



# Department of Veterans Affairs Office of Inspector General

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## Review of Allegations Regarding the Technical Acquisition Center's Award of Sole-Source Contracts to Tridac for the Virtual Office of Acquisition



**DEPARTMENT OF VETERANS AFFAIRS**  
**Office of Inspector General**  
**Washington, DC 20420**

**TO:** VA Chief of Staff  
Executive Director, Office of Acquisition, Logistics, and Construction

**SUBJECT:** Review of Allegations Regarding the Technical Acquisition Center's (TAC) Award of Sole-Source Contracts to Tridec for the Virtual Office of Acquisition (VOA)

## **Summary**

The VA Office of Inspector General (OIG) investigated and reviewed the award and administration of the contracts awarded to Tridec Technologies (Tridec), a Service Disabled Veteran Owned Small Business (SDVOSB), for the development of the Virtual Office of Acquisition (VOA) and substantiated allegations that Ms. Iris Cooper, the former Executive Director, Office of Acquisition Operations, preselected Tridec for the VOA project, and at the direction of Ms. Cooper and Ms. Wendy McCutcheon, former Associate Executive Director, Office of Acquisition Operations, the initial and subsequent contracts were improperly awarded on a sole-source basis to Tridec. We found that this occurred because of Ms. Cooper's personal relationship with Mr. David London, who was a part owner of Tridec, and Mr. Robert S. Fritschie, the son of Tridec owner, Mr. Robert A. Fritschie. We also substantiated that Ms. Cooper, in her role as the Competition Advocate, allowed the development of VOA to be broken down separately to ensure the contract could be awarded to Tridec under the sole-source provisions of Title 38 U.S.C. Section 8127, when in fact, the requirements for each contract were for the continuing development of the VOA application. In addition, we found that both Ms. Cooper and Ms. McCutcheon engaged in a lack of candor when interviewed by OIG Special Agents.

## **Introduction**

In 2012, OIG Hotline received multiple complaints regarding the VOA software development project and the role of Ms. Cooper and Ms. McCutcheon in the project, including the decision to award the contract to Tridec.

The allegations included:

- a. VOA was a duplication of the electronic contract writing system (eCMS) already in place in VA.
- b. VOA was a stovepipe system that would not interface with any other system currently being used to manage procurements in VA.
- c. The development of the VOA application was not developed under VA's Project Management Accountability System (PMAS) standards set by the Chief Information Officer (CIO) and thus software development was not under the control of the CIO.
- d. The costs of the development were not only unnecessary, but VA was now supporting an initial application which required hardware and support staff, taking the total cost of ownership well over \$16 million. Added to the cost of eCMS, VA was paying \$45 million for acquisition systems, which well exceeded that of any other agency.
- e. At Ms. Cooper's direction, the initial and follow-on contracts were awarded inappropriately on a sole-source basis to Tridec because of her personal relationship with Mr. Fritschie and Mr. London.
- f. Ms. Cooper allowed the procurement to be illegally split to cover up the total procurement cost which, at the time of the complaints, was \$7.5 million with another \$4.8 million just announced.
- g. Ms. Cooper allowed the procurements to be broken down separately when in fact each of the procurements was for the continuing development of the VOA application.
- h. The development of VOA was not specialized and could have been done by many other service disabled veteran owned companies, but Ms. Cooper chose to funnel business to a friend, ignoring her duties to promote competition as the VA's Competition Advocate.

On September 18, 2013, OIG's Office of Audits and Inspections (OAE) issued a report titled: Review of Alleged System Duplication in the Virtual Office of Acquisition Software Development Project, Report No. 12-02708-301, which substantiated that the VOA software development project was not managed under the control and oversight of VA's PMAS and that the TAC did not develop a business case as required under PMAS. As such, the project was not centrally evaluated to ensure it would support the best mix of projects to minimize duplication and maximize VA's investment in information technology. The OAE report partially substantiated an allegation that VOA development was unnecessary. OIG auditors found that VA owned eCMS, which VOA functionally partially duplicated, causing VA to incur unnecessary costs of approximately \$13 million.

