



## DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

Office of the Deputy General Counsel

### MEMORANDUM IN SUPPORT OF THE DEBARMENTS OF:

THEODORE S. SUMRALL  
SUMRALL FAMILY ENTERPRISES, INC. a/k/a and d/b/a  
NOVEL ENGINEERING SOLUTIONS, INC.  
NOVEL ENERGY SOLUTIONS, LLC

On February 20, 2009, the Air Force suspended Theodore S. Sumrall, Sumrall Family Enterprises, Inc. d/b/a Novel Engineering Solutions, Inc., and Novel Energy Solutions, LLC (collectively, "Respondents") from Government contracting and from directly or indirectly receiving the benefits of Federal assistance programs. On September 28, 2009, the Air Force proposed the debarments of the Respondents. The actions were initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

By correspondence dated December 7, 2009, the designated counsel for the Respondents submitted matters and arguments in opposition to the proposed debarments. All matters and arguments in opposition to the proposed debarments (the "submissions") on behalf of the Respondents, and all information in the administrative record (the "record") have been read and carefully considered.

### INFORMATION IN THE RECORD

Information in the record establishes by a preponderance of evidence that at all times relevant hereto:

1. The Air Force Research Laboratory ("AF Research Lab"), was responsible for planning and executing the science and technology program for the United States Air Force for the discovery, development and integration of war fighting technologies. AF Research Lab accomplished its mission through nine technology directorates located throughout the United States. The AF Research Lab Munitions Directorate ("AF Research Lab/MN"), located at Eglin Air Force Base, Florida, ("Eglin"), developed, demonstrated and transitioned science and technology for air launched munitions for defeating ground fixed, mobile, air and space targets.
2. Mark A. O'Hair ("O'Hair") was a senior electronics engineer with the AF Research Lab/MN. O'Hair began employment in this position on or about December 3, 2001, following his retirement from the United States Air Force. O'Hair subsequently transferred to the Battlefield Airman program at Eglin within the AF Research Lab/MN in late 2003/early 2004, and became the program manager for contracts awarded through the Battlefield Airman program.
3. As program manager, O'Hair was responsible for evaluating initial proposals submitted by contractors and preparing the technical evaluation of these proposals to support

his recommendations for awarding contracts to the contractors. During O'Hair's tenure as program manager in the Battlefield Airman program, he participated in awarding contracts to various contractors, including Schaller Engineering, Inc., and Coherent Systems International, Inc. ("Coherent"), which were administered by and through the AF Research Lab/MN:

4. Schaller Engineering, Inc. ("SEI"), formerly known as Schaller Engineering, was incorporated in the state of Florida on January 5, 2005. Corporate filings with the state of Florida dated January 5, 2005, listed Richard Schaller ("Schaller") as President and Director of SEI, O'Hair as a Director of SEI, and Theodore Sumrall ("Sumrall") as Director and Vice President of SEI. Subsequent corporate filings for SEI with the state of Florida dated March 15, 2006, continued to list Schaller as President and Director, O'Hair as Director, and Sumrall as Director and Vice President of SEI. Corporate filings dated November 17, 2006, deleted references to Sumrall and O'Hair as Officers and/or Directors of SEI. SEI's primary customer and source of income was the AF Research Lab at Eglin.

5. On January 7, 2005, Schaller, O'Hair, and Sumrall signed an "Acceptance of Appointment as Director" with SEI for the corporate record, acknowledging their positions as Directors with SEI. O'Hair also signed a document found on page 18 of the SEI corporate record book entitled "Waiver of Notice Special Meeting of Directors (Subchapter S Election)."

6. On August 31, 2005, Novel Energy Solutions, LLC ("Novel Energy"), was incorporated in the state of Florida. Sumrall was its Manager and Registered Agent. Sumrall was its President and Chief Executive Officer, and Schaller was its Vice President and Chief Operating Officer. Novel Energy was jointly owned by Schaller and Sumrall.

7. On April 1, 2001, O'Hair incorporated System Applications and Research, Inc. ("SARI") in the state of Florida. O'Hair was Director of SARI. On January 13, 2006, O'Hair incorporated Advanced Energy Systems, Inc. ("AESI"), in the state of Wyoming. O'Hair owned 100% of the shares of AESI.

