

1 A. Of our company.

2 Q. All right. And how is it, then, that CTG was going
3 to make money from hiring these new employees?

4 A. Well, there is a certain fee in this case that we
5 were to pay them. And I negotiated an uplift with DKH.
6 And the difference between the two is what profit we make.

7 Q. All right. So am I correct that the uplift is the
8 amount that you would bill DKH?

9 A. Correct.

10 Q. All right.

11 A. On top of the salary.

12 Q. On top of the salary that you paid to those
13 employees?

14 A. Correct. Uh-huh.

15 Q. All right. Did you have any -- let me ask you a
16 different question. Was that -- relative to other kinds
17 of business that you were doing at CTG at the time, was
18 that a relatively profitable kind of business for you to
19 do?

20 A. No.

21 Q. Did you have any expectation that the relationship
22 might lead to more profitable business?

23 A. That was the reason I did it. It was more like an
24 investment.

25 Q. And what was the basis for your thinking that you

1 A. We are in Colorado Springs.

2 Q. Okay. And tell us what else you remember about the
3 office, itself.

4 A. Well, it was not busy, I recall that. I wanted to
5 meet with the two employees that I had met, and there
6 seemed to be offices open. And I was guided to one of
7 those offices. And then I saw no one else. So -- there
8 was a big wall there that I think something was on the
9 other side of it at that time. But there wasn't very much
10 going on.

11 Q. Did you have any discussion when you were back at the
12 office about a company called IRP?

13 A. Yes, briefly.

14 Q. What do you recall being said about IRP?

15 A. IRP was the major company. DKH was a subsidiary.

16 Q. Did you have any discussion, during this meeting back
17 at the office with Mr. Stewart, more about what DKH's
18 business was?

19 A. A bit more.

20 Q. What else did he tell you about that?

21 A. He talked about their supporting applications for
22 criminal justice systems. I didn't get a lot of detail
23 about that. I know one of the applications he talked
24 about was Cobra. That was the main software. And not a
25 lot more about the interrelationships of IRP and DKH.

1 Q. Was there more discussion about any companies with
2 which DKH was doing business? Was it explained who the
3 software was being built for?

4 A. They didn't mention companies in specific. But he
5 did say there was business that they were pursuing with
6 New York.

7 Q. Did you have an understanding after that conversation
8 about whether or not there was business in place with New
9 York?

10 A. No.

11 Q. All right. At some point -- you did enter this
12 relationship; you hired the employees --

13 A. Yes.

14 Q. -- and placed them at DKH; is that right?

15 A. Yes.

16 Q. And once that relationship was under way, how was it
17 that your company kept track of the time that those
18 employees were working?

19 A. We have a time reporting system, electronic, that
20 they had to report time.

21 Q. Okay. Let me ask you to look now, please, at what is
22 marked for identification as Government's Exhibit 121.00.

23 A. 121?

24 Q. Yes, sir. I'm sorry, I would like you to actually
25 look at 121.01.