

UNITED STATES GOVERNMENT

memorandum

DATE: 26 May 2015

U-15-0139/OIG

REPLY TO

ATTN OF: OIG

SUBJECT: (U) Report of Investigation, Case 2014-500028-OI

TO: MS (b)(3):10 USC 424

1. ~~(U//FOUO)~~ The Office of the Inspector General (OIG), Defense Intelligence Agency (DIA), Washington, DC, received a request from (b)(3):10 USC 424 Directorate for Mission Services (MS), DIA, for investigative assistance to determine the circumstances that led DIA to terminate an (b)(3):10 USC 424 contract with (b)(3):10 USC 424 (a small business), and then pursue (b)(3):10 USC 424 (a large business), by using a Military Interdepartmental Purchase Request (MIPR) via the (b)(3):10 USC 424 (b)(3):10 USC 424. The final report of investigation is enclosed.

2. ~~(U//FOUO)~~ Our investigation established that, for (b)(3):10 USC 424 contract support, the (b)(3):10 USC 424 (b)(3):10 USC 424 consistently demonstrated a preference for (b)(3):10 USC 424. The investigation found that (b)(3):10 USC 424 who was then the (b)(3):10 USC 424 (b)(3):10 USC 424 who was then the (b)(3):10 USC 424 (b)(3):10 USC 424 both voiced preferences for securing (b)(3):10 USC 424 services with subordinate personnel associated with contracting. (b)(3):10 USC 424 were thus responsible for CIO's failure to act impartially when CIO endeavored to give (b)(3):10 USC 424 preferential treatment in violation of the *General Principles of the Basic Obligation of Public Service* found in the Standards of Ethical Conduct for Employees of the Executive Branch (see 5 C.F.R. § 2635.101(b) (8) and 5 C.F.R. § 2635.101(b) (14)). A contract award was made with a small business partnering with (b)(3):10 USC 424 services; however, (b)(3):10 USC 424 withdrew from the effort, the contract was protested and then (b)(3):10 USC 424 approved canceling the contract and its underlying requirements costing the Agency over (b)(3):10 USC 424 in termination costs. At the suggestion of (b)(3):10 USC 424 drafted task orders under an (b)(3):10 USC 424 contract for requirements that could have been satisfied under the statement of work for the cancelled contract, and for which (b)(3):10 USC 424 was a vendor and could compete. During the course of the investigation we identified a potential organizational conflict involving the rating of contract officers that CFO corrected by changing rating schemes.

~~THIS DOCUMENT IS UNCLASSIFIED//FOR OFFICIAL USE ONLY WHEN SEPARATED FROM ENCLOSURE~~

~~INVESTIGATIVE DATA  
TO BE TREATED IN A CONFIDENTIAL MANNER  
USE IS RESTRICTED~~

3. (U) We request that MS report the results of any action taken, or reasons why no action was taken, to OIG by 22 July 2015. Proposed administrative or disciplinary action should be coordinated with the Office of Human Resources and the Office of the General Counsel.

4. (U) The OIG point of contact for this matter is (b)(3):10 USC 424  
(b)(3):10 USC 424

(b)(3):10 USC 424

Encl a/s

(b)(3):10  
USC 424

cc: DR w/o exhibits  
DD w/o exhibits  
CS w/o exhibits  
OGC w/o exhibits  
MS



**ENCLOSURE**

(U) REPORT OF INVESTIGATION – FINAL – 2014-500028-OI

26 May 2015

1. (U) **Dates and Location of Occurrence.** Between September 2012 and 24 January 2014; (b)(3):10 USC 424 [redacted] Directorate for Mission Services (MS), Defense Intelligence Agency (DIA), Washington, DC.

2. (U) **Date Reported.** 4 February 2014.

3. (U) **Investigated By.** Special Agent (SA) [redacted] and (b)(3):10 USC 424 [redacted]

4. (U) **Subjects.**

a. (U//~~FOUO~~) (b)(3):10 USC 424 [redacted]

(b)(3):10 USC 424 [redacted]

(1) (U) Violation of Title 5, Code of Federal Regulation (5 C.F.R) § 2635.101(b) (8), “General principle requiring impartiality,” (substantiated).

(2) (U) Violation of Title 5 C.F.R. § 2635.101(b) (14), “Creating the appearance of any violation of the general principles of basic obligation of public service,” (substantiated).

b. (U//~~FOUO~~) (b)(3):10 USC 424 [redacted]

(b)(3):10 USC 424 [redacted]

(1) (U) Violation of 5 C.F.R. § 2635.101(b) (8) (substantiated).

(2) (U) Violation of 5 C.F.R. § 2635.101(b) (14) (substantiated).

c. (U//~~FOUO~~) (b)(3):10 USC 424 [redacted]

(b)(3):10 USC 424 [redacted]

(1) (U) Violation of 5 C.F.R. § 2635.101(b) (8) (unsubstantiated).

(2) (U) Violation of 5 C.F.R. § 2635.101(b) (14) (unsubstantiated).

~~THIS REPORT SHALL BE MADE AVAILABLE ONLY TO THOSE OFFICIALS WHOSE DIRECT RESPONSIBILITIES INCLUDE OVERSIGHT OF THE ORGANIZATIONS OR PERSONNEL DISCUSSED HEREIN. THIS REPORT, OR PORTIONS THEREOF, MAY NOT BE REPRODUCED WITHOUT THE WRITTEN CONSENT OF EITHER THE INSPECTOR GENERAL OR THE ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS, DIA.~~

5. (U) **Victim.** U.S. Government (DIA, Washington, DC); 5 C.F.R. § 2635.101(b) (8), and 5 C.F.R. § 2635.101(b) (14).