This report addresses our investigation of Ms. Cooper's and Ms. McCutcheon's involvement in the award of the contracts to Tridec for the development of VOA.

## Results

### **Issue 1: Whether at Ms. Cooper's Direction, Initial and Follow-on Contracts were Improperly Awarded on a Sole-Source Basis to Tridec, Due to Her Personal Relationship with the Owners**

Although the first contract was not awarded until October 20, 2009, the decision to award the sole-source contract to Tridec was made in or before July 2009. Records, interviews, and other information, including emails, reflected that Ms. Cooper, Ms. McCutcheon, and Mr. David Dowds, who at the time was the TAC Manager of Business Systems, engaged in discussions with Tridec as early as May 2009 regarding the procurement for the development of VOA. Records also reflected that Ms. Cooper, Ms. McCutcheon, and Mr. Dowds were involved in the decision to award the VOA requirement to Tridec on a sole-source basis by or before July 2009.

The contract file included a memorandum and spreadsheet, dated July 23, 2009, in which the Contracting Officer (CO) documented her market research to identify possible vendors for the VOA requirement. Records reflected that the market research was limited to a search of [VetBiz.gov](http://VetBiz.gov) that "was narrowed down by using NAICS Code 541511, only SDVOSBs, and the keyword 'custom application'." The market research summary stated that the search of VetBiz identified 10 SDVOSBs that "performed work" and, that "of these ten, only one contractor Tridec Technologies, LLC has specific expertise with procurement business processes. Further, research indicated that Tridec recently completed a very similar effort for the Department of Transportation." In addition to extolling Tridec's expertise, the July 23, 2009, memorandum stated, "this requirement will be issued as a sole-source award to Tridec Technologies, LLC of Dayton, Ohio" under 38 U.S.C. Section 8127.

We determined that the "market research" described in the July 23, 2009, memorandum and spreadsheet was overly restrictive. We also determined that the summary report contained inaccurate statements regarding Tridec's prior experience. In addition to restricting the research to SDVOSBs and a single NAICS code, the "market research" for each of the 10 SDVOSBs identified through VetBiz was limited to a review of information on the website of each identified SDVOSB. Those vendors who did not use the specific phrase "custom application" on their website were excluded. The contract file did not include an acquisition plan or any other document to explain why the search was limited to the single NAICS code or the single phrase "custom applications." As discussed below, long before the "market research" was conducted and the July 23, 2009, memorandum prepared, there were numerous discussions with Tridec officials and Tridec submitted a technical and pricing proposal. However, no one at the TAC contacted any

of the other nine SDVOSBs to determine their capabilities or asked them to submit technical and pricing proposals.

We also determined that the statement in the July 23, 2009, memorandum that Tridec had “recently completed a very similar effort for the Department of Transportation” was not accurate. A review of information in the Federal Procurement Data System (FPDS) showed that no contracts were awarded to Tridec by the Department of Transportation or anyone else prior to the July 23, 2009, memorandum. In fact, the first contract awarded to Tridec was the sole-source award by the TAC in late September 2009 for the Chapter 33 requirement. State of Ohio corporate filings showed that Tridec was not incorporated until April 23, 2009; therefore could not have performed any work for the Department of Transportation as represented in the July 23, 2009, memorandum. Based on information obtained in interviews conducted by OIG Special Agents, the work referenced in the memorandum may have been for the Maritime Administration under a contract awarded to I.M. Systems Group (IMSG). The Maritime Administration is part of the Department of Transportation. Mr. Robert S. Fritschie and Mr. London worked for IMSG prior to the formation of Tridec.

