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ONE HUNDRED TENTH CONGRESS

**U.S. House of Representatives**  
**Committee on Energy and Commerce**  
**Washington, DC 20515-6115**

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CHAIRMAN

December 22, 2008

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AND CHIEF COUNSEL

The Honorable Andrew von Eschenbach, M.D.  
Commissioner  
U.S. Food and Drug Administration  
5600 Fishers Lane  
Rockville, Maryland 20852

Dear Dr. von Eschenbach:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce and its Subcommittee on Oversight and Investigations are investigating the management and operations of the FDA Office of Criminal Investigations (OCI). As part of this inquiry, we are examining a professional services contract to provide guidance to FDA/OCI on employee relations and law enforcement personnel issues.

We note that publicly available information shows that in 2007 the FDA intended to award a sole source contract to Vengazo Consulting of Ocean View, Delaware. According to FDA's special notice of June 6, 2007 (see attachment), the contract is described as providing "support to FDA/OCI in ongoing criminal cases and all phases of employee relations." The description of work mentions: "Providing expert testimony at hearings, trials and other forums. Making suitability determinations related to personnel investigations. Conducting personnel misconduct investigations." FDA's special notice about this contract also states that "[c]ontractor personnel performing work under this contract shall satisfy all requirements for appropriate security eligibility in dealing with access to sensitive information. Contractor must hold an active National Security Clearance."

According to the public website, USAspending.gov, Vengazo Consulting received a total of \$251,775 in contract transactions for FY 2007 from the same agency account at the Department of Health and Human Services, with 40.6% of this amount (\$102,250) competed with only one bid, and 59.4% of this amount (\$149,525) not competed (see attachment).

In light of our oversight interests in the operations of FDA's OCI and in FDA procurement practices, please provide the following:

1. Copies of all FDA contracts, Statements of Work, and any contract renewals awarded to Vengazo Consulting. Please also detail the amount of money Vengazo Consulting has received from this contract (and any renewals) so far. In addition, please provide current information on whether the contract was renewed or not, and why, and the terms of the renewal. Please also provide copies

of the Requests for Proposal (RFPs), number of bids received for the RFPs, the dates the solicitations were opened, and the dates the solicitations were closed.

2. A list of other FDA/OCI contracts, if any, involving Vengazo Consulting.
3. A written justification for OCI contracting out and sole sourcing these services and the award of these services to Vengazo Consulting. Please explain why OCI supervisory and administrative staff could not perform these services, whether OCI has previously contracted out these services, and, if these services were not previously contracted out, why OCI believed it needed to contract out these services after more than 15 years of operation. Please also detail the following for Vengazo Consulting: (1) Number of years of experience with adjudicating personnel suitability and the nature of the background investigations; (2) Certificates received for adjudication courses; (3) Number of years of experience in conducting personnel misconduct investigations and the nature of the allegations involved in these misconduct investigations; and, (4) Number of years of experience in providing expert testimony at hearings, trials, and other forums. Please note any experience related to criminal cases and law enforcement.
4. A detailed list of the services performed under this contract and any documents, if appropriate, substantiating the accomplishment of these services.
5. We note that some of the work described in this contract involves conducting personnel misconduct investigations.
  - (a) On what basis can FDA/OCI contract out the conduct of personnel misconduct investigations? Please provide the law, regulation, policy, or delegation of authority that authorizes the contracting out of personnel misconduct investigations for OCI.
  - (b) The Office of the Inspector General (OIG) has reported to staff that there were two investigations (now closed) involving OCI personnel over the last two years. In addition, the OIG reported to staff that it was not aware of any other misconduct cases involving OCI employees. What personnel misconduct cases occurred during the last two years that were not referred to the OIG? If there were cases, please explain why OCI did not consult with the OIG about these cases. Please explain why OCI, and not the FDA's Office of Internal Affairs, handled these misconduct cases. If there were no personnel misconduct cases, why would OCI need a contractor to conduct personnel misconduct cases?
  - (c) Please describe in detail the nature of the personnel misconduct investigations. What kinds of allegations are included in these investigations? What kinds of allegations are excluded from these investigations? Are these misconduct investigations of personnel who are OCI employees or all FDA employees (including OCI employees)?
  - (d) Did Vengazo Consulting conduct any personnel misconduct investigations of OCI agents? Did any of these investigations involve allegations of criminal misconduct? What are the qualifications of Vengazo Consulting to conduct personnel misconduct investigations? Are there any restrictions on Vengazo Consulting concerning the scope of personnel misconduct investigations it can conduct? If so, please describe these restrictions and the rationale.
6. We note that the contract requires the contractor to hold an active National Security Clearance.