8. Schaller Industries, Inc. ("Schaller Industries") is owned and controlled by Schaller. Sumrall Family Enterprises, Inc. a/k/a and d/b/a Novel Engineering Solutions, Inc. ("Novel Engineering") is owned and controlled by Sumrall.

9. On September 15, 2005, O'Hair, in his capacity as a government employee, approved a Technical and Cost Evaluation for the Air Force Ground Mobile Gateway System contract awarded to Coherent. On November 2, 2005, O'Hair traveled to the Coherent office in Pennsylvania where, on behalf of the Government, he inspected and approved purchase orders for the Ground Mobile Gateway System. One of the orders he approved was a purchase order to SEI for the purported purchase of items in the amount of \$200,000. These items were not needed for the performance of the contract, and they were never provided by SEI (the "phantom products").

10. On December 10, 2005, O'Hair, on behalf of the Government, approved for payment an invoice from Coherent in the amount of \$5,927,676. In reliance upon O'Hair's approval, the United

States paid Coherent the requested \$5,927,676. Subsequently, on December 20, 2005, Coherent paid SEI \$200,000 for the phantom products.

11. Immediately upon receipt of the \$200,000 from Coherent for the phantom products, SEI distributed these funds, issuing three checks each in the amount of \$60,000 to Schaller Industries (owned by Schaller), Novel Engineering (owned by Sumrall), and Novel Energy (owned by Sumrall and Schaller).

12. The \$60,000 check written to Novel Energy was deposited into a Novel Energy account at Compass Bank on or about December 21, 2005. O'Hair then submitted a purported invoice to Novel Energy on behalf of Advanced Energy (owned by O'Hair) dated January 2006. The purported invoice, in the amount of \$61,052.40, was signed by O'Hair and read:

Advanced Energy Systems, Inc. submits this invoice for \$61,052.40 to Novel Energy Solutions, Inc. for the research, the draft "Thermionic Power Generation" paper, and future refinements of the final paper as necessary.

On or about January 24, 2006, a check was written on the checking account of Novel Energy, payable to Advanced Energy, in the amount of \$61,052.40. This amount, paid from the proceeds of the phantom products, was a kick-back to O'Hair through his company Advanced Energy.

13. O'Hair was required by the AF Research Lab to annually complete and file a Confidential Financial Disclosure Report ("OGE Form 450"). The OGE Form 450 required, among other things, that O'Hair report any employment position held by O'Hair outside of the Government for the prior year. The positions to be disclosed included, but were not limited to, being an employee, consultant or director for any business. On December 5, 2006, O'Hair submitted the 2006 OGE Form 450, and he willfully failed to disclose that he was director of SEI during the reportable time frame encompassed by the report. On February 5, 2007, O'Hair submitted the 2007 OGE Form 450, and he willfully failed to disclose that he was the director of SEI during the reportable time frame encompassed by the report.

14. On several occasions between December 2006 and April 2008, O'Hair falsely stated to federal officials that he did not list his SEI directorship on his Form 450s because he was unaware until November 2006 that he had been appointed to the position of a SEI director in January 2005. The false statements were made (i) to agents of the Air Force Office of Special Investigations; (ii) to the Air Force Debarment Official in connection with this office's consideration of O'Hair's proposed debarment; and (iii) to Air Force Research Laboratory officials in connection with an action to terminate O'Hair's employment.

15. In 2007 and 2008, Schaller and Sumrall made false statements to the Air Force Suspending and Debarment Official in connection with this office's consideration of their proposed debarments. In reliance upon those false statements, the Suspending and Debarment Official terminated the proposed debarments.

16. On March 24, 2008, prior to responding to a grand jury document subpoena, Schaller and

Sumrall corruptly altered and destroyed an SEI corporate record in order to deceive the Grand Jury and investigators. Specifically, they altered the original SEI "Acceptance of Appointment as Director" form that had been signed by Schaller, Sumrall and O'Hair on January 7, 2005, so as to make it appear to have been signed only by Schaller and Sumrall, thereby giving the false impression that O'Hair did not know in January 2005 that he had been appointed as a director of SEI.

17. On December 16, 2008, O'Hair, Schaller, and Sumrall were indicted in the Northern District of Florida ("N.D. Fla.") for 39 counts of Obstruction of Justice, False Declarations/Perjury, False Statement, and Conflict of Interest.

