

NATIONAL SCIENCE FOUNDATION
ARLINGTON, VA 22230



Office of
Inspector General

MEMORANDUM

DATE: April 25, 1994

FROM: [REDACTED], Special Agent

VIA: [REDACTED], Special Agent-in-Charge
Investigations Section

SUBJECT: Allegation that inside information was used in the
procurement of the Facilities Management Contract

TO: Case No. I93090040

On September 22, 1993, we received an allegation that advance procurement information was provided to [REDACTED] Inc. by National Science Foundation (NSF) employees and [REDACTED]. The allegation also stated that [REDACTED] was paid to assist in drafting [REDACTED] proposal. The contract involved was for the Facilities Management Contract, for which [REDACTED] is the Contracting Officer Technical Representative (COTR). The allegation states the advance information was given in February, 1993.

We interviewed the Senior Contracts Administrator, Division of Information Systems (DIS), the Facility Management Branch Chief, DIS, the Contracts Officer, Division of Contracts, Policy, and Oversight (CPO), and [REDACTED] the COTR for the Facilities Management Contract.

In reviewing the contract file, we found that the Facilities Management Contract was granted under the Small Business Administration (SBA) 8(a) Program, which provides for the granting of contracts to disadvantaged minority firms without an open competition. According to the testimony of those interviewed, the DIS Senior Contracts Administrator contacted four potential firms in February, 1993. Each firm was provided with a list of expected capabilities and given the opportunity for an interview. The decision to grant the contract to [REDACTED] was

made by the Senior Contracts Administrator, DIS, and the Deputy Director, DIS, with technical input from the Facility Management Branch Chief and the COTR.

[REDACTED] stated the only contact he had with [REDACTED] was the initial interview and a written response to concerns addressed by [REDACTED] in June, 1993, after authorization to negotiate had already been granted by SBA. A copy of the written response was provided by Mr. [REDACTED]. Mr. [REDACTED] also stated that he did not release information to Mr. [REDACTED] about the Facilities Management Contract and was not compensated by [REDACTED].

Mr. [REDACTED] is not, and has never been, an NSF employee. Mr. [REDACTED] worked for the previous contractor [REDACTED] and, along with other key personnel, was retained by [REDACTED]. According to the DIS Senior Contracts Administrator, it is common practice for contractors to be retained by the new firm when contracts expire and to assist the new firm in writing proposals. Mr. [REDACTED] was not interviewed as there is no evidence indicating wrongdoing on his part.

We found no evidence to support the allegation that wrongdoing occurred in the issuance of the Facilities Management Contract. However, in our investigation we discovered that COTRs are not required to file a Financial Disclosure. We believe COTRs fall within the category of employees required to submit financial disclosure statements (5 CFR SS 735.403). We recommend the Office of the General Counsel (OGC) review current NSF policy regarding which employees are required to submit financial disclosure statements.

This case is closed.