6. (U//~~FOUO~~) **Receipt of Complaint.** On 4 February 2014, the Office of the Inspector General (OIG) was notified by (b)(3):10 USC 424, MS, of potential contract improprieties.

a. (U//~~FOUO~~) (b)(3):10 USC 424 advised that on 24 January 2014, (b)(3):10 USC 424 (b)(3):10 USC 424 who was at the time the (b)(3):10 USC 424 related that DIA had cancelled a small business contract with (b)(3):10 USC 424 (hereafter referred as (b)(3):10 USC 424) to pursue (b)(3):10 USC 424 (hereafter referred as (b)(3):10 USC 424) by using Military Interdepartmental Purchase Requests (MIPRs) submitted through the (b)(3):10 USC 424 (b)(3):10 USC 424 requested DIA review the matter to preclude formal intervention by the (b)(3):10 USC 424

(U//~~FOUO~~) **Agent's note.** (b)(3):10 USC 424 was a listed vendor on the (b)(3):10 USC 424

(b)(3):10 USC 424 Indefinite Delivery Indefinite Quantity (IDIQ), Government-wide Acquisition Contract (GWAC).

b. (U//~~FOUO~~) (b)(3):10 USC 424 related that on 28 January 2014, as a result of the notice by (b)(3):10 USC 424 he held a meeting with several (b)(3):10 USC 424 and DIA Small Business Program senior officials to discuss the circumstances of the Cyberspace award, its cancellation, and the subsequent attempt to use the MIPR's for (b)(3):10 USC 424 NITAAC. As a result, they collectively decided to halt further acquisition activity unless small businesses were allowed to compete for the award. The meeting failed to yield an explanation to the circumstances, and (b)(3):10 USC 424 directed (b)(3):10 USC 424 to request investigative assistance from the OIG to determine the circumstances in this matter (Exhibit 1).

7. (U) **Investigative Summary.**

a. (U//~~FOUO~~) The investigation determined that (b)(3):10 USC 424 violated the *General Principles Requiring Impartiality and Created the Appearance of Violating the General Principles of Basic Obligation of Public Service*, when he, as the Chief Information Officer, failed to advise (b)(3):10 USC 424 to curtail the pursuit of (b)(3):10 USC 424 after he and (b)(3):10 USC 424 were previously cautioned by (b)(3):10 USC 424 executives regarding the appearance of favoritism towards (b)(3):10 USC 424. Further, we determined that (b)(3):10 USC 424 also violated the *General Principles Requiring Impartiality and Created the Appearance of Violating the General Principles of Basic Obligation of Public Service*, when she continued to pursue (b)(3):10 USC 424 as a vendor to

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

provide IT support to [redacted] after she was previously cautioned by [redacted] executives of the appearance of favoritism towards [redacted]. Our determinations were based on the following:

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(1) (~~U//FOUO~~) Between September 2012 and 24 January 2014, [redacted]

[redacted]  
[redacted] currently the [redacted] (DIA), [redacted]  
DISES, [redacted]

[redacted] Defense Intelligence Senior Level, former [redacted]  
[redacted] (currently the Deputy, Head of Contracting Activity, CFO);  
[redacted] Defense Intelligence Senior Level (DISL), [redacted]  
[redacted] currently the  
[redacted] CFO); [redacted]

(b)(3):10  
USC 424

(b)(3):10  
USC 424

[redacted] failed to agree on acquisition decisions, including whether an IT services contract should be awarded to a small business, or whether to make an award under a "Justification for an Exception to Fair Opportunity (also known as 'sole-source')" contract to [redacted] (a large business), the incumbent Information Technology (IT) service provider to [redacted] endeavored to achieve the best acceptable cost to the Government by using capable small businesses, but perceived that [redacted] and [redacted] maintained their position to use [redacted] their preferred vendor.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(~~U//FOUO~~) Agent's note. DIA contract records revealed DIA contract HHM402-07-F-2X19, [redacted]

[redacted] was a 5-year, [redacted] contract awarded to [redacted] on 14 September 2007, for IT support to CIO.

The contract was extended from 13 September 2012 to 1 December 2013 to retain [redacted] IT services; therefore, a new contract was needed.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(2) (~~U//FOUO~~) On 26 July 2013, [redacted] awarded DIA contract HHM402-13-D-0024, [redacted] a 5-year,

[redacted] contract to [redacted] for various types of enterprise-level IT support to CIO.

(b)(3):10  
USC 424

(a) (~~U//FOUO~~) Two task orders were issued. Under task order 01 [redacted] would provide IT services including strategic communications, marketing strategy, integration planning, etc. Under task order 02 [redacted] would provide application optimization, data center approach (data center road map and data transition schedule), visible operations, service pricing, and enterprise management, etc. [redacted] was one of several subcontracting partners on the [redacted] contract, a fact known to the CIO Source Selection Evaluation Board.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b) (~~U//FOUO~~) In August 2013, two vendors (b)(3):10 USC 424 (hereafter referred to as (b)(3):10 USC 424 (hereafter referred to as (b)(3):10 USC 424) protested their non-selection for the contract.

Both claimed the qualifications of their respective companies were not adequately judged.

(b)(3):10  
USC 424

(3) (~~U//FOUO~~) In face of the protests, in August 2013, (b)(3):10 USC 424 independently transferred the work placed on the (b)(3):10 USC 424 contract to an existing DIA IT contract, HHM402-11-D-0025, (b)(3):10 USC 424 (b)(3):10 USC 424 a 5-year (b)(3):10 USC 424 contract awarded to (b)(3):10 USC 424 (hereafter referred to as (b)(3):10 USC 424) on 19 July 2011, for IT support to CIO. On 26 August 2013, Mr. Camden placed the requirements of (b)(3):10 USC 424 task order 0002 on ESITA task order 0019, and on 12 September 2013, placed the requirements of (b)(3):10 USC 424 task order 0001 onto (b)(3):10 USC 424 task order 0020. At some point between August and September 2013, (b)(3):10 USC 424 withdrew its partnership with (b)(3):10 USC 424 due to disagreements over its work share and compensation. Coincidentally, at some point between August and September 2013, (b)(3):10 USC 424 informed (b)(3):10 USC 424 that CIO no longer needed support for the (b)(3):10 USC 424 requirements contract due to a deteriorating budget and other priorities. On 6 September 2013, CFO then cancelled the (b)(3):10 USC 424 contract and made the protests academic. CFO paid (b)(3):10 USC 424 in settlement for work conducted up to the cancellation date. On 9 September 2013, CFO terminated the (b)(3):10 USC 424 task order 0019 at the convenience of the Government, and paid (b)(3):10 USC 424 in settlement for work up to cancellation date.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(~~U//FOUO~~) Agent's note. DIA contract records reflected (b)(3):10 USC 424 task order 19, was a 3-year (b)(3):10 USC 424 award made on 26 August 2013, to (b)(3):10 USC 424 for business analytics support to CIO. Task order 20, was a 2-year, (b)(3):10 USC 424 award made on 12 September 2013, for strategic communications, marketing strategy, and business analytics support to CIO. This contract is active and is currently providing IT services to CIO.

