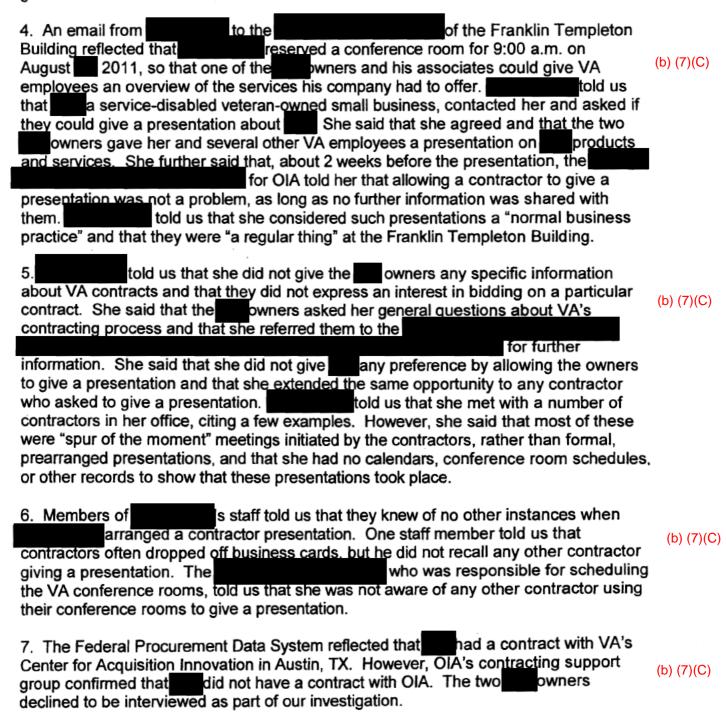
Department of Veterans Affairs

Memorandum

Date: June 20, 2012 From: Assistant Inspector General for Investigations (51) Subj: Administrative Investigation, Appearance of Preferential Treatment, VHA Office of Informatics and Analytics, St. Petersburg, FL (2011-04536-IQ-0003) To: Assistant Deputy Under Secretary for Health (ADUSH) for the Office of Informatics and Analytics (10P2) 1. The VA Office of Inspector General Administrative Investigations Division investigated allegations that Office of Informatics & Analytics (OIA), misused Government resources and gave (b) (7)(C)preferential treatment to a contractor by allowing the contractor to give a presentation to VA employees in Government-leased spaces at the Franklin Templeton Building, St. Petersburg, FL. To assess these allegations, we interviewed current and former members of s staff, attendees at the presentation, the for OIA, a contractor employee, and you. We also reviewed email records, contracting officer written guidance on meetings with contractors, and relevant Federal regulations and VA policies. We did not substantiate another allegation, and we will not discuss it further in this memorandum. We found that did not misuse resources or engage in preferential (b) (7)(C)treatment when she set up a meeting for the two owners of to give a presentation to VA employees; however, we found that her actions resulted in the appearance of preferential treatment, due to her personal relationship with the two owners. We suggest that take refresher ethics training and that, to avoid the appearance of preferential treatment, she have no future involvement in VA-related actions involving its owners, or its employees. We are providing this memorandum to you for your information, official use, and whatever action you deem appropriate. No response is necessary.

3. Standards of Ethical Conduct for Employees of the Executive Branch require that employees protect and conserve Federal property and not use such property, or allow its use, for other than authorized activities. 5 CFR § 2635.704. They also require that employees act impartially and not give preferential treatment to any private organization or individual and that employees endeavor to avoid any actions creating an appearance that they are violating the law or these ethical standards. <u>Id.</u>, at 2635.101(b)(8) and (14). Further, they state that an employee shall not use his or her public office for 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. Id., at 2635.702. Federal Acquisition Regulations require that Government business be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and preferential treatment for none. 48 CFR § 3.101-1.