- (a) What clearances does the contractor hold? What level of clearance is required for this contract and why?
  - (b) We note that the contract specifies that the work accomplishing contract tasks may be performed at FDA/OCI's location or at the contractor's location of choosing. Was any of the contract work performed outside the FDA? If so, describe the nature of the contract work. Did the contractor have access to sensitive information or have sensitive information belonging to FDA at a location remote to FDA such as the contractor's Ocean View, Delaware address? What measures were taken by FDA and the contractor to secure any sensitive information that the contractor had access to? Please describe the nature of the sensitive information that the contractor had access to or held.
7. Please identify any subcontractors that were used on the FDA/OCI contract.
  8. Please explain and justify under the Federal Acquisition Regulations why FDA pursued a sole source contract for the work to be provided to OCI.

Please provide responses to the following by one month from the date of this letter. If you have any questions, please contact Mr. Alan Slobodin of the Minority Committee staff at (202) 225-3641.

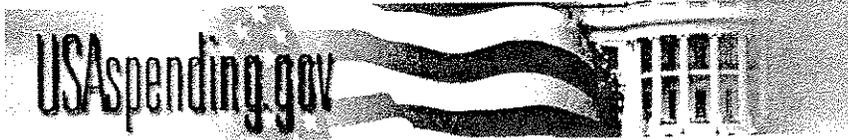
Sincerely,



Joe Barton  
Ranking Member

Attachments

cc: The Honorable John D. Dingell  
Chairman  
Committee on Energy and Commerce



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**CONTRACTS**   **STATISTICS**   **NEW VENDOR**   **ADVANCED SEARCH**

**BY CONTRACTORS**

Search by name:

Top 100 Contractors (2008)

- Awards by contractor state
- Awards by cong. district of contractor
- Advanced search for contractors

**BY PLACE OF PERFORMANCE**

Overview of congressional districts

State:

Advanced search by place of perform.

**BY CONTRACTING AGENCY**

Overview by major agency

Advanced search by agency

**OTHER**

- By competition type
- By product or service provided

Competition and service, 2008

USAspending.gov Last Updated July 02, 2008

Contracts data was updated for all 24 CFO Act agencies at this time.

Assistance data was updated for 7 of 24 CFO act agencies. Updates are currently pending for the following agencies: DOD, DHS, DOI, DOJ, DOL, DOS, DOT, EPA, GSA, HHS, HUD, NRC, NSF, DPM, SBA, TREAS, and VA.

For more details, please [click here](#)



**Contracts to VENGAZO CONSULTING, LLC (FY 2007)**

**List of Individual Transactions for FY 2007**

You can click on the column headers below to re-sort the search.

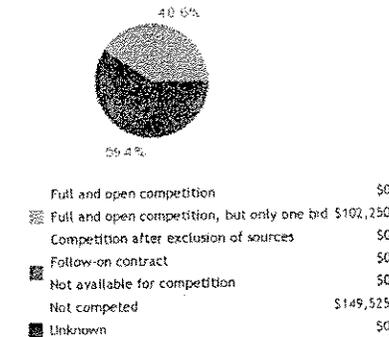
Amount	Parent Company Name	Major Agency	Product or Service	Date	Program Source (Agency-Account)	Program Source Description
\$102,250	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-09-18	75-0600	Salaries and Expenses
\$29,300	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-07-02	75-0600	Salaries and Expenses
\$25,000	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Special studies and analyses (not R & D)	2007-06-18	75-0600	Salaries and Expenses
\$25,000	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2006-10-31	75-0600	Salaries and Expenses
\$25,000	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-02-01	75-0600	Salaries and Expenses
\$25,000	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2006-12-11	75-0600	Salaries and Expenses
\$20,000	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-06-04	75-0600	Salaries and Expenses
\$0	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-05-16	75-0600	Salaries and Expenses
\$0	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-04-23	75-0600	Salaries and Expenses
\$0	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Professional, admin, and management support services	2007-08-06	75-0600	Salaries and Expenses
\$-10,380	VENGAZO CONSULTING, LLC	Dept. of Health and Human Services	Special studies and analyses (not R & D)	2007-07-24	75-0600	Salaries and Expenses

\*\* Note: negative numbers represent deallocations

Total transactions for fiscal year 2007: 11

Total funding (within this search) for the year: \$281,775

Competition summary for entire search for fiscal year 2007



**\*END OF REPORT\***

This search was done on August 1, 2008

The contracts database is compiled from the FPDS iG system. For timeliness details, please see the [Data Quality](#) tab

Note: The numbers in this table can change after each data load. Transactions included in a data load can impact numbers for the current and previous fiscal years.

The data housed on USAspending.gov is provided by Federal agencies. Please refer to the [Data Quality](#) site for information about the current status of data quality. USAspending.gov is continuously developing ways to measure and improve the quality of the data on the site.