(b)(3):10  
USC 424

(4) (~~U//FOUO~~) Between June and September 2013, CIO executives also submitted supporting documentation for sole-source to allow (b)(3):10 USC 424 to support CIO's data requirement, which included "data management, data integration, retiring legacy data environment, etc." However, in September 2013, CFO executives, General Counsel, and the DIA (b)(3):10 USC 424 found that CIO's supporting documentation for the sole-source contract was unduly restrictive and unreasonably favored (b)(3):10 USC 424. Therefore, they rejected the CIO's submission for sole-source. At some point between August and November 2013, (b)(3):10 USC 424 met with (b)(3):10 USC 424 to discuss the appearance of their favoritism towards (b)(3):10 USC 424. At this meeting, (b)(3):10 USC 424 raised the idea to MIPR funds to (b)(3):10 USC 424 so that CIO could contract IT services under the (b)(3):10 USC 424 (b)(3):10 USC 424 is a listed vendor).

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(5) (U//~~FOUO~~) In December 2013, despite [redacted] earlier advisement to [redacted] [redacted] submitted two purchase requests for IT requirements that were intended to be supported by the [redacted] CIO listed its requirements as development and documentation of data principles, data management, security integration, predictive analysis, implementation plans, customer feedback, and change management. On 30 December 2013 [redacted] [redacted] concluded the requirements were substantially the same as the previously cancelled requirements under the [redacted] task orders and used the Small Business Coordination Record (DD Form 2579) to reject the requests. On 8 January 2014 [redacted] concurred with CFO's assessment, and also rejected CIO's request to use [redacted] also noted on the DD Form 2579, that CIO had failed to conduct market research, had no rationale for the decision, and that the associated independent government cost estimates were relatively high compared to the previous [redacted] contract.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10 USC  
424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(6) (U//~~FOUO~~) CIO disagreed with CFO and [redacted] on their interpretation of the requirements and claimed the requirements were different. As a result, on 23 and 24 January 2014, [redacted] sought advice from the [redacted] on whether she should seek a formal decision from a higher contracting authority. [redacted] then contacted [redacted] to allow him an opportunity to determine why the solicitation was cancelled and why DIA planned to MIPR funds to [redacted] to acquire services from a specific company. We prepared a timeline that outlines the significant events (Exhibit 2), and the requirements related to this matter (Exhibit 3).

(b)(3):10  
USC 424

b. (U//~~FOUO~~) The investigation also determined that an organizational conflict of interest may have existed when [redacted] senior executive, assisted in the preparation of the sole-source documents for [redacted] was aware that [redacted] his subordinate, for whom he [redacted] was the permanent reviewer for performance assessments, would have to accept, review, and approve the sole-source documents. During this investigation, CFO appointed another senior official as [redacted] performance evaluation reviewing official.

(b)(3):10  
USC 424

c. (U//~~FOUO~~) During the course of the investigation, we discovered that [redacted] may have committed contract improprieties, which will be investigated and reported separately under DIA OIG case 2015-500017-OI.

(b)(3):10  
USC 424

8. (U) Significant Interviews.

a. (U//~~FOUO~~) On 12 February 2014, [redacted] interviewed [redacted] regarding this matter (Exhibit 4).

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(1) (U//~~FOUO~~) [redacted] said disagreements between CFO and CIO existed before the [redacted] contract cancellation, and were the result of the culture of CIO senior personnel, who often made quick decisions on contract actions without

(b)(3):10  
USC 424



(b)(3):10  
USC 424

regard for following necessary, albeit time consuming, contracting processes.

(b)(3):10 USC 424

also noted that in her experience, CIO historically has failed to plan for acquisitions, adhere to CFO business principles and standards, conduct market research, adhere to the limitation of 6-month extensions on contracts, and make requirements available to small business.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

\_\_\_\_\_ said CIO failed to give Cyberspace an opportunity to fulfill the requirements, which gave the appearance of favoring \_\_\_\_\_. \_\_\_\_\_ said that it also appeared to her that \_\_\_\_\_ attempted to keep \_\_\_\_\_ an \_\_\_\_\_ Senior Executive, on an active DIA contract.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(U//~~FOUO~~) Agent's note. DIA eZHR and contract records revealed

(b)(3):10  
USC 424

\_\_\_\_\_ supported \_\_\_\_\_ which ended on 1 December 2013.

(b)(3):10  
USC 424

(2) (U//~~FOUO~~) \_\_\_\_\_ said she was aware that \_\_\_\_\_ had partnered with Accenture under the \_\_\_\_\_ contract, \_\_\_\_\_ subsequent separation from

(b)(3):10  
USC 424

(b)(3):10  
USC 424

\_\_\_\_\_ and that the \_\_\_\_\_ contract had been cancelled because CIO claimed it no longer had requirements for the service. Yet, in December 2013, CIO issued two purchase requests, 414-0074-14-Z (Data Management) and 414-0075-14-Z (Organization Design) for IT required services she believed were similar to the requirements CIO cancelled under the \_\_\_\_\_ contract.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

\_\_\_\_\_ said when CIO submitted the purchase requests for forwarding to \_\_\_\_\_ it was CIO's attempt to circumvent small business and fair competition practices, and gave the appearance of favoring \_\_\_\_\_. \_\_\_\_\_ provided emails of her communication with \_\_\_\_\_ and with \_\_\_\_\_ explaining her concerns. \_\_\_\_\_ said that if she had not reported this matter to the \_\_\_\_\_ and if \_\_\_\_\_ had not held his meeting to stop the MIPRs, the \_\_\_\_\_ may have had to render a decision on the MIPRs to \_\_\_\_\_.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

b. (U//~~FOUO~~) On 25 February 2014, \_\_\_\_\_ interviewed \_\_\_\_\_ who explained his involvement in the CIO acquisition planning activities between September 2012 and December 2013 (Exhibit 5).

(b)(3):10  
USC 424

(1) (U//~~FOUO~~) \_\_\_\_\_ said that beginning in September 2012, \_\_\_\_\_

\_\_\_\_\_

who was at that time the former Deputy Chief Information Officer, CIO, wanted him to support a new, sole-source contract for \_\_\_\_\_ stated he told them that he had to "compete it."

(b)(3):10  
USC 424

\_\_\_\_\_ also said that he intended to reduce the cost associated with the two existing CIO IT contracts that were near their end - i.e. \_\_\_\_\_ and HHM402-08-D-0031, "Senior Engineering and

(b)(3):10  
USC 424

\_\_\_\_\_ contract made on 7 April 2008 to \_\_\_\_\_

\_\_\_\_\_ said that the labor rates were particularly high for \_\_\_\_\_ who was assigned to \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ who was assigned to \_\_\_\_\_. They earned \_\_\_\_\_ per hour, respectively.

