



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Investigations

VETERANS HEALTH ADMINISTRATION

Alleged Improper
Contracting within the Office
of Information Security

Washington, DC

ADMINISTRATIVE
INVESTIGATION

REPORT #18-02005-96

MARCH 29, 2019



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The VA Office of Inspector General (OIG) Administrative Investigations Division investigated an allegation that an employee in the Office of Information Security, Office of Information and Technology (OIT) steered the award of two contracts (one for \$43 million and a second for \$47 million) to a company (the vendor) because the vendor's Chief of Technology Officer and the employee had a prior business relationship from a previous VA contract.

The OIG did not substantiate the allegations.

To assess the allegations, the OIG interviewed the employee, the Chief of Technology Officer, the contracting officers, Source Selection Evaluation Board (SSEB) members, and other VA employees with relevant knowledge or information. The OIG reviewed emails, acquisition records, federal regulations, and VA policy.

Federal regulations prohibit government employees from using their public office for private gain:

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.¹

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 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.²

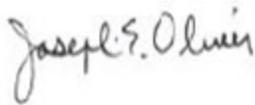
¹ 5 CFR § 2635.702

² 48 CFR § 3.101-1

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

1. The contracting officers determined that the requirements for both contracts could be met through competitive procedures under an existing VA contract vehicle, for which the vendor was prequalified.
2. The relationship between the employee and the Chief of Technology Officer was professional in nature and did not influence the award of the contracts.
3. The employee did not participate in the award of the first contract.
4. With respect to the second contract, the employee was initially identified as a potential member of the SSEB, which is the team responsible for evaluating and rating the proposals received. The OIG determined that the employee did not participate in the evaluation or rating of any of the proposals. The OIG found no evidence that the employee influenced (or sought to influence) the SSEB members' evaluations that led to the selection of the vendor by the contracting officers.

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



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for Investigations

OIG Contact and Staff Acknowledgments

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