In addition to contradicting the statement in the July 23, 2009, memorandum regarding Tridec’s involvement in the development of VOA at the Department of Transportation, Mr. Robert S. Fritschie and Mr. London gave information during their interviews with OIG Special Agents that contradicted the statement in the July 23, 2009, memorandum that Tridec had “specific expertise with procurement business processes,” which the TAC apparently considered necessary for the VOA project. In his interview with the OIG Special Agents, Mr. Robert S. Fritschie said that he worked for IMSG until sometime in April 2009 when he left. He also said that during that time, IMSG worked on “VOA-like” related codes. He did not indicate his level of involvement in the project or whether IMSG was responsible for the entire “VOA-like” project or if there involvement was limited to specific codes associated with the project. In his interview with the OIG Special Agents, Mr. London, a Tridec part owner, said that he worked for IMSG until about 3 months prior to Mr. Robert S. Fritschie’s departure from the company. He said that he did a lot of work with Ms. Cooper when she was employed at the Maritime Administration; he was aware that VOA was a system used there; and Ms. Cooper was the main driver of implementing VOA at the Maritime Administration. Neither Mr. London nor Mr. Robert S. Fritschie represented that they were responsible for or involved in the development of VOA at the Maritime Administration.

The CO told OIG Special Agents that in a meeting with Ms. McCutcheon and Mr. Dowds, she advised Ms. McCutcheon of preliminary market research, which consisted of looking at websites of various companies. The CO further said that although Ms. McCutcheon did not demand it, she (Ms. McCutcheon) told the CO and Mr. Dowds to do their best to award the contract to Tridec. The CO also awarded the December 2010 modification that added \$5 million to the first contract. She told OIG Special

Agents that Ms. McCutcheon told her to increase the ceiling amount. Although the VOA contract was the only one in which she felt she was steered to choose Tridec, the CO said that SES level officials told her to issue Tridec an urgent award on a Chapter 33 matter that needed to be completed immediately. She identified both Ms. Cooper and Ms. McCutcheon as being involved in the Chapter 33 discussions relating to Tridec.

Although the memorandum identifying Tridec was not created until July 23, 2009, records reflected that Ms. Cooper, Ms. McCutcheon, and Mr. Dowds engaged in discussions with Tridec as early as May 2009 regarding the VOA project. In an interview with VA OIG investigators, Mr. Robert S. Fritschie said that he has known Ms. Cooper since 1995 when she was employees as an Acquisition Manager at the Department of Transportation. Emails reflected that Mr. Robert S. Fritschie contacted Ms. Cooper on May 1, 2009, to advise her of the status regarding the formation and registration of Tridec. In a May 1, 2009, email to Ms. Cooper regarding the legal status of Tridec, Mr. Robert S. Fritschie said that they “registered with the state of Ohio, we have an EIN and DUNS number and have registered with VetBiz” and “have established the necessary bank accounts for registering in the CCR.” The email further reflected that he had discussions with Ms. Cooper at least a couple of weeks prior to May 1; however, the email did not identify the issues discussed. In addition to advising Ms. Cooper of the progress Tridec made incorporating in the state of Ohio, registering in VetBiz, and CCR, Mr. Robert S. Fritschie told Ms. Cooper that he, Mr. London, “and other necessary technical personnel [were] ready to join full-time when needed” and were “ready to proceed.” In his interview with OIG Special Agents, Mr. London stated that he was aware that VA did not have a VOA system; therefore, as a marketing procedure, Tridec contacted Ms. Cooper about implementing VOA at VA.