(b)(3):10 USC 424

(2) (U//~~FOUO~~) (b)(3):10 USC 424 stated that in early 2013, he and his immediate supervisor (b)(3):10 USC 424 CFO, met with (b)(3):10 USC 424 and (b)(3):10 USC 424 to discuss using a small business for the pending CIO requirements. (b)(3):10 USC 424 said the CIO-appointed Source Selection Evaluation Board (SSEB) had then convened and evaluated 29 proposals and rated (b)(3):10 USC 424 (b)(3):10 USC 424 and a third company (which he could not remember), as outstanding in their proposal evaluations. (b)(3):10 USC 424 said that during the bidding process, (b)(3):10 USC 424 had made its proposal more competitive by reducing its overall bid. (b)(3):10 USC 424 said he selected (b)(3):10 USC 424 and then informed (b)(3):10 USC 424 and (b)(3):10 USC 424 of his selection; they agreed.

(U//~~FOUO~~) Agent's note. The (b)(3):10 USC 424 proposal reflected (b)(3):10 USC 424 as a subcontracting partner, which was known to CIO personnel involved in the source selection process. However, it was not determined that (b)(3):10 USC 424 had knowledge of the source selection information, including whether (b)(3):10 USC 424 was a subcontracting partner with (b)(3):10 USC 424.

(3) (U//~~FOUO~~) (b)(3):10 USC 424 explained that shortly after making the (b)(3):10 USC 424 award to (b)(3):10 USC 424 on 26 July 2013, (b)(3):10 USC 424 protested the award alleging that DIA had incorrectly evaluated their proposals. (b)(3):10 USC 424 said as an alternative, he then placed the (b)(3):10 USC 424 requirements onto the (b)(3):10 USC 424 contract, task order 19, "Business Analytics." While doing so, (b)(3):10 USC 424 terminated their partnership with (b)(3):10 USC 424 due to a disagreement with labor rates. (b)(3):10 USC 424 said after he placed the (b)(3):10 USC 424 requirements on the (b)(3):10 USC 424 task order, (b)(3):10 USC 424 informed him that CIO no longer had a need for the (b)(3):10 USC 424 requirements. (b)(3):10 USC 424 said that he then cancelled the (b)(3):10 USC 424 contract, under the "for the convenience of the Government" provision, to essentially render the protests moot.

(4) (U//~~FOUO~~) (b)(3):10 USC 424 said that he believed CIO never intended to do business with anyone but (b)(3):10 USC 424, and that the reasons CIO provided for cancelling its requirements were not justified. (b)(3):10 USC 424 related that CIO then submitted two purchase requests for IT support via the (b)(3):10 USC 424. He said that the requirements in the purchase request were similar to the (b)(3):10 USC 424 requirements that (b)(3):10 USC 424 cancelled, and that CIO has had a preference for (b)(3):10 USC 424 for years and (b)(3):10 USC 424 was not subtle about it. Nonetheless, CFO had attempted to accommodate (b)(3):10 USC 424 as best they could; however, in this matter CFO rejected (b)(3):10 USC 424 initiative to use the (b)(3):10 USC 424.

c. (U//~~FOUO~~) On 25 March 2014, (b)(3):10 USC 424 interviewed (b)(3):10 USC 424 DIA, (b)(3):10 USC 424 regarding this matter (Exhibit 6).

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(1) (U//FOUO) [redacted] related that he provided legal guidance to [redacted] during the period leading up to the cancellation of the [redacted] contract in September 2013. [redacted] related that the [redacted] protest had merit, therefore, CFO decided to re-evaluate [redacted] proposal. [redacted] related that a legal evaluation had yet to be made on the [redacted] protest. [redacted] said once DIA received the protests, they were required to stop all work on the [redacted] contract. However, both protests were made moot since CFO cancelled the contract in its entirety. [redacted] added that in his opinion the cancellation of the [redacted] contract was legally sufficient. However, [redacted] also attempted to support CIO by placing the [redacted] requirements on the [redacted] contract.

(U//FOUO) Agent's note. A review of CFO records noted that on 22 August 2013, CFO responded to the [redacted] notification of protest. CFO informed [redacted] that it intended to re-evaluate the [redacted] proposal. On 5 September 2013, CFO responded to [redacted] informing them DIA intended to cancel the solicitation [redacted] contract) due to budget constraints. On 6 September 2013, [redacted] sent a memorandum to [redacted] informing them of the contract termination.

(2) (U//FOUO) [redacted] added that on 20 September 2013, after the [redacted] contract was cancelled, CIO submitted a Statement of Work (SOW) to CFO to support sole-sourcing to [redacted] for CIO's data management requirements. On 25 September 2013, CIO also provided documentation to support their sole-source. [redacted] said he reviewed all of the CIO submitted material, and later in November 2013, he opined the justification for the sole-sourcing in support of [redacted] to be overly restrictive, and the rationale CIO provided had failed to support the sole-source, and therefore was legally indefensible.

(3) (U//FOUO) [redacted] explained the tensions between CIO and CFO (e.g. whether the requirements on each acquisition attempt were similar, the merger of contracting and finance workforce, the lack of experienced program managers, and the unhealthy dependency on contract employees) had negatively contributed to this matter. As well, [redacted] said that although [redacted] could have protested DIA's cancellation of the [redacted] contract, they did not.

d. (U//FOUO) On 31 March and 1 April 2014, [redacted] was advised of his Garrity rights, which he waived, and was re-interviewed so that he could clarify the information he previously provided and address allegations of unethical behavior which were made against him by [redacted] who believed that [redacted] was unethical when he cancelled the [redacted] contract [redacted] clarified that during this acquisition process, he attempted to lower the costs associated with IT contracts and that he did

cancel the contract to make the protests “go away.” The OIG subsequently initiated a separate investigation to determine whether the conduct of (b)(3):10 USC 424 was improper (Exhibit 7).

