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JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Justice Department Sues to Block Booz Allen Hamilton's Proposed Acquisition of EverWatch

Acquisition Would Eliminate Competition Between the Only Two Competitors for Critical National Security Support Services

The Department of Justice filed a civil antitrust lawsuit today to block Booz Allen Hamilton Holding Corporation's (Booz Allen) proposed acquisition of EverWatch Corp. (EverWatch), a subsidiary of EC Defense Holdings LLC. The complaint, filed in the U.S. District Court for the District of Maryland, alleges that the merger agreement threatens imminent competition for a government contract to provide operational modeling and simulation services to the National Security Agency (NSA). Unless enjoined, the transaction would eliminate competition for this defense contract, leaving NSA to face a monopoly bidder.

"Booz Allen's agreement to acquire EverWatch imperils competition in a market that is vital to our national security," said Assistant Attorney General Jonathan Kanter of the Justice Department's Antitrust Division. "Both the acquisition agreement and the underlying transaction violate federal antitrust law."

NSA periodically issues a contract for the provision of operational modeling and simulation services to support its signals intelligence data missions. As part of the procurement process, it plans to issue requests for proposals for the next iteration of this contract imminently. Prior to the merger agreement, Booz Allen and EverWatch competed head-to-head to win this NSA contract. Shortly before NSA was scheduled to release the requests for proposal, however, Booz Allen decided to buy its only rival instead. The complaint alleges that the merger agreement violates Section 1 of the Sherman Act because it immediately reduced each company's incentive to bid aggressively. The complaint further alleges that the proposed transaction substantially lessens competition, in violation of Section 7 of the Clayton Act.

As alleged in the complaint, NSA is a leading defense intelligence agency, specializing in cryptology, signals intelligence, and cybersecurity, and is responsible for providing signals intelligence to our nation's policymakers and armed forces. Signals intelligence, which is derived from electronic signals and emissions in communications systems, plays a vital role in our national security by providing America's leaders with critical information needed to defend the United States and to advance the country's goals and alliances globally.

Booz Allen is a publicly traded professional services company that provides a broad range of services and solutions in management, technology, consulting and engineering. Booz Allen is incorporated in the State of Delaware. It is headquartered in McLean, Virginia, and has an office in Annapolis Junction, Maryland.

EverWatch is a subsidiary of EC Defense Holdings LLC, which is itself owned by the private equity firm Enlightenment Capital. EverWatch provides a range of services to the defense and intelligence community focused on data science, intelligence and cybersecurity. EverWatch is headquartered in Reston, Virginia, and has an office in Annapolis Junction, Maryland.

Attachment(s):

[Download Booz Allen EverWatch Complaint.pdf](#)

Component(s):

[Antitrust Division](#)

Topic(s):

Antitrust

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