18. On July 8, 2009, Sumrall pled guilty to one count of Obstruction of Justice and one count of Conflict of Interest, and on September 23, 2009, Sumrall was sentenced to four years of probation and ordered to pay an assessment of \$200 and a fine in the amount of \$5,000.

19. On July 20, 2009, O'Hair pled guilty to one count of False Statement and one count of Conflict of Interest, and on October 13, 2009, O'Hair was sentenced to 6 months imprisonment and 3 years supervised release, and ordered to pay an assessment of \$200 and a fine in the amount of \$2,500.

20. On July 31, 2009, the jury returned a verdict against Schaller, finding him guilty of one count of Obstruction of Justice, one count of False Declarations Before Grand Jury/Court, one count of False Statement, and 30 counts of Conflict of Interest. On October 13, 2009, Schaller was sentenced to 18 months imprisonment and 5 years supervised release, and ordered to pay an assessment of \$3,200 and a fine in the amount of \$1,000.

#### ANALYSIS

Respondents' submission does not refute any of the facts presented above. Instead, Respondents argue that they should not be debarred because (1) Sumrall has accepted responsibility for his actions, and he assisted the Government in its investigation and prosecution of Schaller and O'Hair; (2) Sumrall was by far the least culpable of those involved in the misconduct, and Sumrall no longer is affiliated with Schaller and O'Hair; (3) Sumrall had very little, if any, control over the operations of SEI; (4) the technology invented by Sumrall has been of great benefit to the security of the United States; and (5) Respondents are willing to take any such actions as the Government believes are necessary or appropriate to assure that the Government's interests are protected. These arguments are not persuasive. As discussed below, Respondents have failed to meet their burden of demonstrating that they are presently responsible and that their debarments are not in the public interest.

Respondents argue that Novel Engineering and Novel Energy Solutions, LLC should not be debarred from government contracting (1) because neither of these companies are affiliated with Schaller or O'Hair at this time; and (2) for the same points of consideration offered in opposition to the proposed debarment of Sumrall. These arguments are not persuasive. As discussed below, Respondents have failed to meet their burden of demonstrating that they are presently responsible and that their debarments are not in the public interest.

**A. Points of Consideration Offered in Opposition to the Proposed Debarment of Sumrall**

**1. Sumrall has accepted responsibility for his actions, and he assisted the Government in its investigation and prosecution of Schaller and O'Hair.**

In their submission, Respondents offer that Sumrall has not only accepted responsibility for his actions, but also that Sumrall fully cooperated with the AUSA after learning the full details of Schaller's and O'Hair's activities. As evidence of Sumrall's cooperation, Respondents 1) quote the AUSA as stating, "Sumrall was the only one of the defendants who had been 'straight up'" with the AUSA; 2) stress the value of the information Sumrall provided the Government; and 3) emphasize the fact that Sumrall did not assert his marital privilege when his wife, Maria Sumrall, was subpoenaed to testify before the grand jury.

For purposes of this memorandum, I accept Respondents' statements as evidence that Sumrall cooperated with the AUSA's office during the investigation and prosecution of Sumrall, Schaller, and O'Hair. However, there is no evidence in the record that at the time of the misconduct, spanning at least several years, Sumrall voluntarily brought the wrongdoing to the attention of the appropriate Government agency in a timely manner (FAR 9.406-1(2)). Furthermore, Respondents' statement that Sumrall began cooperating with the AUSA "after learning *more of the details* regarding Mr. Schaller's and Dr. O'Hair's activities (emphasis added)" indicates by the very use of the word "more" that Sumrall was aware of *some* of the details concerning their misconduct prior to his decision to cooperate with the Government. Moreover, Sumrall's decision to enter into a plea agreement, while beneficial to the Government, was also in his best interest. Sumrall was facing a maximum sentence of 25 years imprisonment and a maximum fine of \$500,000.

Sumrall's acceptance of responsibility and remedial actions are a point of consideration and a correct step towards mending Sumrall's contractual relationship with the Government. However, they are insufficient to meet Sumrall's burden of demonstrating that he is presently responsible and that his debarment is unnecessary.

