

KeyLogic News

TurnKey Knowledge Management

Spring

2005

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Governor Wise Congratulates KeyLogic, Visits Corporate Headquarters

During a recent visit to KeyLogic's Corporate Office, former West Virginia Governor Robert (Bob) Wise congratulated KeyLogic on its latest recognition for company growth and exceptional customer service.



Hammock talks to Gov. Wise about the KeyLogic's role in the development of EPA's Superfund eFacts system, winner of the 2004 West Virginia Business Leadership Environmental Award for "Innovative Technology".

Wise visited the facility after the company was honored by Inc. and Washington Technology magazines. In 2004, KeyLogic was named to both the Inc. 500, which ranks the nation's fastest-growing privately-held companies, and Washington Technology's "Fast 50", which honors the fastest-growing small businesses providing technology services to the federal government. KeyLogic is only the 11th company from West Virginia to be named to the Inc. 500 in its 23-year history.

"KeyLogic is a unique, home-grown tech-business success story for West Virginia," Wise said. "Jon is an example of someone born and raised in West Virginia who built a company to create jobs and contribute to the expansion of our technology sector."

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KeyLogic Awarded Contract to Support EPA's Office of Water

KeyLogic was recently awarded a new contract to support the Environmental Protection Agency's (EPA's) Office of Water – Drinking Water Protection Division (OW-DWPD). KeyLogic personnel will be providing project management, data warehousing and reporting services while developing tools to help the agency track the compliance of public water systems regulations set forth by the Safe Drinking Water Act. We are excited to be working with a new EPA client and proud to support the agency's goal to preserve the environment.



KeyLogic personnel will perform a variety of tasks involving project management, user support, software problem resolution and support for data warehousing activities. In addition, our team will implement the agency's new Significant Non-Compliance (SNC) tools, provide technical assistance during implementation and complete cost estimates for the inclusion in future versions of the SNCTool. Project schedules will be based on milestones and updated according to pre-determined metrics and changes in EPA requirements.

Upon completion, this system will maintain a provide EPA with ready access to the current issues, risks, status reports, task assignments and resources across all projects within the EPA OW-DWPD. The availability of this information will aid project managers in making critical decisions regarding the successes and setbacks within each of their projects, allowing them to bring efficient

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DeCosta Named Vice President

In January, President Jon Hammock announced that after serving as a consultant to the company since 2003, Ed DeCosta is joining the KeyLogic Senior Management Team as Vice President.



With twenty years of high-technology management experience, DeCosta brings considerable depth and expertise to the company. He will lead KeyLogic's sales and marketing efforts, including business strategy formulation and strategic partnering, as the company further extends its position in the government Knowledge Management market.

Prior to joining KeyLogic, DeCosta was President of Catalyst Associates LLC, a firm specializing in helping high-tech

clients to develop and execute sales and marketing initiatives. Previously, he held management positions at Cognex Corporation, Babcock & Wilcox and Texas Instruments. DeCosta holds a B.S. in Mechanical Engineering from West Virginia University as well as a M.A. in International Management and a M.B.A. from the University of Texas. He is also a graduate of the Business Strategy Program of the Harvard Business School.

DeCosta has been married to his wife Linda, a Morgantown native, for 18 years and they have three children – David, 14, Brian, 13 and Laura, 8. He actively coaches and plays soccer, and, being a Boston native, is a passionate and proud fan of the Red Sox.

DeCosta says he is very excited to be associated with the great people of KeyLogic and is looking forward to the company reaching its ambitious, yet attainable, goals for the future.

Governor Wise

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Governor Wise met with the staff of KeyLogic's Corporate office to discuss the issues surrounding the expansion of the technology sector and the jobs it has created within West Virginia and the U.S. government.

KeyLogic Provides Earned Value Management Expertise to the Department of Labor

KeyLogic's proficiency in Earned Value Management (EVM) has been recognized again, this time by the Department of Labor. Employees Glenn Copen, Carl Butler and Steve Carlson have recently been helping the agency develop EVM systems that follow federal standards for one of its largest IT initiatives.

Because EVM effectively integrates technical, schedule and cost parameters for a project, it has become a necessity for federal agencies. Federal agencies and departments are required to manage their contracts and programs effectively, and KeyLogic is enabling them to meet this obligation. Simply stated, EVM measures what has been achieved (work) along with what has been spent (dollars).