8. The presentation and did not recall asking for her advice about it. However, she said that, in the past, asked her for guidance about contractor presentations and routinely called her with questions about contracting and acquisitions. She further said that who was not a contracting officer, was not in a position to award or steer contracts and had no influence over who was awarded a contract.	(b) (7)(C)
9. The presentations to VA employees were not improper or a misuse of VA resources, but rather an essential part of VA's "market research" process. The said that the information contractors provided in such presentations may be used in the development of VA requirements and sent to a contracting officer for the next step in the acquisition process. The salso said that she encouraged VA employees to meet with contractors, that she often met with contractors, and that she referred the information they provided to the appropriate offices for use in their market research. However, the sold us that if gave one contractor an opportunity to give a presentation she was required to offer the same opportunity to other contractors who asked for it. She said that it would be preferential treatment if gave one contractor an opportunity to give a presentation but denied it to another contractor.	(b) (7)(C)
10. A VA employee who attended the green presentation told us that the green powners gave an overview of the services they provided, the project management tools they used, and the expertise they had available within their company. The employee said that, before the meeting, told VA employees in attendance that they were not promising anything to the vendor—they were just taking a look at what services the vendor had to offer. The employee also said that when some introduced the owners, she said, "we're just taking a look at what they do and what they have." Another VA employee told us that the sowners gave an overview of their management services and talked "in generalities" about their basic approach to information technology and contract management and the "methodologies" behind their services. This employee did not remember giving instructions about what VA employees could or could not say to contractors in that situation, but said that he knew the basic rules on what he could or could not say during such a meeting.	(b) (7)(C
told us that she and the owners were "acquaintances" whom she met at a dinner party given by mutual friends, and that she saw them occasionally at other parties given by mutual friends. However, members of her staff perceived that she and the owners were friends who socialized together on a regular basis. In an August 24, 2011, email exchange with the schedule the conference room for one of the owners to meet with VA staff. The asked if she meant, "Your friend of an answered, "Yes, he has business in the VA and will be meeting with other people."	(b) (7)(C)
12. The and one of the owners were "friends" and that another staff member was "a little upset" about the August 25,	

2011, presentation, since one of the owners was "a friend of [" and was invited to give a presentation as a contractor. Another staff member told us that and the two owners were "good friends," that they "go out all the time, partying and stuff," and that socialized with their families. This staff member believed that gave the owners the opportunity to give a presentation because they were her friends.

(b) (7)(C)

13. A contractor employee, who said that she used to socialize with butside and the two owners were "friends" and that the workplace, told us that she saw socializing with the two owners in public gathering places. She said that met the owners at restaurants and bars for dinner or drinks and made social visits to the home of one of the owners. She said that had a closer relationship to one of the owners than to the other and that owner's wife and family. The contractor employee further said also friendly with this was "very sociable" and socialized with a lot of people. She told us that that because she became concerned about the she no longer socialized with environment and "politics" of the office.

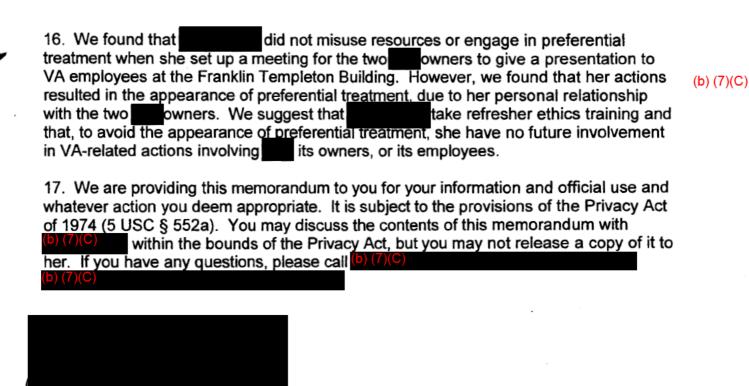
(b) (7)(C)

14. A former staff assistant in employees was "a friendship" that grew over time. He also said that they were "social acquaintances" and part of a group of adults who "rubbed elbows from time to time" at a local bar or "watering hole." The staff assistant said that his perception of their relationship was based solely on what he told us that often ate lunch with him and other members of her staff and would tell them about her weekend social activities. He said that would tell them, for example. "I hung out at such-and-such a bar, and I saw so-and-so there." He said that sometimes mentioned meeting the owners at these venues.

(b) (7)(C)

15. The former staff assistant told us that he heard comments from another staff s relationship with the employees could create a member that perception or appearance of preferential treatment. He said that this staff member told "better be careful, bringing people around that she knows," and, "it can be perceived in a certain way." He said that he told to be careful about her relationship with the bwners. He told us that, in his opinion enjoyed her friendship with the owners without fully understanding the vendor's intentions. about her tendency to share information He further said that he cautioned about her personal life with her staff. He also told us that did not pressure him, as the small purchase card purchasing agent, to purchase anything from 2010 to and that while he was on staff from owners did not result in any preferential treatment s friendship with the to their company.

(b) (7)(C)



WARNING 5 U.S.C. §552A, PRIVACY ACT STATEMENT

This memorandum contains information subject to the provisions of the Privacy ACT of 1974 (5 U.S.C. §552a). Such information may be disclosed only as authorized by this statute. Questions concerning release of this memorandum should be coordinated with the Department of Veterans Affairs, Office of Inspector General. The contents of this memorandum must be safeguarded from unauthorized disclosure and may be shared within the Department of Veterans Affairs on a need-to-know basis only.