9. (U//~~FOUO~~) Interviews of CFO Executives. Between 26 February and 18 March 2014,

(b)(3):10 USC 424 interviewed (b)(3):10 USC 424. Each of them expressed concerns with CIO’s acquisition decisions and actions related to this matter.

a. (U//~~FOUO~~) During an interview of (b)(3):10 USC 424 she related that around August 2013, she and (b)(3):10 USC 424 met with (b)(3):10 USC 424 (via Tandberg) to discuss (b)(3):10 USC 424 and the need for fairness throughout the contract industry. (b)(3):10 USC 424 confirmed that (b)(3):10 USC 424 presented the idea to her and (b)(3):10 USC 424 but did not know at that time (b)(3):10 USC 424 was a listed vendor. In reference to the potential organization conflict of interest, (b)(3):10 USC 424 related that there were no conflict of duties between resource managers (such as (b)(3):10 USC 424 and contracting officials (such as (b)(3):10 USC 424. She related however, around December 2013, (b)(3):10 USC 424 complained to (b)(3):10 USC 424 then (b)(3):10 USC 424 about receiving “push-back” from the CFO staff regarding support to CIO. Overall, (b)(3):10 USC 424 summarized the problems between (b)(3):10 USC 424 in general, as personality conflicts that were detrimental to operations (Exhibit 8).

b. (U//~~FOUO~~) During an interview of (b)(3):10 USC 424 she related that around September 2013, while acting in the capacity of the DIA (b)(3):10 USC 424 (b)(3):10 USC 424 asked her to compare two SOWs (b)(3):10 USC 424 said that she believed the SOWs were similar (one being a requirement for sole-source to (b)(3):10 USC 424 and the other, (b)(3):10 USC 424 requirements). (b)(3):10 USC 424 advised (b)(3):10 USC 424 not support the sole-source action. In December 2013, (b)(3):10 USC 424 said she was asked by (b)(3):10 USC 424 to compare a pair of SOWs that supported CIO’s MIPRs. (b)(3):10 USC 424 said she believed those SOWs were similar to the (b)(3):10 USC 424 requirements and advised CIO should not be permitted to use (b)(3):10 USC 424 (Exhibit 9).

c. (U//~~FOUO~~) During an interview of (b)(3):10 USC 424 she related that around October 2013, (b)(3):10 USC 424 and she met with (b)(3):10 USC 424 (b)(3):10 USC 424 to discuss the appearance of CIO’s (b)(3):10 USC 424 towards (b)(3):10 USC 424. It was at this meeting that (b)(3):10 USC 424 presented the idea of using (b)(3):10 USC 424. (b)(3):10 USC 424 said that, in general, (b)(3):10 USC 424 and (b)(3):10 USC 424 did not take CFO guidance well and that CIO failed to properly plan for acquisitions (Exhibit 10).

d. (U//~~FOUO~~) During an interview of (b)(3):10 USC 424 (b)(3):10 USC 424 first line supervisor), he related that he was unaware of the details surrounding the cancellation of the (b)(3):10 USC 424 contract; however, he was aware of CIO’s preference for (b)(3):10 USC 424. (b)(3):10 USC 424 said he spoke with (b)(3):10 USC 424 about the

appearance of CIO's (b)(3):10 USC 424 and that (b)(3):10 USC 424 met with (b)(3):10 USC 424 about it. In reference to a potential organization conflict of interest, (b)(3):10 USC 424 also related that around December 2013, (b)(3):10 USC 424 complained to him about (b)(3):10 USC 424 lack of support for CIO's SOWs; but admitted that (b)(3):10 USC 424 did more than what is required to support CIO (Exhibit 11).

10. (U) Other interviews.

a. (U//~~FOUO~~) On 4 March 2014, (b)(3):10 USC 424 interviewed (b)(3):10 USC 424 who explained her perception of CIO's preference for (b)(3):10 USC 424 (Exhibit 12).

(1) (U//~~FOUO~~) (b)(3):10 USC 424 related that the appearance of CIO's (b)(3):10 USC 424 began on 5 June 2013, when she met with (b)(3):10 USC 424 (b)(3):10 USC 424 DIA (former (b)(3):10 USC 424 (b)(3):10 USC 424 for a routine requirements meeting. (b)(3):10 USC 424 said at that meeting (b)(3):10 USC 424 asked how she could "get (b)(3):10 USC 424 for (b)(3):10 USC 424

(2) (U//~~FOUO~~) (b)(3):10 USC 424 related that she reviewed the SOWs that CIO prepared for submission to (b)(3):10 USC 424 She concluded the requirements identified in those SOWs were essentially 85-90% identical to those previously submitted under the then-cancelled (b)(3):10 USC 424 contract. As a result, (b)(3):10 USC 424 rejected them during her coordination with (b)(3):10 USC 424

(3) (U//~~FOUO~~) (b)(3):10 USC 424 said that CIO attempted to use (b)(3):10 USC 424 on four individual occasions – the (b)(3):10 USC 424 contract; the (b)(3):10 USC 424 contract; the (b)(3):10 USC 424 contract; and, most recently, with HHM402-09-D-0006, (b)(3):10 USC 424 an ongoing 5-year (b)(3):10 USC 424 contract awarded on 15 October 2009 for financial management IT support. (b)(3):10 USC 424 said the decision had not been made whether CFO would allow (b)(3):10 USC 424 to support CIO requirements.

(U//~~FOUO~~) Agent's note. A follow-on inquiry revealed CIO did not place any (b)(3):10 USC 424 requirement on the (b)(3):10 USC 424 contract.

b. (U//~~FOUO~~) On 18 June 2014, (b)(3):10 USC 424 interviewed (b)(3):10 USC 424 who related that around June 2013, she managed the Solutions for Information Technology Enterprise program (a non-related (b)(3):10 USC 424 During that time, in the course of her duties, she met with (b)(3):10 USC 424 to discuss options for meeting an emerging requirement for CIO. (b)(3):10 USC 424 said that she was aware that (b)(3):10 USC 424 was a vendor on the (b)(3):10 USC 424 contract, and during the meeting she probably did bring up the option to use (b)(3):10 USC 424 as the vendor to provide high-level consulting services to CIO. (b)(3):10 USC 424

(b)(3):10 USC 424 [redacted] said her conclusion to seek [redacted] came from her personal knowledge of [redacted] expertise, and from her conversations with (b)(3):10 USC 424 [redacted] who weighed their options and concluded the other vendors on existing DIA contracts were not capable of producing a successful outcome. (b)(3):10 USC 424 [redacted] said that her discussion to seek [redacted] as an option was validated when CIO later attempted to sole source for IT support from [redacted] (Exhibit 13).