For its major IT projects, it is vital for DOL to keep its EVM practices and Work Breakdown Structure (WBS) in compliance with agency guidelines as well as the EIA ANSI-748A Standard for Earned Value Management. KeyLogic's reputation for success in these areas at the U.S. Department of Housing and Urban Development (HUD) led the DOL to request our support in assessing their project plan against those standards. Responding on one day's notice and working with project team members from IBM, Deloitte, Pragmatics and Savantage over the next 3 days, the KeyLogic team reviewed the WBS and made several recommendations for improvement to the project team, then processed the final version of the project plan using the wInsight™ set of EV analysis tools (developed by C/S Solutions Inc.) to provide Earned Value analysis.

"We are proud to be a recognized leader in the field of Earned Value Management," states Glenn Copen, KeyLogic's Executive Director of Technology. "It has given us the opportunity to work with a variety of agencies and projects, allowing us to further develop our EVM Center of Excellence."

The Department of Labor has since asked the KeyLogic team to continue their EVM and MS Project work and establish a repeatable process to produce EV data and analyze project progress. Additionally, KeyLogic has submitted a proposal to conduct similar work for other major initiatives at DOL through its Office of the CIO.

Office of Water

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remedy to problems, maintain their schedule and budget and ultimately reach their target goal – making our nation's water safe for everyone to enjoy.

For more information on this award, please contact our Executive Director of Contracts, Stephanie Stone, at 888.204.9649 or contracts@keylogic.com.

Applications Featured in Articles

Applauding IRS Program

The data mining applications that KeyLogic has been developing for the Internal Revenue Service's (IRS's) Offshore Credit Card Program (OCCP) have recently been featured in Government Computer News (GCN) magazine, the Pittsburgh Business Times and by the Associated Press (AP). As a result of the Offshore Voluntary Compliance Initiative (OVCI), the IRS has been tracking financial transactions made from accounts held in countries that are known as international tax havens. The KeyLogic system enables the IRS to analyze the spending patterns on these offshore accounts, flagging unusual activities for further investigation. Once these accounts are identified, the IRS can review the cardholder's records to ensure that the money in these accounts has been accurately reported.



Microsoft approached KeyLogic, a Microsoft-certified solutions provider, in March 2003 for a pilot project to analyze credit card account numbers provided by the IRS. Our data mining grid assessment targeted suspicious transactions and spending patterns. Subsequent investigations resulted in the collection of more than \$75 million.



KeyLogic has been contracted to perform additional data mining work for the IRS and is currently analyzing a large number of records. The IRS estimates that it loses nearly \$70 billion in tax revenues each year because citizens fail to report the income contained in their offshore accounts. Since the OVCI started in January 2003, however, numerous citizens from all income brackets have come forward to pay back taxes, avoiding further investigation and potential civil fraud prosecution.

Quick Hits

KeyLogic Thanks Our Troops

This holiday season, KeyLogic employees honored the American troops that have been protecting our nation and fighting for freedom around the world. "In a project organized by Susan Davis, moccasins, breakaway pants and other items were donated to the Walter Reed Army Medical Center in Washington, D.C. and the National Naval Medical Center in Bethesda, MD for use by our injured and recovering troops. In addition, employees, their families and friends signed posters with holiday greetings and notes of appreciation to be posted at the hospitals.

KeyLogic would like to thank all of our troops – at home and abroad – for your honorable service. We wish you safety and prosperity in your future journeys.

KeyLogic Welcomes a New Addition to the Accounting Department

On Saturday, November 20th at 2:58 a.m., Accounting Manager Michele Smith and her husband Shane welcomed Brandon Wesley Smith into the world at Ruby Memorial Hospital in Morgantown. Brandon weighed 8 lbs, 6 oz., was 20 inches long and came home just in time for Thanksgiving!