On May 4, 2009, Mr. Robert S. Fritschie sent Ms. Cooper a Statement of Capabilities for Tridec. Also, on May 4, 2009, Ms. Cooper contacted her former employer, the Maritime Administration, to request “copies of all screen shots associated with the uploading of awards documents to the VOA,” because she was “trying to build something similar and there seems to be little sense in reinventing the wheel.” On May 12, 2009, Ms. Cooper forwarded the screenshots she obtained from the Maritime Administration to Mr. Robert S. Fritschie. She told him that she would like to “copy” them and told him that the public VOA website also contained information that she “would like to duplicate in some fashion – but that’s accessible and we can discuss.” In a May 20, 2009, email to Ms. Cooper, Ms. McCutcheon, and others, Mr. Robert S. Fritschie submitted PowerPoint slides showing Tridec’s “initial concept of what [Ms. Cooper] might want the VOA to look like.” In her response, in which she copied Ms. McCutcheon and Mr. Dowds, Ms. Cooper said that she set up a teleconference to discuss it the following week. On Friday May 29, 2009, Mr. Robert S. Fritschie sent an email to Ms. Cooper, Ms. McCutcheon, and others with a proposal for the VOA development effort. On the same day, Mr. Dowds sent an email to Ms. Cooper in which he discussed a meeting that he had with Mr. Robert S. Fritschie regarding VOA, and he said:

I thought the meeting went very well. We identified at the high level the requirements for both the FOIA/Online Contract Posting, and some of the details of the Customer Portal, which would all be tied together under a single framework and architecture that would be seamless to the users as the Virtual Office of Acquisitions. This would allow us to plug in future apps as we define our needs. We also discussed the possibility of us setting up our own servers that this project and the Reverse Auction could run on. I will be working the details of this over the next week and will coordinate with Wendy to review our hosting and server options.

On June 1, 2009, Ms. Cooper sent an email to Mr. Dowds and Ms. McCutcheon asking that they review the proposal. She also said that she would “like to get this done ASAP.” On June 4, 2009, Mr. Dowds sent an email to Ms. Cooper and Ms. McCutcheon advising them that Mr. Robert S. Fritschie contacted him the day before “to see if [they] received his proposal and if they needed anything else.” Mr. Dowds further said that he told Mr. Fritschie that he and Ms. McCutcheon reviewed it; would get with Ms. Cooper early the next week; he [Mr. Dowds] felt that that it encompassed the scope of what they discussed; and they would be in touch with him once they had a chance to get together on it for a review. The same day, Ms. Cooper responded, “it sounds right.” On June 16, 2009, Ms. McCutcheon sent an email to Ms. Cooper and Mr. Dowds advising, among other things, that she just gotten off the phone with Bob (Mr. Robert S. Fritschie) and:

We told him that we wanted the customer portal included in his price. He is reworking his proposal. We told him to keep the FOIA piece delivery of 1 Oct on track. We asked him to get back with his revised proposal by the end of the week. That way, we can discuss with you when you are up here next week.

A few minutes later, Ms. Cooper responded:

That would be great – Jan still has hope for the Dashboard! I will request funding for the Tridec piece, servers and the reverse auction tool – I’ll copy you on the request.

On June 17, 2009, Mr. Robert S. Fritschie sent a revised VOA proposal to Ms. Cooper, Ms. McCutcheon, and Mr. Dowds.

Documentation clearly reflected that Ms. Cooper, with the involvement of Ms. McCutcheon and Mr. Dowds, preselected Tridec for the VOA project long before the July 23, 2009, memorandum discussing “market research” which purportedly identified Tridec as the only SDVOSB capable of performing the requirements. The conclusion that Tridec was preselected for this project by Ms. Cooper and Ms. McCutcheon was further supported by the fact that the information included in the July 23, 2009, memorandum and spreadsheet regarding Tridec’s past experience and expertise were

factually incorrect and not supported by any public record that was available to the CO who prepared the documents.

**Issue 2: Whether Ms. Cooper, as the Competition Advocate, Improperly Allowed Procurement Requirements to be Separated to Avoid Competition Requirements, When Each Procurements was for the Continuing Development of the VOA**

Records confirmed that VA issued a series of sole-source, Firm Fixed-Price (FFP), Indefinite Delivery, Indefinite Quantity (IDIQ) contracts to Tridec to develop and maintain VOA. Since October 2009, the TAC awarded three sole-source contracts to Tridec, valued at more than \$15 million for the development of VOA. The value of each award was set at or below the \$5 million threshold allowed for a sole-source award under Title 38 U.S.C. Section 8127, but the first contract was modified to add \$5 million in funds, making the total award almost \$8 million, well above the \$5 million threshold.

