice-President of Government Services.

81. SRG, by and through the conduct of its employee/agent Hire, breached the duties and obligations it owed to ITility under Section 5.6 of the Teaming Agreement, and thereby caused ITility to represent to the Government in the Proposal that both Hord and Shifflett were viable candidates who had agreed to perform on the contract, should SOCOM select ITility for the award, in violation of 18 U.S.C. § 1031(a).

82. On March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award.

83. Ironclad, one of ITility's competitors during the bid process, thereafter filed a protest before the U.S. Court of Federal Claims concerning SOCOM's award of the prime contract to ITility, the basis for which was that ITility had included proposed personnel (Hord) who had not given his permission to ITility to submit his candidacy as part of its Proposal.

84. On or around April 17, 2019, in response to Ironclad's bid protest, which arose as a direct result of Hire's willful and unlawful fraudulent conduct on behalf of SRG, as set forth in detail above, SOCOM took corrective action, vacated its award to ITility and cancelled the Solicitation.

85. As a further direct result of SRG's conduct and resulting breach of Section 5.6 of the Teaming Agreement, ITility has been caused to suffer, and did suffer, financial loss including, but not limited to, lost profits from SOCOM's vacating ITility's prime contract award and the cost of preparing the Proposal.

86. SRG's actions, by and through the conduct of its agents, were the proximate cause of all injuries and damages sought by ITility herein.



87. Based on the foregoing, ITility is entitled to an award of compensatory damages, plus pre-judgment interest, consequential damages, punitive damages, litigation costs, and its reasonable attorneys' fees.

WHEREFORE, the foregoing considered, ITility prays:

- a. That the Court enter judgment in favor of ITility and against SRG;
- b. That the Court award ITility compensatory damages, plus pre-judgment interest in the amount of \$1,000,000.00, or in an amount to be proven at trial, whichever is greater;
- c. That the Court award ITility consequential damages in an amount to be proven at trial;
- d. That the Court award ITility punitive damages in an amount to be proven at trial;
- e. That the Court award ITility its reasonable attorneys' fees and costs incurred in this litigation; and
- f. That the Court award ITility such other and further relief as the nature of the case may warrant and which this Honorable Court shall deem just and proper.

**COUNT TWO**  
**(Actual Fraud – Defendant SRG)**

88. ITility adopts and incorporates by reference each of the foregoing allegations as if fully set forth herein.

89. Under Virginia law, SRG owed ITility the common law duty not to commit willful fraud.

90. In addition, SRG owed ITility a statutory duty to not forge, or maliciously affix, the signature of another, without the permission of that person, with the intent to create the false impression that the writing was signed by that person. Va. Code Ann. §§ 18.2-172, 18.2-172.2 (2008).

91. At all times relevant to this action, Hire was in the employ of SRG and held the title of Vice-President of Government Services.

92. Hire, on behalf of SRG, knowingly and falsely represented to ITility that Hord and Shifflett had given their permission to be included as candidates in the technical volume of the Proposal.

93. Due to ITility's previous business relationship and interactions with SRG, ITility had no reason to doubt the authenticity or veracity of either Hire's or SRG's representations concerning their dealings with either Hord or Shifflett.

94. ITility reasonably relied upon the representations of purported facts made by SRG and Hire concerning the authenticity and validity of Hord's and Shifflett's signed LOIs.

95. In breach of the aforesaid duties, Hire, in his role as SRG's Vice-President of Government Services, knowingly and intentionally forged the signatures of Hord and Shifflett on their respective LOIs and represented such to ITility as authentic and valid.

96. In making such fraudulent misrepresentations to ITility, Hire was performing SRG's business and acting within the scope of his employment.

97. On March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award.

98. On or around April 17, 2019, in response to Ironclad's bid protest, which arose as a direct result of Hire's willful and unlawful fraudulent conduct on behalf of SRG, as set forth in detail above, SOCOM took corrective action, vacated its award to ITility and cancelled the Solicitation.

99. As a direct result of SRG's unlawful conduct, by and through the actions of its agents, ITility has been caused to suffer, and did suffer, financial loss including, but not limited

to, lost profits from SOCOM's vacating ITility's prime contract award and the cost of preparing the Proposal.

100. SRG's actions, by and through the conduct of its agents, were the proximate cause of all injuries and damages sought herein.

101. Based on the foregoing, ITility is entitled to an award of compensatory damages, plus pre-judgment interest, consequential damages, punitive damages, litigation costs, and its reasonable attorneys' fees.