Brandon Wesley Smith

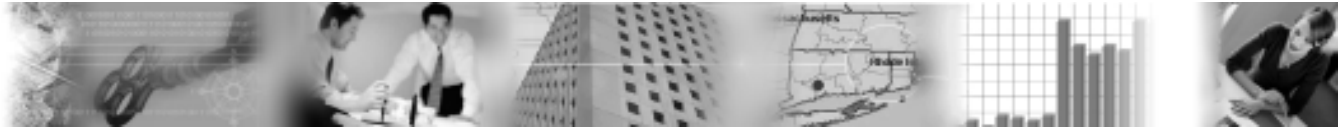
KeyLogic's Holiday Parties

Employees, family and friends gathered in Morgantown on December 11 and in Rockville, Maryland on February 5 to celebrate another great year at KeyLogic. Guests enjoyed a social hour, dinner and dancing, along with a presentation from President Jon Hammock about the great new contracts (DOT, GSA) and awards (Inc. 500, Fast 50) the company received over the past year.



2004 "Dragon Slayer" Carl Butler rides the Segway at the Holiday Party in Morgantown.

Additionally, Hammock honored Linda Connors and Carl Butler for their outstanding service to the company and their clients. Linda was presented with two round-trip tickets to visit her sons in California and Colorado and and Carl was given a Windjammer cruise for two to the U.S. Virgin Islands.



New Hires

Trevor Siegel (11/16/04) joined KeyLogic as an I.T. Portfolio Analyst providing on-site support for the IT Portfolio Evaluation Process (ITPEP) contract for the General Services Administration (GSA) in Washington, DC. He is part of the Earned Value Management System (EVMS) team in charge of tracking schedule and cost metrics for 35 major IT investments associated with the Services and Staff Offices (SSOs) at GSA. Before joining KeyLogic, Trevor worked as a Senior Technical Writer for the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) in Alexandria, Virginia as an on-site contractor for Paradigm Solutions, Inc. He graduated from the University of California, Santa Cruz in 1989 with a B.A. degree in English Literature. He also has an Associates degree in Journalism. Trevor lives in Greenbelt, MD and considers himself a diehard Washington Redskins fan. He studied ethnomusicology at the University of Maryland, College Park and is the percussionist for a jazz band called Mudpie.

Steve Carlson (11/29/04) is an Earned Value Management Systems (EVMS) Analyst, working with our team at the Services and Staff Offices (SSOs) at GSA. He graduated in 2004 from George Washington University with a Bachelors of Business Administration, double majoring in Marketing and International Business and earning his minor in Communications. Following

graduation, he worked as a Production Assistant for NBC during the Summer Olympics in Athens. Steve rowed Varsity crew during all four years of college and won a silver medal at the Intercollegiate Nationals in 2004. In 2002, he biked across the country from New Haven, CT to San Francisco, CA to raise money for Habitat for Humanity, unknowingly making his first trip through Morgantown.

Sandra Lawrence (1/1/2005) joined KeyLogic as a Senior Information Assurance Specialist after a 24-year career in the Navy, where she was responsible for computer operations and security for Naval Space Command; US Naval Forces, Europe; US Naval Forces, Central Command; Fifth Fleet; and USS Nimitz (CVN 68), among others. Sandra has a B.S. in Physical Education from State University of New York at Cortland, a M.A. in Health Education from Adelphi University, a M.S. in Information Systems Technology and a Certificate in Systems Engineering from George Mason University, and is a graduate of the Naval War College. She was named Naval Surface Warfare Center, Dahlgren, VA Female Athlete in 1989 and was inducted into the Massapequa (NY) High Schools' Hall of Fame in 2000. She is also one of the ten women profiled in the book "Cool Careers for Girls in Cyber Security and National Safety". Sandra lives in Fairfax, VA and is an avid golfer and gardener and loves everything involving NY sports.



GSA MOBIS Award

This February, KeyLogic was awarded a contract to provide services under General Service Administration's (GSA's) Management, Organizational and Business Improvement Services (MOBIS) Federal Supply Schedule. This contracting vehicle was created "to provide federal agencies with a streamlined procurement device to access management services for the implementation of quality management and other related system change processes." Contractors on this schedule are experienced in management theory and practice and have demonstrated they are capable of providing expert assistance to federal projects related to the Government Performance and Results Act (GPRA) and the criteria set for the Presidential Quality Award and the Baldrige Award.