Although each contract had a definitive term, records reflected that when the funds obligated under a contract reached the contracts ceiling amount, funds were either added or a new contract was awarded. Since October 2009, Tridec was non-competitively awarded contracts valued at \$15,526,033.83 for work related to the VOA project. FPDS records reflected that as of September 2014, the TAC obligated \$15,523,282.24 for the contracts relating to the development of VOA, all awarded as sole-source to Tridec.

On October 20, 2009, the TAC awarded a 3-year FFP, IDIQ, sole-source contract to Tridec with a requirement “for a suite of web based electronic contracting applications to support the procurement process,” which was to be “referred to as the Virtual Office of Acquisition (VOA).” Contract No. VA118-10-P-0022. The contract only described work to be performed for the VOA in general terms, and it did not include any specific tasks or deliverables. Under the terms of the contract the TAC would issue Requests for a Task Execution Plan (RTEP) to Tridec that would specify requirements in terms of performance objectives and Tridec would then submit a proposal describing how it would best satisfy those requirements. Upon approval, a Task Order (TO) would be issued. The Pricing Schedule included in the contact stated that the maximum amount that could be ordered under the contract was \$3 million.

The basic contract was awarded on October 20, 2009, as was the first TO. Although the ceiling on the contract was \$3 million over a 3-year time period, on December 17, 2010, just 14 months after award, the contract was modified to increase the ceiling to \$7,999,000.00, which covered the time period from the date of award until the contract’s expiration on October 19, 2012. This action essentially gave Tridec a sole source contract for \$8 million, which exceeded the \$5 million sole-source limit under Title 38 U.S.C. Section 8127. Records reflected that by March 2012, 7 months prior to the expiration of the contract, \$7,991,767.51 was obligated for various approved TOs. When interviewed, the CO told us that the increase in the value of the contract was done at Ms. McCutcheon’s direction.

Although the first contract was not due to expire until October 20, 2012, on April 10, 2012, the TAC awarded a second sole-source, FFP, IDIQ contract to Tridec, VA118-12-D-0024. The term of the contract was 24 months, and it was valued just below the \$5 million ceiling with a not to exceed amount of \$4,974,195.50. The scope of work included the “services required to design, develop, integrate, test, and install” the Acquisition Business System (ABS) and Customer Acquisition Portal (CAP). ABS is defined as being “comprised of” VOA and the integration of VOA with other VA contracting systems. These components were part of the “suite of web based electronic applications” referred to in the October 20, 2009, contract. The purpose of CAP was to “encompass re-engineering and streamlining of VOA to ensure customers and contracting individuals have access to tools they require to manage contract actions through the acquisition lifecycle.” The Justification and Approval (J&A) included the following rationale:

Tridec currently provides all of the design, development, testing, and implementation of the VOA system and its ancillary contracting system components. Tridec’s intimate knowledge of the acquisition process, VA requirements, system code, framework, database structures, and interactions between modules, gives it the background and experience necessary to provide a seamless transition to ABS, while minimizing impact on users.

Funds obligated for the contract awarded on April 10, 2012, reached the contract’s ceiling by November 2013, 7 months prior to the expiration of the 2-year contract. On November 5, 2013, the TAC awarded Tridec a third sole-source, FFP, IDIQ contract, VA118-14-D-0002, for additional work related to the “suite of web based electronic applications” for VOA. This contract had a 12-month ordering period and a ceiling of \$2,560,070.82. The requirement was to “enhance the VOA Customer Acquisition Portal (CAP) which involves integration with the Budget Tracking Tool (BTT), enhancement of the Acquisition Task Order Management System (ATOMS), and other necessary enhancements to VOA.” These applications were part of the “suite of web-based electronic applications” for VOA. The J&A identified Title 38 U.S.C. Section 8127 as the statutory authority for the sole-source award and stated that the rationale for the sole source procurement to Tridec was that the company:

Currently provides all of the design, development, testing, and implementation of the VOA systems and its ancillary contract system components. Tridec’s intimate knowledge of the OAO acquisition process, VA networks, VA requirements, VOA system code, framework, database structures, OIT software applications and processes, and interactions between modules give it the background and experience necessary to provide the necessary integration and enhancement support while minimizing impact to users...[Tridec] has currently begun the aforementioned BTT Integration and enhancements to BOA.

The J&A for the third contract was signed on May 13, 2013, even though the contract itself was not awarded until November 5, 2013.

The allegation that the project was broken down into pieces to ensure Tridec was awarded the project on a sole-source basis was further supported by an email dated May 29, 2009, from Mr. Dowds to Ms. Cooper in which he discussed a meeting that he had with Mr. Robert S. Fritschie regarding VOA. He said:

I thought the meeting went very well. We identified at the high level the requirements for both the FOIA/Online Contract Posting, and some of the details of the Customer Portal, which would all be tied together under a single framework and architecture that would be seamless to the users as the Virtual Office of Acquisitions. This would allow us to plug in future apps as we define our needs. We also discussed the possibility of us setting up our own servicers that this project and the Reverse Auction could run on. I will be working the details of this over the next week and will coordinate with Wendy [McCutcheon] to review our hosting and server options.

For each of the contract awards, the CO prepared a J&A which had to be approved by the Contracting Activity Competition Advocate, or designee. The documents identify Ms. Cooper as the Competition Advocate and reflected that Ms. McCutcheon signed the J&As on behalf of Ms. Cooper for each of the contracts and that Ms. Cooper signed the J&A for the modification to the first contract to add \$5 million.

In summary, the evidence substantiated that Ms. Cooper, as the Competition Advocate, and her designee, Ms. McCutcheon, allowed the project to be broken down to ensure Tridec could be awarded the work non-competitively under the provisions of Title 38 U.S.C. Section 8127. As noted in the J&As, the TAC determined that it was not feasible to compete future requirements, because other vendors would not have the knowledge of the system to complete the requirements. Given the scope and cost of the project, which was or should have been known prior to the first award, the TAC should have developed an acquisition plan that identified the purpose of VOA and all the applications, integrations with other legacy systems, and support needed to make it functional and sustainable. Incorporating all requirements into one solicitation would have put the estimated cost higher than the \$5 million ceiling for sole-source awards under Title 38 U.S.C. Section 8127 and thus required competition. The fact that Tridec was a new company with no past performance, it is questionable whether it would have been awarded the contract if the requirement was competed. Just as important, because there was no competition, and after the first task order, the TAC believed that no entity other than Tridec could do the work, and there was no assurance of price reasonableness. VA paid whatever Tridec proposed.

### **Issue 3: Whether Ms. Cooper Engaged in a Lack of Candor**

Based on her statements to the OIG Special Agents in comparison to documentation relating to this procurement, we concluded that Ms. Cooper engaged in a lack of candor when interviewed by the OIG Special Agents regarding her role in the award of the contracts to Tridec and her personal relationship with Tridec employees.

Ms. Cooper told OIG Special Agents that when she first began her employment at VA in early 2009, she received an urgent request on a Friday night pertaining to a website that had to be completed by the following Tuesday for Chapter 33 benefits. Ms. Cooper said that she knew of Tridec; their SDVOSB status; asked Tridec if they were capable of completing the work. She also said that she did not recall having any conversation pertain to VOA prior to Tridec working on the Chapter 33 project. Records reflected that the urgent Chapter 33 requirement did not occur until September 2009. However, as discussed in detail above, records reflected that as early as May 1, 2009, Ms. Cooper engaged in discussions with Mr. Robert S. Fritschie and Mr. London regarding the VOA project and that these discussions continued through at least June.