**2. Sumrall was by far the least culpable of those involved, Sumrall no longer associates with Schaller and O'Hair, and Sumrall refused to join Schaller in his lawsuit against the Government.**

Respondents offer that Sumrall "by far was the least culpable" of those involved in the misconduct. Not only is this argument irrelevant, it is also incorrect. There is undisputed evidence in the record that Sumrall was well-aware of the conflict of interest presented by O'Hair's position as a director of SEI. Additionally, Sumrall acknowledges that he, along with Schaller and O'Hair, created and backdated a "bogus" letter of resignation for O'Hair in response to learning of AFRL/MN's investigation of the conflict of interest. There is also undisputed evidence in the record that Sumrall and Schaller altered and destroyed a SEI corporate record in order to deceive the grand jury and its investigators that O'Hair was not on the board of SEI. Furthermore, Sumrall has pled guilty to one count of Obstruction of Justice in

violation of 18 U.S.C. 1512(c) and one count of Conflict of Interest in violation of 18 U.S.C. 208 in relation to this misconduct.

There is also undisputed evidence in the record that Sumrall attempted to mislead the Air Force Suspending and Debarring Official in his August 2007 response to the original June 2007 debarment action. Despite the fact that Respondents argue that Sumrall did not "directly" state in his 2007 submissions to the Air Force that O'Hair had never been a board member, Sumrall failed to clearly acknowledge that O'Hair was on the SEI board of directors. Sumrall takes full responsibility for these actions. However, Respondents' statement that Sumrall "by far was the least culpable" offers no evidence of his present responsibility or that his debarment is unnecessary.

In their submission, Respondents also assert that concerns regarding Sumrall's present or future responsibility are alleviated by the fact that Sumrall "will never again be associating with any of the other defendants involved in this case (or individuals with a similar character)." In support of this statement, Respondents offer that Sumrall "fiercely rejected Mr. Schaller's demands that he join in Mr. Schaller's slanderous lawsuit against the Government" and that Sumrall "refrained from advising Mr. Schaller or Dr. O'Hair of crucial information in the Government's possession." As discussed above, Sumrall himself was involved in egregious misconduct, as such, concerns regarding his present responsibility are not simply "alleviated" by the fact that Sumrall no longer associates with the other defendants in this case.

3. **Sumrall had very little, if any control over the operations of Schaller Engineering, Inc. Specifically, Sumrall was unaware that the \$200,000 wired from Coherent Systems International, Inc. to Schaller Engineering, Inc. in December 2005 was payment for "phantom" products.**

Respondents' statement that Sumrall was "left out of the loop" on most of the "behind the scene" negotiations between O'Hair and Schaller does not relieve him of his affiliation with O'Hair, Schaller, and SEI, and it does not establish that he is presently responsible. The record reflects that at the time of the misconduct, Sumrall was one of three directors of SEI. As the Director and Vice President of SEI, Sumrall had the power to control SEI, and he knew, *or had reason to know*, of the improper conduct within his own company—egregious conduct which spanned several years and resulted in substantial fraud against the Government. As such, Respondents' argument is not persuasive and offers no assurance of Sumrall's present responsibility.

In regards to the payment received by SEI from Coherent for "phantom" products, Respondents state that Sumrall believed the \$200,000 was "fiscal year end profits." This \$200,000, which was received by SEI in December 2005, was then distributed between Schaller Industries, Novel Engineering, and Novel Energy. Thereafter, in January 2006, Sumrall (through Novel Energy) made a \$61,052.40 payment to Advanced Energy. Respondents never directly state that Sumrall was unaware that the \$61,052.40 payment to Advanced Energy was a kick-back to O'Hair for approving, on behalf of the Government, payment to Coherent (and subsequently SEI) for phantom products. Rather, Respondents assert that at the time of the payment, Sumrall believed Advanced Energy was owned by Dr. Edgar O'Hair (Mark O'Hair's

father) and that Sumrall "was deceived into believing" he was paying for the consulting services of Dr. Edgar O'Hair.

Respondents' arguments regarding the payment to Advanced Energy are not persuasive. Respondents reference a "Consulting Agreement" between Novel Engineering Solutions, Inc. and Dr. Edgar O'Hair as evidence that Sumrall believed the payment from Novel Energy to Advanced Energy was for the consulting services of Dr. Edgar O'Hair. However, the agreement, executed January 31, 2006, includes no reference to Novel Energy or Advanced Energy. Moreover, the agreement includes no reference as to how Dr. Edgar O'Hair was to be compensated. Respondents also offer no evidence of consideration in the form of actual service rendered by Dr. Edgar O'Hair, either before or after payment was rendered. However, Respondents readily concede that the invoice from Advanced Energy to Novel Energy, which was dated January 2006, was in fact created after the service of the grand jury subpoenas issued to Advanced Energy and Novel Energy in 2008.

