

**Memorandum to the File
Case Closure**

Alleged Contract/Procurement Irregularities
El Paso VA Health Care System, El Paso, Texas
(2012-00568-IQ-0010)

The VA Office of Inspector General Administrative Investigations Division investigated an allegation that (b) (7)(C) El Paso VA Health Care System (EPVHCS), improperly authorized a "sleep studies" solicitation for a contract to be awarded to a close personal friend, (b) (7)(C) of the El Paso Sleep Center. To assess this allegation, we interviewed (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C)

We also reviewed the contract and relevant documents, as well as, applicable Federal laws, regulations, and VA policy.

Standards of Ethical Conduct for Employees of the Executive Branch state that an employee shall not use public office for private gain; employees shall act impartially and not give preferential treatment to any private organization or individual; and employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards. 5 CFR § 2635.101b(8) and (14). Federal acquisition regulations state that 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. 48 CFR § 3.101-1. It also states that no person or other entity may disclose contractor bid or proposal information or source selection information to any person other than a person authorized. *Id.*, at § 3.104-4.

Contract records reflected that on December 10, 2009, (b) (7)(C) issued solicitation, VA-258-10-RP-0010, for "Polysomnography examinations" (sleep studies), at EPVHCS. Records also reflected that both the El Paso Sleep Center and the Sonno Sleep Center submitted proposals, and on June 10, 2010, (b) (7)(C) awarded contract VA258-P-0457, effective July 1, 2010, to (b) (7)(C) of the El Paso Sleep Center. Records further reflected that (b) (7)(C) on October 10, 2010, amended the contract to include "interpretation results" with the approval of (b) (7)(C) (b) (7)(C) (b) (7)(C) told us that they amended the contract after they investigated whether a former Chief of Staff had the proper credentials to evaluate sleep studies. (The former Chief of Staff resigned her position.)

Contract records contained no evidence that (b) (7)(C) approved or authorized any portion of the "sleep studies" solicitation. Although a memorandum dated January 13, 2009, to the Centralized Contracting Network reflected that it was through the (b) (7)(C) (b) (7)(C) "it did not contain (b) (7)(C) s signature. (b) (7)(C) told us that he did not recall reviewing the memorandum but that sometimes these memoranda are sent to him for his general knowledge. (b) (7)(C) told us that (b) (7)(C) had no involvement with the contract, and she said, "The only reason I included his name on the original memorandum dated January 13, 2009, is because the majority of referrals

for sleep studies are generated by primary care providers that work under Medical Service." (b) (7)(C) told us that (b) (7)(C) did not authorize this solicitation and he had no involvement with the establishment of the "sleep studies" contract.

Proposal evaluation records reflected that (b) (7)(C) was not on the Special Exams Unit (SEU) which evaluated the El Paso and the Sonno Sleep Centers. They further reflected that (b) (7)(C) and (b) (7)(C) told us that (b) (7)(C) was not involved with the SEU. She said that "He was not involved in any aspect of the solicitation, document approval, award, technical document writing, authorizations and approvals."

(b) (7)(C) us that (b) (7)(C) introduced (b) (7)(C) to him after she awarded the contract to the El Paso Sleep Center. He said that he and (b) (7)(C) both belonged to the (b) (7)(C) and that he sometimes saw (b) (7)(C) at meetings. He said that he never worked for the El Paso Sleep Center and he had no involvement with it. (b) (7)(C) and (b) (7)(C) told us that, to their knowledge, (b) (7)(C) was not connected or affiliated with the El Paso Sleep Center.

We did not substantiate that (b) (7)(C) improperly authorized a "sleep studies" solicitation for a contract to be awarded to the El Paso Sleep Center. We found no evidence that (b) (7)(C) had a personal friendship with (b) (7)(C) or any affiliation with the El Paso Sleep Center. Both (b) (7)(C) and (b) (7)(C) told us that (b) (7)(C) had no involvement with the solicitation or awarding of the contract. This case is being closed without issuing a formal report or memorandum.

Prepared By:

(b) (7)(C)

Date

1/10/12

Approved By:

(b) (7)(C)

Date

1/10/12