11. (U) Subject Interviews.

a. (U//~~FOUO~~) On 26 March 2014, [redacted] administered a Garrity warning to [redacted] which he waived and provided a statement (Exhibit 14).

(1) (U//~~FOUO~~) [redacted] related that, prior to being assigned to his current CFO position, he worked as a resource manager assigned to CIO. [redacted] said there were three contracts involved in this matter. First, [redacted] a contract that ultimately ended in 2013 after being extended to fulfill additional tasks including the "Voice of the Customer" – a high priority DIA project. [redacted] said that when the [redacted] contract ended, some of the [redacted] requirements and some [redacted] personnel were transferred to the existing [redacted] contract.

(2) (U//~~FOUO/PP~~) [redacted] related that sometime during the spring or summer of 2013, CIO sought a new IT contract for a data management requirement that was to be supported by a vendor already familiar with DIA operations and processes, and who had "IT depth and breadth." During that same period, CIO appointed a source selection board which had evaluated [redacted] as one of three top candidates. [redacted] said CFO made the [redacted] award to [redacted] who had partnered with [redacted] however, [redacted] did not agree to the labor rates. [redacted] related [redacted] labor rates could be as high as (b)(3):10 USC 424 [redacted]

(3) (U//~~FOUO~~) [redacted] recalled that (b)(3):10 USC 424 [redacted] recommended cancelling the [redacted] contract. He also recalled that around the same time, CIO found that it had additional funds available and determined that it would be able to use the [redacted] contract with (b)(3):10 USC 424 [redacted] thus eliminating the need for the [redacted] contract; however, CIO continued to seek vendor support for their data management requirement. [redacted] said that because contracting officers have broad discretion on interpretations concerning contract scope language, this led to CFO and CIO having differing opinions on whether the requirements cancelled under the [redacted] contract were, in fact, the same data management requirements for which they had begun to seek vendor support. He related that in August 2013, he assisted in writing the CIO justification statement for a sole-source contract (non-competitive contract) with [redacted] to provide support for the data management requirement. [redacted] said the justification failed because [redacted] opined there were sufficient available vendors to compete the work.

(b)(3):10 USC 424

(4) (U//FOUO) (b)(3):10 USC 424 informed him that she and (b)(3):10 USC 424 met with (b)(3):10 USC 424 to discuss the strategy to support the data management requirement, since all previous efforts to obtain an IT contract were unsuccessful. (b)(3):10 USC 424 told him that during that meeting, (b)(3):10 USC 424 suggested using (b)(3):10 USC 424 and that (b)(3):10 USC 424 had cautioned CIO to not place the "body of work" previously cancelled on the (b)(3):10 USC 424 contract on the (b)(3):10 USC 424 purchase orders. (b)(3):10 USC 424 said he did not believe CIO was "targeting" (b)(3):10 USC 424 because there were many vendors (in addition to (b)(3):10 USC 424) listed on the (b)(3):10 USC 424 contract and that CIO wanted to use the open-competition process under (b)(3):10 USC 424. However (b)(3):10 USC 424 admitted that (b)(3):10 USC 424 would not have been satisfied with (b)(3):10 USC 424 as a sole vendor.

(5) (U//FOUO) (b)(3):10 USC 424 related there were also differing opinions between CIO and (b)(3):10 USC 424. (b)(3):10 USC 424 said that all DIA contract proposals, as a practice, are routed through (b)(3):10 USC 424. (b)(3):10 USC 424 added that (b)(3):10 USC 424 concluded CIO had submitted a SOW that contained requirements identical to those under the earlier cancelled (b)(3):10 USC 424 contract. As a result (b)(3):10 USC 424 could not approve the (b)(3):10 USC 424 effort as it would result in taking work away from (b)(3):10 USC 424 or other small businesses. (b)(3):10 USC 424 said he agreed that if approved to use (b)(3):10 USC 424 small businesses would lose the contract opportunity.

(6) (U//FOUO) (b)(3):10 USC 424 said although he personally had no preferences for a specific vendor, (b)(3):10 USC 424 was absolutely on the minds of (b)(3):10 USC 424 and (b)(3):10 USC 424 as a "top vendor" because of (b)(3):10 USC 424 long relationship with CIO. (b)(3):10 USC 424 said the (b)(3):10 USC 424 acquisition process was a "mess" – the result of (b)(3):10 USC 424 unilateral actions in attempting to make vendor partnership agreements and as in the past, the outcome was unfavorable. (b)(3):10 USC 424 stated that based on the opinions of (b)(3):10 USC 424 he had planned to examine the use of an existing DIA contract and then advise (b)(3):10 USC 424 not to proceed with their (b)(3):10 USC 424 efforts. However, (b)(3):10 USC 424 had already been notified.

b. (U//FOUO) On 1 April 2014, (b)(3):10 USC 424 administered a Garrity warning to (b)(3):10 USC 424 which she waived and provided a statement (Exhibit 15). (b)(3):10 USC 424 related that she was appointed (b)(3):10 USC 424 around August 2012, and was (b)(3):10 USC 424. During that time, CIO acquisition planning for the "data requirements" was underway and the (b)(3):10 USC 424 had been formed. (b)(3):10 USC 424 said CIO wanted to make the award under open competition; however (b)(3):10 USC 424 decided to use the (b)(3):10 USC 424 contract, and then changed his mind several times for unknown reasons.

(U//FOUO) Agent's note. (b)(3):10 USC 424 requested to suspend the interview so that she could refer to her notes and provide more accurate information. A second interview was scheduled for 11 April 2014.

c. (U//~~FOUO~~) On 9 April 2014, [redacted] administered a Garrity warning to [redacted] which he waived and provided a statement (Exhibit 16).

(1) (U//~~FOUO~~) [redacted] said that in the fall of 2013, CIO had gone to CFO to determine the options for fulfilling a "data management" requirement by using full and open competition. [redacted] said that [redacted] believed that the cost associated with fulfilling the contract was too small for a full-and-open competition. [redacted] related that he had conversations with CFO personnel about considering contracting with a small business to fulfill the CIO requirement, because he was uncomfortable with a small business not having the skill set needed. [redacted] related that the [redacted] contract supported two requirements, but could not recall their details. [redacted] said that he was aware [redacted] cancelled the [redacted] contract because of a contract protest. The protest allowed him to realign funds and refocus on IT security initiatives. [redacted] said that he believed it was [redacted] who recommended CIO do a sole-source contract, which was later found insufficient by CFO, so CIO decided not to contract for the requirement.

