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Our File No. 23193

ATLAS COMMUNICATIONS
TECHNOLOGY, INC.,

Plaintiff,

vs.

DXC TECHNOLOGY SERVICES, LLC and
CITIBANK, N.A., and JOHN AND JANE
DOES 1-50,

Defendants.

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

Civil Action No.

Civil Action

COMPLAINT

Atlas Communications, Inc. (“Plaintiff” and/or “Atlas”), with a principal business address of 103 Morgan Lane, Plainsboro, New Jersey 08536, by way of Complaint against Defendants, DXC Technology Services, LLC and Citibank, NA, says:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 as the amount in controversy exceeds \$75,000.00 and the dispute involves businesses in different states.

2. Venue is proper in the United States District Court for the District of New Jersey pursuant to 28 U.S.C.A. § 1391(a) in that a substantial part of the events giving rise to the claims set forth in the Complaint occurred in the District of New Jersey.

PARTIES

3. Plaintiff is a staffing service provider with its principal place of business in Plainsboro, New Jersey.

4. Defendant DXC is a system integration and information services company with its principal place of business in Tysons Corner, Virginia

5. Defendant Citibank is a bank with its principal place of business in New York, New York.

BACKGROUND

6. Atlas and DXC entered into a Statement of Work (“SOW”) dated May 15, 2017 in support of Citibank. This SOW was a renewal contract not a new contract and is a continuation of services provided to Hewlett Packard Co., DXC’s predecessor.

7. The SOW states that Atlas will supply DXC with qualified on-site technicians to provide local support in the fulfillment of maintenance and repair activities, IMACs and Projects related to in-scope End User Technology products and services at Citibank sites throughout the Country.

8. During the work engagement between DXC and Atlas, Atlas provided more than 50 consultants to DXC as managed staff for work on Citibank sites. All Atlas consultants and the work they performed was directed by DXC and its employees. DXC controlled the time, attendance, objectives, deliverables, manner and scope of work performed by Atlas consultants.

9. In accordance with the SOW and pursuant to the processes dictated by DXC managers, Atlas provided DXC with monthly invoices and expenses for services performed.

10. Atlas's monthly invoices and expenses were sent to and approved by DXC Account General Manager, Mark Angarola.

11. In February 2019, DXC notified Atlas that it had discovered issues with Atlas's billings for time and expenses on the Citibank project.

12. Specifically, DXC alleged that certain Atlas consultants and DXC employees were engaged in a scheme to defraud DXC. DXC demanded that Atlas terminate those consultants DXC believed were involved in the alleged fraud which Atlas did immediately.

13. Thereafter, both Atlas and DXC conducted independent investigations into DXC's allegations.

14. During this investigation, DXC advised Atlas that DXC Account General Manager Angarola was at the center of the alleged fraud and that the terminated Atlas consultants purportedly also were involved in Angarola's scheme.

15. According to DXC, Angarola directed the hiring of certain consultants and contractors who were friends and family of Angarola and had those individuals submit fabricated time sheets and expenses to Atlas for payment by DXC.

16. Until this time, Atlas had no knowledge of Angarola's activities or the participation of Atlas consultants in Angarola's scheme. At all times, Atlas complied with Angarola's instructions regarding the onboarding of consultants and the payment of expenses. Angarola advised Atlas that the incurrence of the expenses was on behalf of Citibank and Atlas had no opportunity or way to verify this fact as all communication was solely through Angarola and Angarola prohibited Atlas from communicating with anyone at Citibank or anyone else at DXC. At all times, Atlas relied on Angarola as the general manager for direction and the approval of and payment of all expenses.

17. DXC determined that Atlas had assessed a 10% mark-up on the expenses incurred by its consultants and submitted to DXC contrary to the terms in the SOW. Atlas believed that this had been approved, in writing, by Angarola for many years. Subsequently, Atlas immediately ceased any mark-up on expenses.

18. Atlas in no way benefitted financially from the 10% mark-up on expenses as it merely covered Atlas's administrative costs. However, Atlas offered to reimburse DXC for the 10% mark-up charged on expenses going back to October 2015.

19. In the meantime, Atlas continued to provide DXC with technicians to service Citibank sites.

20. DXC, however, has refused to pay Atlas's invoices and, instead, has decided to engage in self-help.

21. The SOW does not permit DXC to withhold payment or off-set the amounts claimed to be owed with the money owed to Atlas.

22. DXC owes Atlas \$3,051,310.10 for services rendered since September 2018.

23. On numerous occasions, Atlas requested that DXC pay the undisputed invoices. In order to coerce Atlas into continuing to provide services, DXC representatives assured Atlas that payment was forthcoming.

24. Based on DXC's representations, Atlas continued to provide services to DXC although it was not getting paid for those services.

25. In late July and August 2019, Atlas learned that DXC had offered employment to nearly all of Atlas's employees working on the Citibank projects without notice to or approval from Atlas.

26. DXC made these offers of employment knowing that Atlas and its employees had an employment agreement which prohibited Atlas employees from accepting employment with a client for a specified period of time following termination of employment.