**4. The technology invented by Sumrall has been of great benefit to the security of the United States.**

Respondents describe Sumrall's primary expertise as the field of explosives and offer that the scientific community recognizes that Sumrall is "technically extraordinarily astute." Respondents note that Sumrall has patented his geothermal technology for which he has granted the Government a royalty free license to practice and credit Sumrall with having played a major role in the invention of the "target tagging technology" which now appears to be used by the U.S. military<sup>1</sup>. In summary, Respondents argue that 1) Sumrall's expertise is a valuable asset in the field of explosives; and 2) it will do the Government's national security efforts a disservice to debar Sumrall from contracting with the Government.

Assuming for purposes of this analysis that Respondents' assertions are plausible, Respondents' claims are still inadequate to demonstrate that debarment is not necessary. Pursuant to FAR 9.406-1(c), a Government agency may offer compelling reasons to justify continued business dealings between an agency and a debarred contractor. Respondents were suspended from Government contracting in February 2009; however, the record reflects no submissions by Government agencies offering compelling reasons to justify continuing a contractual relationship with Respondents.

**5. Respondents are willing to take any such actions as the Government believes are necessary or appropriate to assure that the Government's interests are protected.**

FAR 9.406-1 describes the factors to be considered by the Suspending and Debarment Official prior to arriving at a debarment decision. Respondents assert that they cooperated with the Government during the course of the litigation (FAR 9.406-1(4)) and have paid criminal liability for the misconduct in the form of fines assessed (FAR 9.406-1(5)). However, Respondents failed to bring the misconduct to the attention of the Government in a timely

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<sup>1</sup> Respondents do not, or perhaps are unable, to offer specific evidence that the technology used by the military is the same technology invented by Sumrall and Schaller.

manner (FAR 9.406-1(2)) and have failed to offer any evidence of review and control procedures and ethics training programs to prevent misconduct recurrence (FAR 9.406-1(8), (10)).

Respondents' willingness to take "any such actions as the Government believes are necessary or appropriate to assure that the Government's interests are protected" is commendable, but unsatisfactory as evidence that Respondents are, in fact, presently responsible. Respondents have failed to offer specific information as to what actions Respondents intend or are willing to take; as such, Respondents' assertions are insufficient to meet their burden of demonstrating that they are presently responsible and that their debarments are unnecessary at this time.

## **B. Points of Consideration Offered in Opposition to the Proposed Debarments of Novel Engineering and Novel Energy**

### **1. There is no affiliation between Sumrall Family Enterprises, Inc. a/k/a Novel Engineering, Inc. and Schaller Engineering, Inc.**

Respondents state that there is no affiliation between Novel Engineering and SEI because Sumrall no longer is part-owner of SEI, and Schaller never was an officer, owner, or director of Novel Engineering. However, as stated in the Superseding Memo, at the time of the misconduct, *Sumrall* was a director, officer, or owner of both Novel Engineering and SEI. Therefore, Novel Engineering and SEI were affiliates pursuant to FAR 9.406-1(b) at the time of the misconduct. In as much as Novel Engineering and SEI have ceased to be affiliates of one another, the affiliation of Sumrall and Novel Engineering (as noted in the Superseding Memo) also provides a separate independent basis for the debarment of Novel Engineering.

The proposed debarment of Novel Engineering also relies in part on the imputation of Sumrall's misconduct to Novel Engineering. However, to this basis, Respondents do not offer any opposition. Instead, Respondents rely on the responses submitted on behalf of Sumrall. As discussed above, Respondents have failed to meet their burden of demonstrating that Sumrall is presently responsible; therefore, the imputed conduct of Sumrall to Novel Engineering provides a sufficient basis for the debarment of Novel Engineering.

### **2. Novel Energy Solutions, LLC**

Respondents also assert that it is improper to base Novel Energy's debarment on the affiliation between Schaller and Novel Energy, as well as to impute Schaller's misconduct to Novel Energy, because Schaller is no longer a part-owner of Novel Energy. However, at the time of the misconduct, Schaller was part-owner of Novel Energy and SEI; therefore, Novel Energy and SEI were affiliates pursuant to FAR 9.406-1(b). In as much as Novel Energy and Schaller have ceased to be affiliates of one another, the affiliation of Sumrall and Novel Energy (as noted in the Superseding Memo) also provides a separate independent basis for the debarment of Novel Energy. Furthermore, Respondents' acknowledge that Schaller engaged in misconduct while an officer and part-owner of Novel Energy. As such, Schaller's misconduct may be imputed to Novel Energy pursuant to FAR 9.406-5(a).