In July 2009, the CO issued a J&A supporting the award of a sole-source contract to Tridec for the VOA project. Further, emails between Ms. Cooper and Tridec reflected that Tridec submitted a Statement of Competencies to Ms. Cooper on or about May 4, 2009, and a Technical and Pricing proposal on June 1, 2009, which she forwarded to Ms. McCutcheon and Mr. Dowds with the following note: “Request that you please review and evaluate the proposal provided by Tridectech. Please let me know when you think you can complete your analysis. I would like to get this done ASAP.” In addition, the June 16, 2009, email exchange clearly showed that both Ms. Cooper and Ms. McCutcheon requested an updated proposal, and Ms. Cooper sought funding for the contract with Tridec for VOA.

Further, Ms. Cooper said in the interview that she did not recall when or how Tridec knew that VA was looking to create VOA. It is difficult to comprehend that Ms. Cooper could not recall her significant involvement in the development of VOA. For example, on May 4, 2009, she contacted the Maritime Administration to obtain screenshots related to their “VOA-like” program, and she then sent that information to Tridec, which was then used by Tridec in the preparation and submission of their technical and pricing proposals. The emails clearly showed that Ms. Cooper’s discussions with Tridec related to VOA and that she promoted Tridec for the VOA project prior to any market research or other actions initiated that are part of the normal required procurement process. For example, the acquisition plan was not signed until October 15, 2009, months after the decision was made to develop VOA and only 4 days before the first contract was awarded to Tridec.

Ms. Cooper told OIG Special Agents that VA came up with the idea for VOA and that VOA was modeled after a system maintained by the Army. This statement was

inconsistent with emails cited above and other statements provided during the OIG investigation. Further, the system with the Army was not mentioned in any of the correspondence between Ms. Cooper and Tridec, and as previously noted, the May 4 and May 12, 2009, email exchanges showed that Ms. Cooper obtained “screen shots” from the Maritime Administration that she forwarded to Tridec.

In an interview with the OIG Special Agents, Mr. Dowds said that Ms. Cooper suggested that the TAC take a look at Tridec, the individuals used by the Maritime Administration, but under a different name. He also said that in June 2009, Tridec and VA were aware of the term ‘Virtual Office of Acquisition’ as that was what the Maritime Administration called their system.” Mr. London told the OIG Special Agents that he did a lot of work with Ms. Cooper when she was the Director of Contracting at the Maritime Administration; VOA was a system used there; and Ms. Cooper was the main driver of implementing VOA at Maritime. He also said that he was aware that VA did not have a VOA system; therefore, as a marketing procedure, Tridec contacted Ms. Cooper about implementing VOA at VA.

The CO told OIG Special Agents that she was told that Ms. Cooper had a relationship with members of Tridec but did not recall who told her this. She did, however, state that she knew about the relationship before conducting the market research in July 2009.

#### **Issue 4: Whether Ms. McCutcheon Engaged in a Lack of Candor**

Based on her statements to OIG Special Agents compared to documentation relating to this procurement, we concluded that Ms. McCutcheon engaged in a lack of candor when interviewed by OIG Special Agents regarding her role in the award of Tridec contracts.

When interviewed, Ms. McCutcheon related the decision making process for VOA. She told the Special Agents that after identifying that VOA was necessary and needed to be implemented quickly, VA issued an announcement on [www.fedbizops.gov](http://www.fedbizops.gov) to solicit market research from potential vendors. She said that approximately 10 companies (including Tridec) responded to the market research announcement with their capabilities and prior work histories. Ms. McCutcheon’s statement was inconsistent with the documented record for the procurement. The market research she referenced was described in the July 23, 2009, memorandum prepared by the CO. At that time, no announcements were posted on FedBizOps for market research purposes, and were not published until August and September 2009.