WHEREFORE, the foregoing considered, ITility prays:

- a. That the Court enter judgment in favor of ITility and against SRG;
- b. That the Court award ITility compensatory damages, plus pre-judgment interest, in the amount of \$1,000,000.00, or in an amount to be proven at trial, whichever is greater;
- c. That the Court award ITility consequential damages in an amount to be proven at trial;
- d. That the Court award ITility punitive damages in an amount to be proven at trial;
- e. That the Court award ITility its reasonable attorneys' fees and costs incurred in this litigation; and
- f. That the Court award ITility such other and further relief as the nature of the case may warrant and which this Honorable Court shall deem just and proper.

**COUNT THREE**  
**(Actual Fraud – Defendant Hire)**

102. ITility adopts and incorporates by reference each of the foregoing allegations as if fully set forth herein.

103. Under Virginia law, a corporate officer may be held liable in his or her individual capacity for engaging in tortious and fraudulent conduct while transacting business on behalf of

the officer's employer.

104. Hire owed ITility the common law duty not to commit willful fraud.

105. In addition, Hire owed ITility a statutory duty to not forge, or maliciously affix, the signature of another, without the permission of that person, with the intent to create the false impression that the writing was signed by that person. Va. Code Ann. §§ 18.2-172, 18.2-172.2 (2008).

106. At all times relevant to this action, Hire was in the employ of SRG and held the title of Vice-President of Government Services.

107. Hire knowingly and falsely represented to ITility that Hord and Shifflett had given their permission to be included as candidates in the technical volume of the Proposal.

108. Due to ITility's previous business relationship and interactions with SRG, it had no reason to doubt the authenticity or veracity of Hire's representations concerning his dealings with either Hord or Shifflett.

109. ITility reasonably relied upon the representations made by Hire concerning the viability of Hord's and Shifflett's candidacies for inclusion in the Proposal, and the authenticity and validity of their signed LOIs.

110. In breach of the aforesaid duties, Hire knowingly and intentionally forged the signatures of Hord and Shifflett on their respective LOIs and represented such to ITility as authentic and valid.

111. In making such willful and unlawful fraudulent representations to ITility, Hire was performing SRG's business and acting within the scope of his employment.

112. Hire's knowing and willful fraudulent conduct caused ITility to represent to the Government in the Proposal that both Hord and Shifflett were viable candidates to perform on

the contract should SOCOM select ITility for the award.

113. On March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award.

114. On or around April 17, 2019, in response to Ironclad's bid protest, which arose as a direct result of Hire's willful fraudulent conduct on behalf of SRG, as set forth in detail above, SOCOM took corrective action, vacated its award to ITility and cancelled the Solicitation.

115. As a further direct result of Hire's conduct, ITility has been caused to suffer, and did suffer, financial loss including, but not limited to, lost profits from SOCOM's vacating ITility's prime contract award and the cost of preparing the Proposal.

116. Hire's tortious and fraudulent actions directly and proximately caused all injuries and damages sought herein.

117. As a result, ITility is entitled to an award of compensatory damages, plus pre-judgment interest, consequential damages, punitive damages, litigation costs, and its reasonable attorneys' fees.

WHEREFORE, the foregoing considered, ITility prays:

- a. That the Court enter judgment in favor of ITility and against Hire;
- b. That the Court award ITility consequential damages in the amount of \$1,000,000.00 or an amount to be proven at trial, whichever is greater;
- c. That the Court award ITility punitive damages in an amount to be proven at trial;
- d. That the Court award ITility its reasonable attorneys' fees and costs incurred in this litigation;
- e. That the Court hold SRG and Hire jointly and severally liable for any monetary amount awarded; and

f. That the Court award ITility such other and further relief as the nature of the case may warrant and which this Honorable Court shall deem just and proper.

**COUNT FOUR**  
**(Tortious Interference With Business Expectancy – Defendant SRG)**

118. ITility adopts and incorporates by reference each of the foregoing allegations as if fully set forth herein.

119. As of December 21, 2018, the date on which SOCOM issued the Solicitation, ITility had a valid business expectancy in the award of a contract by SOCOM, with a probability and reasonable certainty of future economic benefit to ITility, given its excellent technical capabilities, past performance record, and experience.

120. Indeed, given its capabilities, experiences, and historical successes, it was reasonably certain that, if ITility submitted a complete proposal in response to the Solicitation, ITility would win award of the contract.

121. That business expectancy initially came to be, because, on March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award after submission of ITility's proposal.

122. By virtue of the Teaming Agreement, the parties' existing relationship, and their discussions regarding their teaming arrangement, Defendant SRG had knowledge of ITility's business expectancy in the award of the contract by SOCOM pursuant to the Solicitation.