(2) (U//~~FOUO~~) [redacted] stated he was not aware of CFO's effort to place the requirements on the existing [redacted] contract, or the [redacted] partnership with [redacted]. However, [redacted] confirmed that he had a meeting with [redacted] who told him that CIO appeared to favor [redacted]. [redacted] also stated that he was aware of an attempt to use [redacted] as a way to use full and open competition since CFO indicated their work would require too much effort. [redacted] said he was surprised that after working with the CFO for months on the entire IT acquisition [redacted] had a concern and took it to the [redacted] before addressing it within DIA. [redacted] stated that he had no knowledge of the responsibilities of the [redacted] or the responsibilities of the small business advocate for the DoD.

(3) (U//~~FOUO~~) [redacted] described [redacted] past performance as good, and the working relationship between CIO senior employees and Accenture senior staff as good. However, when asked to describe his personal relationships with [redacted] senior staff, he declined to answer.

d. (U//~~FOUO~~) On 11 April 2014, [redacted] administered a second Garrity warning to [redacted] which she waived and provided a second statement (Exhibit 17).

(1) (U//~~FOUO~~) [redacted] described the circumstances of CIO's attempt to arrange a sole-source contract with [redacted] including CFO partnering activities. [redacted] stated she did not remember who in CFO advised CIO to contract with [redacted] via sole-source contract, but, after CIO submitted their justification, [redacted] denied it. [redacted] related that during the acquisition process, her staff informed her that [redacted] was having meetings



(b)(3):10 USC 424 with vendors concerning CIO contracts so she spoke with (b)(3):10 USC 424 about it. (b)(3):10 USC 424 said that overall, CFO contracting support was okay, although it could be improved with better collaboration and understanding between (b)(3):10 USC 424 and CIO of requirements on several CIO contracts. (b)(3):10 USC 424 denied that (b)(3):10 USC 424 and her staff involved themselves in vendor partnering. Further (b)(3):10 USC 424 denied she participated in selecting members of the (b)(3):10 USC 424 knowing who the (b)(3):10 USC 424 had determined were the top three vendors, or knowing that (b)(3):10 USC 424 had partnered with (b)(3):10 USC 424 in order to win the contract award.

(2) (U//FOUO) (b)(3):10 USC 424 related that she was okay with (b)(3):10 USC 424 being the awardee, but, denied that anyone from (b)(3):10 USC 424 had informed her they were unhappy with their partnership with (b)(3):10 USC 424. She said that she did not direct (b)(3):10 USC 424 to cancel the (b)(3):10 USC 424 contract; however, when other higher priorities were identified, CIO cancelled the requirements supported by the contract.

(3) (U//FOUO) (b)(3):10 USC 424 related that because CFO believed the funds allocated were too low to conduct a full and open competition, and that CIO failed to provide justification for a sole-source contract, she explored using (b)(3):10 USC 424 for the data management requirement. (b)(3):10 USC 424 said she and (b)(3):10 USC 424 met with CFO executives (b)(3):10 USC 424 who informed her and (b)(3):10 USC 424 of the appearance of favoritism towards (b)(3):10 USC 424. (b)(3):10 USC 424 said she then provided the CFO executives an (b)(3):10 USC 424 contract brochure as an option to address the CIO "data and organizational management" requirement.

(U//FOUO) Agent's note. (b)(3):10 USC 424 related they learned after the meeting that (b)(3):10 USC 424 was listed as a vendor in the brochure.

(4) (U//FOUO) (b)(3):10 USC 424 said that later the (b)(3):10 USC 424 had an issue with their submittals to use (b)(3):10 USC 424 claiming that the CIO requirements were similar to those previously submitted (and cancelled) under the (b)(3):10 USC 424 contracts. She said, however, the "data and organizational management" requirements were never part of the (b)(3):10 USC 424 contract. (b)(3):10 USC 424 related that (b)(3):10 USC 424 had the ability for cross-industry reach-back, and did good work without delays. (b)(3):10 USC 424 characterized the (b)(3):10 USC 424 relationship as professional; she declined to answer questions regarding personal relationships between her and (b)(3):10 USC 424 personnel.

c. (U//FOUO) On 12 March 2015, (b)(3):10 USC 424 administered a second Garrity warning to (b)(3):10 USC 424 which he waived, and was re-interviewed regarding this matter (Exhibit 18). (b)(3):10 USC 424 stated that he did not have a personal relationship with any (b)(3):10 USC 424 employee. His only social interaction with (b)(3):10 USC 424 was at a

Christmas party, hosted by (b)(3):10 USC 424 DISES, (b)(3):10 USC 424 (b)(3):10 USC 424 friends and other CIO senior personnel attended including (b)(3):10 USC 424 but could not recall if (b)(3):10 USC 424 (b)(3):10 USC 424 attended.

f. (U//~~FOUO~~) On 13 March 2015, (b)(3):10 USC 424 administered (b)(3):10 USC 424 a third Garrity warning and re-interviewed her in order to allow her to discuss whether she had a personal relationship with (b)(3):10 USC 424 (Exhibit 19). (b)(3):10 USC 424 related she met (b)(3):10 USC 424 around 2010 or 2011 when they were working on (b)(3):10 USC 424 contracts supporting CIO, but denied she had a personal relationship with either of them. (b)(3):10 USC 424 said her only social interaction with (b)(3):10 USC 424 was at a 2014 Christmas party at the home of (b)(3):10 USC 424 (b)(3):10 USC 424 said other CIO executives had attended the party, including (b)(3):10 USC 424

g. (U//~~FOUO~~) On 13 March 2015, (b)(3):10 USC 424 administered (b)(3):10 USC 424 a second Garrity warning and re-interviewed regarding his personal relationship with (b)(3):10 USC 424 employees, specifically (b)(3):10 USC 424 (Exhibit 20). (b)(3):10 USC 424 related he met (b)(3):10 USC 424 several years ago and occasionally had lunch and beers with them. (b)(3):10 USC 424 said that he also attended the two holiday parties mentioned by (b)(3):10 USC 424 but he did not host any party where (b)(3):10 USC 424 attended.

12. (U) Coordination with Management.

a. (U) On 1 August 2014, (b)(3):10 USC 424 briefed (b)(3):10 USC 424 on the current status of this investigation.

b. (U) On 8 April 2015, (b)(3):10 USC 424 this office, briefed (b)(3):10 USC 424 on the results of this investigation.

c. (U) On 9 April 2015, (b)(3):10 USC 424 briefed (b)(3):10 USC 424 MS, on the results of this investigation.

