



# NEWS RELEASE

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**Contact:**  
Mark P. Ressler

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Kasowitz, Benson, Torres &  
Friedman LLP  
1633 Broadway  
New York, New York 10019  
Tel. (212) 506-1752  
Fax (212) 835-5052  
[MRessler@kasowitz.com](mailto:MRessler@kasowitz.com)

## **Marin County Files Amended Complaint in Lawsuit Over Failed SAP Project**

**San Rafael, CA**— The County of Marin filed an amended complaint in federal court Tuesday related to its actions against SAP, Deloitte Consulting LLP and former County official Ernest Culver. The complaint filed in the Northern District of California alleges that Culver misappropriated a massive amount of County computer data shortly before leaving the County's employ. Culver was the former County Assistant Auditor-Controller who managed the County's project to implement an enterprise resource planning software known as SAP for Public Sector.

"We have a strong case and are committed to ensuring accountability for our taxpayers," said Board of Supervisors President Steve Kinsey.

Pending claims against Culver in this lawsuit allege that he defrauded the County and breached his fiduciary duty and duty of loyalty to the County by accepting bribes from co-defendants SAP America, Inc., SAP Public Services, Inc. and Deloitte Consulting LLP, who were vendors on the project.

The amended complaint alleges that as part of his corrupt relationship with SAP and Deloitte, Culver concealed problems on the project, approved Deloitte's deficient work on the project, and ensured that the County continued to pay SAP and Deloitte substantial fees. SAP and Deloitte are alleged to have aided and abetted Culver's fraud and breach of fiduciary duty. The County has also alleged that Culver's actions violated California Government Code Section 1090, which prohibits public employees from being financially interested in contracts made by them in their official capacity. The County is seeking return of monies earned by SAP and Deloitte pursuant to this statute.

The new claim against Culver alleges a violation of California Penal Code Section 502, known as the Comprehensive Computer Data Access and Fraud Act. This claim alleges that the County recently discovered that before leaving the County to take a job with co-defendant SAP, Culver unlawfully accessed the County's computer system and copied approximately 30 gigabytes of County electronic data, including the social security numbers and

related personal information of thousands of active and retired County employees. Culver currently works as a client services executive for SAP Public Services, Inc.

A second action by the County, alleging that defendant Deloitte Consulting fraudulently induced and breached its SAP implementation contract with the County, is pending in state court. The complaint in that action alleges that Deloitte secured the contract by falsely representing that it had the necessary skills and experience to implement SAP for Public Sector software, and then provided the County with unskilled and inexperienced consultants who delivered a defective system that the County must now replace.

The County is represented by County Counsel Patrick K. Faulkner and Mark P. Ressler, a partner at Kasowitz Benson Torres & Friedman LLP.

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