123. Under Virginia law, SRG owed ITility the common law duty not to commit willful fraud.

124. In addition, SRG owed ITility a statutory duty to not forge, or maliciously affix, the signature of another, without the permission of that person, with the intent to create the false impression that the writing was signed by that person. Va. Code Ann. §§ 18.2-172, 18.2-172.2

(2008).

125. At all times relevant to this action, Hire was in the employ of SRG and held the title of Vice-President of Government Services.

126. Hire, on behalf of SRG, knowingly and falsely represented to ITility that Hord and Shifflett had given their permission to be included as candidates in the technical volume of the Proposal.

127. Due to ITility's previous business relationship and interactions with SRG, ITility had no reason to doubt the authenticity or veracity of either Hire's or SRG's representations concerning their dealings with either Hord or Shifflett.

128. ITility reasonably relied upon the representations of purported facts made by SRG and Hire concerning the authenticity and validity of Hord's and Shifflett's signed LOIs.

129. In breach of the aforesaid duties, Hire, in his role as SRG's Vice-President of Government Services, knowingly and intentionally forged the signatures of Hord and Shifflett on their respective LOIs and represented such to ITility as authentic and valid.

130. In making such fraudulent and intentional misrepresentations to ITility, Hire was performing SRG's business and acting within the scope of his employment.

130. SRG, acting through Hire, in making such fraudulent and intentional misrepresentations, unlawfully, illegally, and in violation of statute, interfered with ITility's business expectancy with the federal government.

131. On or around April 17, 2019, in response to Ironclad's bid protest, which arose as a direct result of SRG's and Hire's interference with ITility's business expectancy with SOCOM and willful and unlawful fraudulent conduct on behalf of SRG, as set forth in detail above, SOCOM took corrective action, vacated its award to ITility and cancelled the Solicitation,

thereby terminating ITility's reasonably certain business expectancy in the contract.

132. It is reasonably certain that, absent SRG's and Hire's interference with ITility's business expectancy with SOCOM and willful and unlawful fraudulent conduct, SOCOM would have proceeded with ITility's contract, and ITility would have realized the business expectancy.

133. Indeed, when SOCOM received Ironclad's bid protest, the agency initially investigated with the intention of defending award of the contract to ITility and intended to defend award until it learned of SRG's fraudulent and unlawful misrepresentations.

132. As a direct result of SRG's unlawful conduct and interference with ITility's business expectancy, by and through the actions of its agents, ITility has been caused to suffer, and did suffer, financial loss including, but not limited to, lost profits from SOCOM's vacating ITility's prime contract award and the cost of preparing the Proposal.

133. SRG's actions, by and through the conduct of its agents, were the proximate cause of all injuries and damages sought herein.

134. Based on the foregoing, ITility is entitled to an award of compensatory damages, plus pre-judgment interest, consequential damages, punitive damages, litigation costs, and its reasonable attorneys' fees.

WHEREFORE, the foregoing considered, ITility prays:

- a. That the Court enter judgment in favor of ITility and against Hire;
- b. That the Court award ITility consequential damages in the amount of \$1,000,000.00 or an amount to be proven at trial, whichever is greater;
- c. That the Court award ITility punitive damages in an amount to be proven at trial;
- d. That the Court award ITility its reasonable attorneys' fees and costs incurred in this litigation;



e. That the Court hold SRG and Hire jointly and severally liable for any monetary amount awarded; and

f. That the Court award ITility such other and further relief as the nature of the case may warrant and which this Honorable Court shall deem just and proper.

**COUNT FIVE**  
**(Tortious Interference With Business Expectancy – Defendant Hire)**

135. ITility adopts and incorporates by reference each of the foregoing allegations as if fully set forth herein.

136. As of December 21, 2018, the date on which SOCOM issued the Solicitation, ITility had a valid business expectancy in the award of a contract by SOCOM, with a probability and reasonable certainty of future economic benefit to ITility, given its excellent technical capabilities, past performance record, and experience.

137. Indeed, given its capabilities, experiences, and historical successes, it was reasonably certain that, if ITility submitted a complete proposal in response to the Solicitation, ITility would win award of the contract.

138. That business expectancy initially came to be, because, on March 15, 2019, SOCOM selected ITility's Proposal for the prime contract award after submission of ITility's proposal.

139. By virtue of ITility's Teaming Agreement with SRG, Hire's position with SRG, the parties' existing relationship, and their discussions regarding their teaming arrangement, Defendant Hire had knowledge of ITility's business expectancy in the award of the contract by SOCOM pursuant to the Solicitation.