13. (U) Coordination with the Counsel to the Inspector General (IGC). On 21 March 2015, (b)(3):10 USC 424 Counsel to the Inspector General, DIA, was briefed on results of this investigation. (b)(3):10 USC 424 opined that:

a. (U//~~FOUO~~) There is clear and convincing evidence that, for IT contract support, CIO had a preference for (b)(3):10 USC 424 over other vendors. A Source Selection Evaluation Board recommended contracting with (b)(3):10 USC 424 when it appeared (b)(3):10 USC 424 would team with (b)(3):10 USC 424 to provide (b)(3):10 USC 424 requirements and performance management, program/project management, business process engineering, consultation and advisory services, solutions integration and service operations including data centers, and cyber security and information assurance. After

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10 USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10 USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

b. (~~U//FOUO~~) While (b)(3):10 USC 424 denied that they knew of the planned (b)(3):10 USC 424 partnering arrangement and the Chairman of the (b)(3):10 USC 424 indicates that neither (b)(3):10 USC 424 provided any guidance to the board, it is clear that (b)(3):10 USC 424 (b)(3):10 USC 424 voiced a preference for contracting with (b)(3):10 USC 424 according to the senior CIO business manager, (b)(3):10 USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

c. (~~U//FOUO~~) Reviewing all the circumstances and by a preponderance of the evidence, (b)(3):10 USC 424 were responsible for the CIO's consistent failure to act impartially and for endeavoring to give (b)(3):10 USC 424 preferential treatment in violation of the general principles of the basic obligation of public service found in the Standards of Ethical Conduct for Employees of the Executive Branch. See 5 C.F.R. § 2635.101(b) (8) and 5 C.F.R. § 2635.101(b) (14). (b)(3):10 USC 424 carefully considered whether (b)(3):10 USC 424 should be similarly cited and decided that neither were responsible for efforts to contract with (b)(3):10 USC 424 through the (b)(3):10 USC 424 contract and, therefore, they should not be cited for impartiality.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

d. (~~U//FOUO~~) In mitigation, (b)(3):10 USC 424 noted that CIO may have developed an over reliance on (b)(3):10 USC 424 that presents additional challenges on accomplishing its mission without (b)(3):10 USC 424 continued support. (b)(3):10 USC 424 also noted that the (b)(3):10 USC 424 contract did include other vendors who are major defense contractors and who support the DoDIIS system, including (b)(3):10 USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

e. (~~U//FOUO~~) While corrected during the course of this investigation, there was at least the appearance of an organizational conflict-of-interest in having (b)(3):10 USC 424 serve as (b)(3):10 USC 424 reviewing official. In this case, (b)(3):10 USC 424 participated in the preparation of a sole-source justification to contract with (b)(3):10 USC 424 in support of CIO requirements. (b)(3):10 USC 424 disapproved the sole-source justification after legal review. USD (AT&L) guidance from November 2004 requires that contracting

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

officers be rated within their own program channels. This suggests that contracting officers, such as [redacted] should be rated and reviewed by contracting officials; however, guidance from the (b)(3):10 USC 424 August 2008 requires only that "at least first-level evaluations of contracting officers [be] performed within the career contracting chain." After this investigation began, CFO changed [redacted] [redacted] reviewing official so that [redacted] no longer served in that capacity.

14. (U) **Internal Management Controls.** Department of Defense (DoD) Instruction 5010.40, "Managers' Internal Control Program Procedures," 30 May 2013, requires DoD organizations to implement and evaluate a comprehensive system of management controls that provide reasonable assurance that programs are operating in accordance with pertinent laws and regulations. There were no deficiencies noted during the course of this investigation.

15. (U) **Exhibits.**

a. (U) **Attached.**

(1) (U) Information report (IR) of (b)(3):10 USC 424 6 February 2014.

(2) (U) Timeline of Significant Events, 4 May 2015.

(3) (U) Overview of Requirements, 4 May 2015.

(4) (U) IR of [redacted] 12 February 2014.

(5) (U) IR of [redacted] 14 February 2014.

(6) (U) IR of [redacted] 28 March 2014.

(7) (U) Garrity warnings and IR of (b)(3):10 USC 424 3 April 2014.

(8) (U) IR of [redacted] 12 March 2014.

(9) (U) IR of [redacted] 12 March 2014.

(10) (U) IR of (b)(3):10 USC 424 13 March 2014.

(11) (U) IR of (b)(3):10 USC 424 21 March 2014.

(12) (U) IR of (b)(3):10 USC 424 4 March 2014.

(13) (U) IR of (b)(3):10 USC 424 18 June 2014.

(14) (U) Garrity warning and IR of [redacted] 7 April 2014.

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10  
USC 424

(b)(3):10 USC 424

(15) (U) Garrity warning and IR of (b)(3):10 USC 424 19 June 2014.

(16) (U) Garrity warning and IR of (b)(3):10 USC 424 18 June 2014.

(17) (U) Second Garrity warning and IR of (b)(3):10 USC 424 19 June 2014.

(18) (U) Second Garrity warning and IR of [redacted] 16 March 2015.

(19) (U) Third Garrity warning and IR of (b)(3):10 USC 424 17 March 2015.

(20) (U) Second Garrity warning and IR of (b)(3):10 USC 424 18 March 2015.

b. (U) Not Attached.

(21) (U) Modifications 02 and 04 for "Recovery Costs for Termination for Convenience of Referenced Contract, for Contract HHM402-13-D-0024, September 30, 2103.

(22) (U) (SBCR) with Requirements and Independent Government Cost Estimate (IGCE) for Purchase Order (PO) 414-0074-14-Z, 8 January 2014.

(23) (U) SBCR with Requirements and IGCE for PO 414-0075-14-Z, 8 January 2014.

(24) (U) [redacted] SOW for Strategic Communications and Marketing, November 2012.

(25) (U) [redacted] SOW for Business Analytics, not dated.

(26) (U) SOW for CIO's Data Management requirement, not dated.

(27) (U) Justification for an Exception to Fair Opportunity for CIO's Data Management requirement, June 2013.

c. (U) The originals of exhibits 1 through 20 are maintained in the files of this office.

16. (U) Status. This is a final report. The report of disciplinary action is pending.

Report Prepared By:

Report Approved By:

(b)(3):10 USC 424