The proposed debarment of Novel Energy also relies in part on the imputation of Sumrall's misconduct to Novel Energy. However, to this basis, Respondents do not offer any opposition. Instead, Respondents rely on the responses submitted on behalf of Sumrall. As discussed above, Respondents have failed to meet their burden of demonstrating that Sumrall is presently responsible; therefore, the imputed conduct of Sumrall to Novel Energy provides sufficient basis for the debarment of Novel Energy.

## FINDINGS

### Theodore Sumrall

1. The improper conduct of Sumrall is of so serious or compelling a nature that it affects his present responsibility to be a Government contractor or subcontractor and provides a separate independent basis for his debarment pursuant to FAR 9.406-2(c).
2. Sumrall's conviction provides a separate independent basis for his debarment pursuant to FAR 9.406-2(a)(1), (3), and (5).
3. The criminal conduct of Sumrall was repeated and egregious. Because of the egregious nature of the conduct, including the commission of a separate obstruction of justice to conceal the underlying offense, I find that a period of debarment longer than generally imposed under the FAR is necessary to protect the Government's interests. Accordingly, I find that a debarment period of six years is required. This is less than would have been imposed absent Sumrall's cooperation and acceptance of responsibility.

### Sumrall Family Enterprises, Inc. a/k/a and d/b/a Novel Engineering Solutions, Inc.

4. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Sumrall is imputed to Novel Engineering because his seriously improper conduct occurred in connection with the performance of his duties for or on behalf of Novel Engineering or with Novel Engineering's knowledge, approval, or acquiescence. The imputation of Sumrall's conduct provides a separate independent basis for the debarment of Novel Engineering.
5. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Sumrall and Novel Engineering are affiliates, as defined by FAR 9.403, because directly or indirectly, Sumrall has the power to control Novel Engineering. The affiliation of Sumrall and Novel Engineering provides a separate independent basis for the debarment of Novel Engineering.
6. Pursuant to FAR 9.403 (Affiliates), interlocking management or ownership, shared facilities and equipment, and common use of employees are "indicia of control" so as to make entities affiliates of each other. Novel Engineering and Novel Energy are affiliates of each other, as evidenced by their interlocking management, ownership, and/or common use of employees. The affiliation of Novel Engineering and Novel Energy provides a separate independent basis for each of their debarments pursuant to FAR 9.406-1(b).

Novel Energy Solutions, LLC

7. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Sumrall is imputed to Novel Energy because his seriously improper conduct occurred in connection with the performance of his duties for or on behalf of Novel Energy or with Novel Energy's knowledge, approval, or acquiescence. The imputation of Sumrall's conduct provides a separate independent basis for the debarment of Novel Energy.

8. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Sumrall and Novel Energy are affiliates, as defined by FAR 9.403, because directly or indirectly, Sumrall has the power to control Novel Energy. The affiliation of Sumrall and Novel Energy provides a separate independent basis for the debarment of Novel Energy.

9. Pursuant to FAR 9.403 (Affiliates), interlocking management or ownership, shared facilities and equipment, and common use of employees are "indicia of control" so as to make entities affiliates of each other. Novel Engineering and Novel Energy are affiliates of each other, as evidenced by their interlocking management, ownership, and/or common use of employees. The affiliation of Novel Engineering and Novel Energy provides a separate independent basis for each of their debarments pursuant to FAR 9.406-1(b).

DECISION

Pursuant to the authority granted by FAR subpart 9.4, Defense FAR Supplement subpart 209.4, and 32 C.F.R. Section 25, and based on the evidence contained in the administrative record and the findings herein, Theodore S. Sumrall, Sumrall Family Enterprises, Inc. d/b/a Novel Engineering Solutions, Inc., and Novel Energy Solutions, LLC are debarred for a period of five years from February 20, 2009, the date of their suspension. Their debarments shall terminate on February 19, 2014.



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STEVEN A. SHAW  
Deputy General Counsel  
(Contractor Responsibility)