140. Under Virginia law, a corporate officer may be held liable in his or her individual capacity for engaging in tortious and fraudulent conduct while transacting business on behalf of

the officer's employer.

141. Hire owed ITility the common law duty not to commit willful fraud.

142. In addition, Hire owed ITility a statutory duty to not forge, or maliciously affix, the signature of another, without the permission of that person, with the intent to create the false impression that the writing was signed by that person. Va. Code Ann. §§ 18.2-172, 18.2-172.2 (2008).

143. At all times relevant to this action, Hire was in the employ of SRG and held the title of Vice-President of Government Services.

144. Hire knowingly and falsely represented to ITility that Hord and Shifflett had given their permission to be included as candidates in the technical volume of the Proposal.

145. Due to ITility's previous business relationship and interactions with SRG, ITility had no reason to doubt the authenticity or veracity of Hire's representations concerning his dealings with either Hord or Shifflett.

146. ITility reasonably relied upon the representations of purported facts made by Hire concerning the viability of Hord's and Shifflett's candidacies for inclusion in the Proposal, and the authenticity and validity of Hord's and Shifflett's signed LOIs.

147. In breach of the aforesaid duties, Hire knowingly and intentionally forged the signatures of Hord and Shifflett on their respective LOIs and represented such to ITility as authentic and valid.

148. In making such fraudulent and intentional misrepresentations to ITility, Hire was performing SRG's business and acting within the scope of his employment.

149. Hire, in making such fraudulent and intentional misrepresentations, unlawfully, illegally, and in violation of statute, interfered with ITility's business expectancy with the federal

government.

150. On or around April 17, 2019, in response to Ironclad's bid protest, which arose as a direct result of Hire's interference with ITility's business expectancy with SOCOM and willful and unlawful fraudulent conduct on behalf of SRG, as set forth in detail above, SOCOM took corrective action, vacated its award to ITility and cancelled the Solicitation, thereby terminating ITility's reasonably certain business expectancy in the contract.

151. It is reasonably certain that, absent Hire's interference with ITility's business expectancy with SOCOM and willful and unlawful fraudulent conduct, SOCOM would have proceeded with ITility's contract, and ITility would have realized the business expectancy.

152. Indeed, when SOCOM received Ironclad's bid protest, the agency initially investigated with the intention of defending award of the contract to ITility and intended to defend award until it learned of SRG's fraudulent and unlawful misrepresentations.

153. As a direct result of Hire's unlawful conduct and interference with ITility's business expectancy, by and through the actions of its agents, ITility has been caused to suffer, and did suffer, financial loss including, but not limited to, lost profits from SOCOM's vacating ITility's prime contract award and the cost of preparing the Proposal.

154. Hire's tortious and fraudulent actions were the proximate cause of all injuries and damages sought herein.

155. Based on the foregoing, ITility is entitled to an award of compensatory damages, plus pre-judgment interest, consequential damages, punitive damages, litigation costs, and its reasonable attorneys' fees.

WHEREFORE, the foregoing considered, ITility prays:

a. That the Court enter judgment in favor of ITility and against Hire;

- b. That the Court award ITility consequential damages in the amount of \$1,000,000.00 or an amount to be proven at trial, whichever is greater;
- c. That the Court award ITility punitive damages in an amount to be proven at trial;
- d. That the Court award ITility its reasonable attorneys' fees and costs incurred in this litigation;
- e. That the Court hold SRG and Hire jointly and severally liable for any monetary amount awarded; and
- f. That the Court award ITility such other and further relief as the nature of the case may warrant and which this Honorable Court shall deem just and proper.

Respectfully submitted,

**ITILITY, LLC**

Dated: July 27, 2020

By Counsel:

/s/ Matthew E. Feinberg  
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**CERTIFICATE OF SERVICE**

I, Matthew E. Feinberg, hereby certify that on this 27th day of July, 2020, a true copy of the within document was served on each party appearing pro se and on the attorney of record for each other party separately appearing by delivering a copy of the same via the United States District Court's online case filing system, CM/ECF, to:

Anthony H. Anikeeff, Esq.  
Williams Mullen  
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McLean VA 22120  
aanikeeff@williamsmullen.com

And by first-class mail, postage prepaid, and electronic mail to:

The Staffing Resource Group, Inc.  
c/o William Mitchell, Esq.  
Eccleston and Wolf, P.C.  
10400 Eaton Place, Suite 107  
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/s/ Matthew E. Feinberg  
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