The 10 companies cited in the July 23, 2009, market research memorandum did not respond to a FedBizOps announcement nor did they submit their capabilities; rather, as discussed above, the 10 companies were identified through VetBiz using a single NAICS code and their capabilities were determined by a review of information on each vendor’s website. This occurred months before the FedBizOps announcements on August 14 and September 9, 2009. While there were responses to the FedBizOps announcements, these

responses were not from the 10 vendors identified in the “market research” and were received months after the decision had been made to award a sole-source contract to Tridec. In fact, the FedBizOps announcements specifically identified Tridec as the sole source awardee. In addition, Ms. McCutcheon was aware that the information she provided in the interview was not accurate, not only because the CO briefed her in July 2009, but also because she was involved at the outset in discussions regarding the award of the VOA project to Tridec. Records showed that Ms. McCutcheon was involved in the discussions with Tridec regarding VOA as early as May 2009 and that she advised the CO and Mr. Dowds to do their best to get the contract awarded to Tridec.

The CO told OIG Special Agents that she began work at VA on May 27, 2009, and that she was assigned the VOA project shortly thereafter. She was not aware of the VOA project prior to being assigned as the CO for the project. She said that during a meeting with Ms. McCutcheon and Mr. Dowds, she told Ms. McCutcheon of preliminary market research conducted in reference to the VOA, which consisted primarily of looking at websites of various companies. She further said that, although Ms. McCutcheon did not demand it, Ms. McCutcheon advised both her and Mr. Dowds to do their best to get the contract awarded to Tridec. The CO further said that VOA was the only project in which she felt she was steered to choose Tridec. However, upon further questioning, she admitted that SES level officials advised her to issue Tridec an urgent award on a Chapter 33 matter that needed to be completed immediately. She indicated that Ms. Cooper, Ms. McCutcheon and other high level VA officials were involved in the Chapter 33 discussions involving Tridec.

Ms. McCutcheon told OIG Special Agents that she did not have any contact with Tridec or its owners prior to working with them on the Chapter 33 issue. While it may be technically correct that she did not personally engage in discussions with Tridec, the statement was incomplete and thus, at a minimum, misleading. Although she may not have had direct contact with Tridec prior to the Chapter 33 contract in late September 2009, Ms. McCutcheon failed to disclose during the interview her involvement in the interactions between the TAC and Tridec beginning in early May 2009 regarding the VOA project. Records reflected that she received and authored numerous emails, reviewed the Statement of Capabilities, and reviewed the technical/pricing proposals that Tridec submitted in May and June 2009, months before the Chapter 33 contract was even considered.

## **Conclusion**

We substantiated the allegations that Ms. Cooper and Ms. McCutcheon steered the contract for the VOA requirement to Tridec and that Ms. Cooper had a personal relationship with individuals associated with Tridec. Further, we found that as the Competition Advocate, Ms. Cooper allowed the requirement, which thus far was valued at more than \$15 million, to be broken down into units under \$5 million to ensure the

requirement could be awarded sole-source to Tridec. In addition, both Ms. Cooper and Ms. McCutcheon engaged in a lack of candor during their interviews with OIG.

Because both Ms. Cooper and Ms. McCutcheon have left the Department of Veterans Affairs, we did not make any recommendations.

*Maureen Regan*

MAUREEN REGAN  
Counselor to the Inspector General

## OIG Contact and Staff Acknowledgments

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OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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House Appropriations Subcommittee on Military Construction, Veterans' Affairs, and  
Related Agencies  
Senate Committee on Veterans' Affairs  
Senate Appropriations Subcommittee on Military Construction, Veterans' Affairs, and  
Related Agencies

### **To Report Suspected Wrongdoing in VA Programs and Operations:**

**Telephone: 1-800-488-8244**

**Email: [vaoighotline@va.gov](mailto:vaoighotline@va.gov)**

**(Hotline Information: [www.va.gov/oig/hotline](http://www.va.gov/oig/hotline))**