

## Government Contractor Peraton Sues Former Legal Counsel ArentFox Schiff Alleging Conflict of Interest



In a legal battle that has captured the attention of the legal and business communities, government contractor Peraton has filed a lawsuit against its former legal counsel, U.S. law firm ArentFox Schiff. The lawsuit alleges that ArentFox failed to disclose its simultaneous involvement in preparing a lawsuit against Peraton on behalf of one of Peraton's business rivals, CACI International. This alleged conflict of interest has raised severe legal ethics and client representation concerns.

### **Allegations of Secret Information Sharing**

Peraton, a contractor owned by private equity firm Veritas Capital, claims that ArentFox covertly shared confidential information about Peraton with CACI International, a client of ArentFox. According to Peraton's allegations, ArentFox used this information to assist in preparing a lawsuit against Peraton on behalf of CACI. This revelation has left Peraton seeking unspecified damages from ArentFox Schiff and Richard Brand, the managing partner of ArentFox's San Francisco office.

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### **ArentFox's Response and Counterclaims**

ArentFox has vehemently denied Peraton's claims, asserting that Peraton knowingly consented to the law firm's pursuit of litigation against it. The firm argued that Peraton is a sophisticated company whose general counsel signed a consent form on its behalf. ArentFox defended its actions by stating that it did not intentionally withhold any information from Peraton.

### **Conflict Waiver Under Scrutiny**

Peraton's lawsuit also sheds light on the circumstances surrounding a conflict waiver issued by ArentFox. Peraton alleges that the law firm presented the waiver to them under the guise of responding to a subpoena. Had Peraton been aware that ArentFox intended to investigate legal claims against them, initiate a lawsuit, disclose confidential information to CACI, or participate in a government inquiry against Peraton, they claim they would not have granted such a waiver.

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### **Protective Order Modification**

Further exacerbating the dispute is the claim that ArentFox modified a protective order to allow certain CACI executives to access sensitive business information from Peraton. Peraton contends that ArentFox initially assured them that only their lawyers would have access to the information.

### **Subsequent Lawsuit by CACI**

The legal saga took another turn when CACI, represented by ArentFox, filed a lawsuit against Peraton in September 2023. The suit alleges misappropriation of trade secrets and other claims. Importantly, when filing, the Virginia court was unaware of ArentFox's conflict of interest or other misconduct.

### **Awaiting CACI's Response**

As the legal battle unfolds, CACI International, not named as a defendant in Peraton's lawsuit, has yet to respond to requests for comment. The outcome of this high-stakes case could have significant implications for the legal profession, emphasizing the importance of ethical considerations in legal representation.

**Don't be a silent ninja! Let us know your thoughts in the comment section below.**