



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Investigations

VETERANS HEALTH ADMINISTRATION

Alleged Improper
Contracting Practices Within
the Office of Product
Effectiveness

Washington, DC

ADMINISTRATIVE
INVESTIGATION

REPORT #18-01819-33

DECEMBER 12, 2018



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Summary

The Office of Inspector General (OIG) Administrative Investigations Division investigated an allegation that an employee (the Employee) in the Veterans Health Administration (VHA) Office of Quality, Safety and Value engineered the award of a contract valued in excess of \$1 million to a company (the Vendor) whose Chief Executive Officer was alleged to be a personal friend. Complainant alleged that an existing contracting vehicle was available to meet the requirement and should have been used to procure the services at issue, and that the Employee instead improperly steered the contract to the company run by the Employee's friend.

The OIG did not substantiate the allegations.

Review and Relevant Legal Authority

To assess the allegations, the OIG interviewed the employee; the CEO of the Vendor; the Contracting Officer and the Contract Specialist (Contracting Staff); Technical Evaluation Team (TET) members; and other VA employees with relevant knowledge or information.¹ The OIG reviewed VA email and acquisition records, as well as emails obtained from the Vendor and other records. The OIG also reviewed federal regulations and VA policy.

Federal regulations prohibit government employees from using their position to benefit a friend, as was alleged:

An employee shall not use his public office for his own private gain, for the endorsement of any product, service or enterprise, or for the private gain of friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity, including nonprofit organizations of which the employee is an officer or member, and persons with whom the employee has or seeks employment or business relations.²

Employees must further avoid conflicts of interest with regard to government contracts:

Government business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many Federal laws and regulations place restrictions on the actions of

¹This report does not include the names of the individuals involved as the allegations were not substantiated and disclosure would not serve any other public policy interest.

² 5 CFR § 2635.702

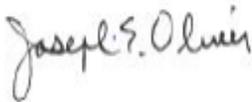
Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions.³

Investigative Results and Recommendations

After applying the relevant regulations to the evidentiary record developed in the investigation, OIG concluded:

- 1) The Employee and Contracting Staff appropriately determined that the requirement could not be met via the existing contracting vehicle;
- 2) The relationship between the Employee and the CEO was professional in nature and did not influence the award of the contract;
- 3) The CEO was not provided any non-public information or otherwise given any preferential treatment; and
- 4) The Employee did not seek to and did not influence the Technical Evaluation Team responsible for evaluating and rating the proposals received; this rating led to the selection of the Vendor by Contracting Staff.

Accordingly, OIG did not substantiate the allegations, and the matter was deemed resolved with no recommendations for further action.



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³ 48 CFR § 3.101-1

OIG Contact and Staff Acknowledgments

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