MOBIS provides multiple awards and various contract periods and allows contractors to compete on and provide services for the schedule 20 years from the date of their contract award. Overall, the vehicle focuses on five major elements including management consulting, project management, Alternative Dispute Resolution (ADR), facilitation and training services. Specifically, KeyLogic will be providing services under:

SIN 874-1 Consulting Services: Contractors shall provide expert advice, assistance, guidance or counseling in support of agencies' management, organizational and business improvement efforts. This may also include studies, analyses and reports documenting any proposed developmental, consultative or implementation efforts. Examples include, but are not limited to:

- Strategic, Business and Action Planning
- High-performance Work
- Process and Productivity Improvement
- Systems Alignment
- Leadership Systems
- Organizational Assessments
- Cycle Time
- Performance Measures and Indicators
- Program Audits and Evaluations

SIN 874-7 Program Integration and Project Management Services: Contractors shall provide services in the management, integration and programs and projects. These services may include, but are not limited to:

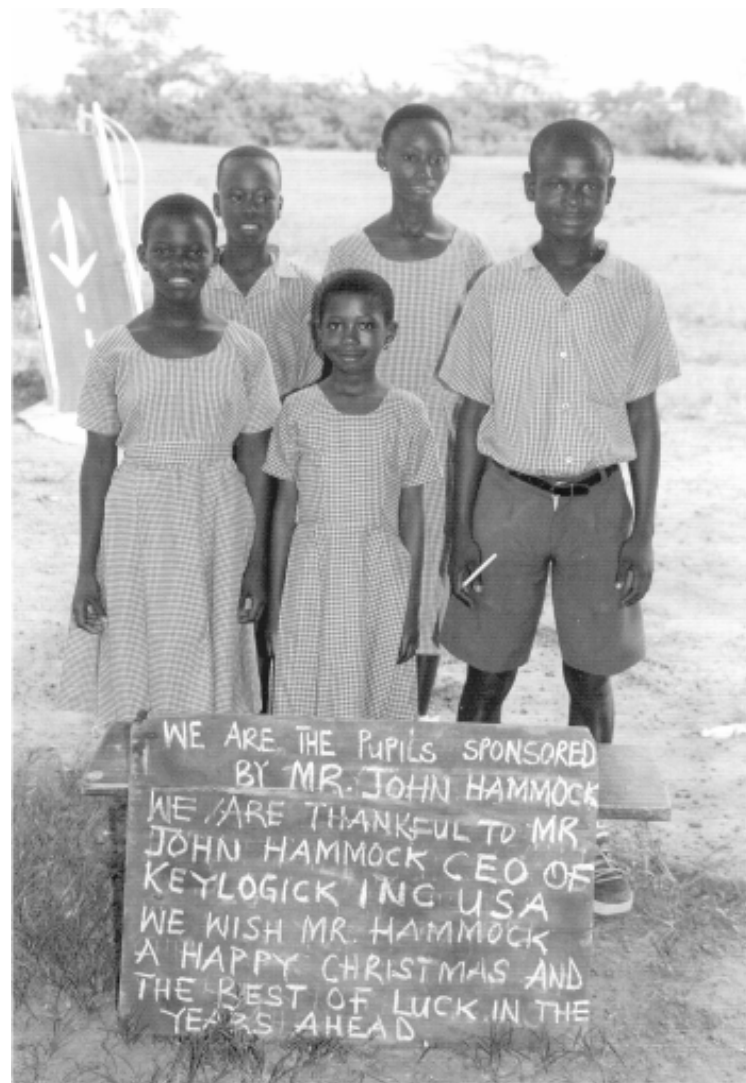
- Program Management
- Project Management
- Program Oversight
- Program Integration / Team Leader

KeyLogic provides services under numerous contracting vehicles, and in addition to MOBIS, holds prime contracts for the GSA IT Schedule 70, GSA HUBZone GWAC and DISA GEMS. For more information on these contracting vehicles, please contact Stephanie Stone, our Executive Director of Contracts.

Update: KeyLogic Sponsors Students in Ghana

KeyLogic sponsors the education of five children from St. Philip's Preparatory and Junior Secondary School in Ghana, Africa. The school is located in Ghana's western area Debiso and consists mainly of pre-kindergarten, elementary and middle school students from pre-school to grade nine. Many children from this area do not have the opportunity to attend school because they are needed at home to support their farming community.

