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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 11, 2005**

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**MAXIMUS, INC.**

(Exact name of registrant as specified in its charter)

**Virginia**  
(State or other jurisdiction  
of incorporation)

**1-12997**  
(Commission  
File Number)

**54-1000588**  
(I.R.S. Employer  
Identification No.)

**11419 Sunset Hills Road,  
Reston, Virginia**  
(Address of principal executive offices)

**20190-5207**  
(Zip Code)

Registrant's telephone number, including area code: **(703) 251-8500**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 8.01 Other Events.**

On October 11, 2005, we issued a press release that announced a settlement with respect to certain litigation involving two former employees who were principals in a small business that we acquired in 2000 and who had signed fraudulent guarantees on behalf of us for computer equipment leases. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated by reference into this Item 8.01.

The following paragraphs summarize the settlement and the current status of remaining legal proceedings, including other lawsuits that remain pending, that relate to these former employees and the fraudulent guarantees.

### **Background**

As previously disclosed, in the third quarter of fiscal 2004, the Company learned that two former employees, who were principals in a small business MAXIMUS acquired in 2000, had signed fraudulent guarantees on behalf of MAXIMUS for computer equipment leases. The equipment was leased from Solarcom LLC which, in turn, assigned certain of the payments under the leases to Fleet Business Credit LLC ("Fleet") and De Lage Landen Financial Services, Inc. ("De Lage Landen"). The Company did not have knowledge of the leases or guarantees, and much of the equipment appears to have been used in businesses unrelated to MAXIMUS. Solarcom demanded approximately \$31.0 million from MAXIMUS under the guarantees, which amount represented the remaining payments under the leases.

### **Pennsylvania Lawsuit**

On August 6, 2004, De Lage Landen sued MAXIMUS and Solarcom in the federal District Court for the Eastern District of Pennsylvania seeking recovery of damages, and Solarcom asserted a cross-claim against MAXIMUS. Solarcom and De Lage Landen subsequently reached an agreement whereby De Lage Landen dismissed its claims against Solarcom without prejudice and Solarcom was realigned as a plaintiff in the lawsuit. The amount claimed by De Lage Landen was part of the approximately \$31.0 million originally demanded by Solarcom.

In order to avoid the uncertainty of a jury trial and the expense of protracted litigation, in September 2005 the Company settled the claim by De Lage Landen, and the Pennsylvania action has been dismissed. The confidential settlement was entered into without admission of fault or liability by the Company. The Solarcom claim against the Company in the Pennsylvania action was dismissed without prejudice with the understanding that Solarcom would amend its claim in the ongoing Georgia action (described below) to include the damages it originally sought in the



Pennsylvania matter. The Company believes that the settled De Lage Landen claim represented about one-half of the approximately \$31.0 million in claims against the Company arising out of this matter.

In connection with that settlement, MAXIMUS plans to record a charge of \$5.5 million in its fourth fiscal quarter ended September 30, 2005. That amount includes the settlement amount paid to De Lage Landen and the associated fourth quarter legal expenses, as well as a reserve for estimated future defense costs of the ongoing Georgia lawsuit.

### **Georgia Lawsuit**

Solarcom filed suit against MAXIMUS on August 17, 2004 in state court in Gwinnett County, Georgia. On August 24, 2004, Fleet sued MAXIMUS and Solarcom in the federal District Court for the Northern District of Georgia. The Solarcom and Fleet actions were consolidated in the federal District Court for the Northern District of Georgia on September 29, 2004. No date has been set yet for a trial in the Georgia action. The Company believes the remaining claims in Georgia by Solarcom (including the claims transferred from Pennsylvania) and Fleet approximate one-half of the total original demand of approximately \$31.0 million.

The Company believes that the circumstances related to the ongoing Georgia lawsuit are unique and that it is not possible at this time to determine the ultimate loss that may be incurred, if any. The Georgia suit involves a different jurisdiction, different party (Fleet), different facts (including due diligence activities), and a different procedural posture (Solarcom has not been realigned as a plaintiff in Georgia).

Because the guarantees were fraudulently signed, and because the leasing company did not perform appropriate due diligence, the Company continues to believe that it is not liable under the guarantees and will continue to vigorously contest the Georgia matter. Accordingly, no provision for settlement or unfavorable outcome of the Georgia lawsuit is planned at this time.

The Company has also reported the matter to law enforcement authorities, and has filed claims against the former employees. Those claims have been referred to arbitration for resolution. Although there can be no assurance of a favorable outcome, the Company does not believe that the remaining claims in Georgia will have a material adverse effect on its financial condition or results of operations.

### **Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press release dated October 11, 2005.
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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAXIMUS, Inc.

Date: October 11, 2005

By: /s/ Richard A. Montoni  
Richard A. Montoni  
Chief Financial Officer



## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated October 11, 2005.

**MAXIMUS PLANS FOURTH QUARTER CHARGE ARISING FROM  
PARTIAL SETTLEMENT OF LITIGATION**

Reston, VA — MAXIMUS (NYSE:MMS), a leading provider of government services, today filed a Form 8-K with the Securities and Exchange Commission to update the status of certain claims against the Company arising from fraudulent lease guarantees signed by two former employees without the Company's authorization. MAXIMUS originally disclosed this matter in 2004.

The Company has settled the lawsuit in Pennsylvania arising from this matter to avoid the uncertainty of a jury trial and the expense of protracted litigation. The lawsuit in Georgia continues. The Company plans to record a charge in its September 30, 2005 fourth fiscal quarter of \$5.5 million, which includes the settlement of the lawsuit in Pennsylvania and associated fourth quarter legal expenses, as well as a reserve for estimated future defense costs for the ongoing Georgia lawsuit. The cost to the Company of the Pennsylvania settlement was significantly less than the original claim amount, and as a result the Company has settled approximately 50% of the initial total claim of \$31 million.

MAXIMUS is one of America's leading government services companies providing consulting, systems, and outsourcing services. The Company has approximately 5,100 employees located in more than 280 offices in the United States, Canada, and Australia. In 1999, 2001, 2002, 2003, and 2004, MAXIMUS was selected by Forbes Magazine as one of the Best 200 Small Companies in America for that year. MAXIMUS was selected by Business Week Magazine as one of the 100 Best Hot Growth Small Companies in 1999, 2000, 2001, and 2002. Additionally, MAXIMUS is included in the Russell 2000 Index and the S&P SmallCap 600 Index.

*Statements that are not historical facts, including statements about the Company's confidence and strategies and the Company's expectations about revenues, results of operations, profitability, future contracts, market opportunities, market demand or acceptance of the Company's products are forward-looking statements that involve risks and uncertainties. These uncertainties could cause the Company's actual results to differ materially from those indicated by such forward-looking statements and include reliance on government clients; risks associated with government contracting; risks involved in managing government projects; legislative changes and political developments; opposition from government unions; challenges resulting from growth; adverse publicity; and legal, economic, and other risks detailed in Exhibit 99.1 to the Company's most recent Annual Report filed with the Securities and Exchange Commission (file number 00 1-12997).*