27. When Atlas learned that DXC had begun “poaching” its work force, Atlas contacted DXC and requested that it refrain from such activities. DXC, however, refused.

28. Since July 2019, more than fifty (50) Atlas employees have resigned and are now working at DXC. This loss of resources has and will cost Atlas at least \$4,000,000 in revenue annually.

29. In September 2019, DXC notified Atlas that it had no intention of paying the outstanding invoices and that it intended to off set the amounts it believes Atlas owes with the amounts DXC owes Atlas.

30. While there are no direct allegations against Citibank, it is a party in interest in this case as the services were provided to Citibank and the consultants work at Citibank locations. The expenses in question are associated with the consultants working at Citibank and DXC employees managing the Citibank account.

COUNT I

BREACH OF CONTRACT

31. Plaintiff repeats and incorporates herein each and every allegation contained in Paragraphs 1 through 28, inclusive, of this Complaint, as if set forth in full herein.

32. The SOW does not permit DXC to engage in self-help in the event of a dispute over invoices.

33. DXC does not dispute that it has not paid Atlas's invoices.

34. Atlas has repeatedly requested that DXC pay the invoices but DXC has refused.

35. DXC's actions are in breach of the SOW and the covenant of good faith and fair dealing.

WHEREFORE, Plaintiff demands judgment against Defendants from this Court:

1. Ordering DXC to pay Atlas compensatory damages in the amount of \$3,051,310.10 plus interest.
2. Ordering Defendants to pay for any and all legal fees and related costs incurred by Plaintiff; and
3. For any such other relief as this Court deems equitable and just.

COUNT II

TORTIOUS INTERFERENCE WITH CONTRACT

36. Plaintiff repeats and incorporates herein each and every allegation contained in Paragraphs 1 through 32, inclusive, of this Complaint, as if set forth in full herein.

37. Atlas had valid employment agreements with each of its employees which contained reasonable post-employment restrictions.

38. DXC was aware that Atlas employees had employment agreements which contained reasonable post-employment restrictions.

39. Despite this knowledge, DXC knowingly and intentionally hired Atlas employees in an attempt to cut Atlas out of its business with Citibank.

40. DXC's conduct actually interferes with Atlas's contract with its employees.

41. There is no justification for DXC's conduct except to inflict damage on Atlas.

42. As a result of DXC's conduct, Atlas has suffered damages.

WHEREFORE, Plaintiff demands judgment against Defendants from this Court:

1. Ordering Defendant DXC to pay compensatory damages and interest for interfering with its employment contracts;
2. Ordering Defendant to pay for any and all legal fees and related costs incurred by Plaintiff; and
3. For any such other relief as this Court deems equitable and just.

COUNT III

UNJUST ENRICHMENT

41. Plaintiff repeats and incorporates herein each and every allegation contained in Paragraphs 1 through 40, inclusive, of this Complaint, as if set forth in full herein.

42. Atlas has delivered valuable services to DXC.

43. When Atlas provided these services, it expected payment for them.

44. DXC has not compensated Atlas for these services and DXC will be unjustly enriched if it does not compensate Atlas for the reasonable value of these services.

45. The reasonable value of the services rendered by Atlas is \$3,051,310.10.

WHEREFORE, Plaintiff demands judgment against Defendants from this Court:

1. Ordering DXC to pay Atlas compensatory damages plus interest in the amount of \$3,051,310.10.
2. Ordering Defendants to pay for any and all legal fees and related costs incurred by Plaintiff; and
3. For any such other relief as this Court deems equitable and just.

COUNT IV

FRUADULENT INDUCEMENT

46. Plaintiff repeats and incorporates herein each and every allegation contained in Paragraphs 1 through 45, inclusive, of this Complaint, as if set forth in full herein.

47. Since February 2019, DXC representatives have consistently and repeatedly advised Atlas that it would pay Atlas for the services rendered.

48. DXC made these representations knowing that Atlas would rely on them and continue to provide services to DXC.

49. Atlas did, in fact, rely on these representations and continued to provide services to DXC and has been detrimentally harmed as a result.

WHEREFORE, Plaintiff demands judgment against Defendants from this Court:

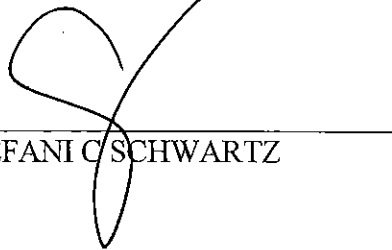
1. Ordering DXC to pay Atlas compensatory damages plus interest in the amount of \$3,051,310.10.
2. Ordering Defendants to pay for any and all legal fees and related costs incurred by Plaintiff; and
3. For any such other relief as this Court deems equitable and just.

CERTIFICATION AS TO LOCAL CIVIL RULE 11.2

Plaintiff, by and through its attorney, hereby certifies that the matter in controversy is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceedings.

WEINER LAW GROUP LLP
Attorneys for Plaintiff

By: 
KATHRYN V. HATEFIELD, ESQ.

By: 
STEFANI C SCHWARTZ

Dated: October 16, 2019