President Jon Hammock recently received an update from Mr. Philip Blay, principal of St. Philip's School, including holiday greetings, pictures and the students' progress reports. We are proud to report that all of the students are still in school and doing well!



A special holiday message from around the world.

Resolve to Save in 2005

By David H. McKinley, McKinley Investment Group

There's a fresh, new page on the calendar, and a brand-new year stretching out ahead of you. The possibilities for great things are out there, beckoning. And one of them is to quit putting it off and to start saving. No, really. No excuses. Start saving... NOW.

If you haven't been saving, you aren't alone. The U.S. personal savings rate fell to its second-lowest level in October, which is a record, according to the U.S. Commerce Department. Americans put only 0.2 percent of their disposable income into some kind of savings in October. September was only marginally better, with a savings rate of 0.3 percent.

You can do better than that. Indeed, for your future financial security, you *ought* to do better. And the first step is to embrace the notion of *paying yourself first*. This is not being selfish; it's being sensible. By paying yourself first through savings, it's money you won't really see and be tempted to spend. And there are several methods for saving that can effectively remove that temptation to spend.

The best method, I believe, is to deposit your savings in a company-sponsored pension plan at work. For example, a 401(k) if offered. This is done through payroll deduction, which means the money is automatically withdrawn from your paycheck before you even touch it. One advantage of putting your money into a 401(k) plan is that the money is withdrawn from your paycheck before taxes are calculated and deducted, so you are taxed for less income. Another advantage is that the money you contribute to your plan, as well as the earnings it accrues during your working years, is not taxed until you withdraw it.

The U.S. tax laws are adding some incentives for you to contribute to your 401(k) in 2005 — and by extension, to save. In 2004, you were limited to contributing annually up to \$13,000 into your 401(k). But in 2005, that amount rises to \$14,000. If you are 50 and older, the “catch up” amount you are allowed to contribute is changing, as well. (The “catch up” contribution is in permitted so an employee nearing retirement age can maximize the investments in his or her 401(k).) Presently, the “catch up” limit is \$3,000, but in 2005, this increases to \$4,000. So in 2005, if you have the means to do so, and are 50 and older, you could contribute up to \$18,000 in your 401(k). Of course, if you're 50 and older, you probably want to use any extra cash to pay off those high interest debts, such as credit cards, before you add it to your 401(k). The sooner you shed a high-interest debt, the sooner that money will be staying in your pocket.

Although contributions to Roth and some traditional IRAs are not tax deductible, there are enhanced contribution limits for those types of accounts too. The maximum annual limits for both IRAs are rising from \$3,000 to \$4,000 through 2007. In 2008, that limit rises to

\$5,000. If you are 50 and older, you can contribute an additional \$500 to either type of IRA in 2005. In 2006 and from then on, that additional amount rises to \$1,000. If you make arrangements to have your contributions deducted automatically each month from your checking account, you are still, in effect, paying yourself first without the temptation to spend the money. In other words, you're saving.



David H. McKinley has worked in the financial services industry since 1990 and is Managing Director of the McKinley Investment Group, an investment management and consulting firm in Wheeling, WV. Prior to forming the McKinley Investment Group in 2001, Mr. McKinley was vice president of investments at a national brokerage firm and an investment analyst with a regional bank trust department and the assistant manager of the firm's brokerage division.

Investment products and services offered through Wachovia Securities Financial Network LLC, member NASD/SIPC.

McKinley Investment Group develops retirement plans for institutions and individuals, provides money management consulting services for endowments and foundations, and designs tax sensitive wealth management strategies for high net worth individuals.

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KeyLogic Donates to Tsunami Victims

On Sunday, December 26, 2004, the largest earthquake to strike the globe since 1964 rocked the ocean floor off the coast of Indonesia. The 9.0 magnitude quake triggered giant tsunami waves, bringing massive flooding and destruction and leaving thousands dead, injured, missing and homeless.



KeyLogic recently donated to the Red Cross to support their outstanding efforts in assisting these victims while they recover from this tragedy and strive to rebuild their ravaged homelands. For more information about the Red Cross's multi-year assistance plan or how to make a donation, please visit www.redcross.org.