Search Criteria: **USAspend**

Federal Fiscal Year: 2007 GO  
 Level of Detail: High (list of transactions) GO  
 Output: HTML GO

Search Criteria: **USAspend**

Federal Fiscal Year: 2007 GO  
 Assigned Parent Company ID: 153610  
 Sort By: Dollar Amount of Transaction  
 Number of records: Only the first 500 for each year  
 Level of Detail: High (list of transactions) GO  
 Output: HTML GO

FBO DAILY ISSUE OF JUNE 08, 2007 FBO #2020  
SPECIAL NOTICE

## **R -- PROFESSIONAL SERVICES TO PROVIDE GUIDANCE TO FDA/OCI ON EMPLOYEE RELATIONS AND LAW ENFORCEMENT PERSONNEL ISSUES**

**Notice Date**

6/6/2007

**Notice Type**

Special Notice

**NAICS**

541612 — Human Resources and Executive Search Consulting Services

**Contracting Office**

Department of Health and Human Services, Food and Drug Administration,  
Office of Acquisitions and Grants Services, 5630 Fishers Lane, Room 2129,  
Rockville, MD, 20857-0001, UNITED STATES

**ZIP Code**

00000

**Solicitation Number**

FDA-SOL-07-00223

**Response Due**

6/21/2007

**Archive Date**

7/6/2007

**Small Business Set-Aside**

Total Women-owned Business

**Description**

The Food and Drug Administration intends to award a contract to Vengazo Consulting of Ocean View, DE. This is NOT a request for competitive quotes. The contract will be made on a sole source basis in accordance with FAR Part 13 - Simplified Acquisition Procedures and 13.501(A) - Sole source acquisitions for the following, full-time, services NAICS 541612. This contract will provide support to FDA/OCI in on going criminal cases and all phases of employee

relations. DESCRIPTION OF WORK: PROGRAM PLANNING: Providing expert testimony at hearings, trials and other forums. Making suitability determinations related to personnel investigations Conducting personnel misconduct investigations The contractor will provide expertise as required throughout the term of the contract and will advise, facilitate and assist in a) clarification and identification of roles and responsibilities, b) identification and analysis of resources, c) development and documentation of process, procedures and arrangements. PROJECT MANAGEMENT AND CONTROL: The contractor will be available to discuss and provide monthly status reports on ongoing employee relations to the Office of Criminal Investigations managers. TASK DELIVERABLES AND MILESTONES: DELIVERABLES: a. Status Reporting: Daily, Weekly, Bi-Weekly or Monthly Status Updates - to be determined by FDA/OCI b. Meetings with management - as needed c. Invoices - monthly on the 1st CRITERIA FOR ACCEPTANCE: FDA/OCI will review contractor deliverables in accordance with specifications and standards stated in the criteria established and any directives issued during the term of this contract. OCI Management has the authority to accept or reject deliverables. The acceptance of deliverables and satisfactory work performance required herein shall be based upon the timeliness, accuracy and suitability of the deliverable. The specific deliverables and schedule for delivery shall be as agreed upon and documented. Deliverables will be submitted to OCI Management. a. Contractor will provide monthly status report that provides information about the current status and anticipated completion date for each deliverable. Will also include information about any unanticipated problems with completion of any deliverable. Daily, weekly, bi-weekly or monthly status meetings with FDA/OCI as determined by the agency. b. Contractor will provide FDA/OCI a written and or oral assessment regarding the status of cases. Written recommendation as to the appropriate action and documentation provided to the employee will be considered on an ad hoc basis. c. Contractor's meetings with FDA/OCI to review and discuss cases will involve a variety of field offices and OCI components. d. Contractor will provide final formatted versions of FDA/OCI responses and offers to employees and other documents and services as outlined in 1.3 of this statement of work. PERIOD OF PERFORMANCE: July 2, 2007 through September 30, 2007 with FOUR (12 month) OPTION YEARS. LOCATION, WORK SCHEDULE, AND TRAVEL: Unless otherwise specified, all meetings between contractor and FDA/OCI will be held at FDA's Headquarter's location at 7500 Standish Place, Rockville, MD, or at a nearby alternate FDA location. The contractor's work relative to accomplishing contract tasks may be performed at FDA/OCI's 7500 Standish Place location or at the contractor's location of choosing. Contractor will work hours as necessary to accomplish the contract objectives. Local and out of state travel may be required. Approved travel expenses will be reimbursed at the prevailing per diem rates at the time of travel. STATUS REPORTING: The contractor will provide monthly reports and accounting for the deliverables and any current or anticipated problems with required activities. SECURITY AND PRIVACY: Contractor personnel performing work under this contract shall satisfy all requirements for appropriate

security eligibility in dealing with access to sensitive information. Contractor must hold an active National Security Clearance. Performance of work may require the contractor personnel to have access to and use of data and information which may be considered proprietary to a government agency or Government contractor, or which may otherwise be of such nature that its dissemination or use, other than in performance of a subsequent work statement, would be adverse to the interest of FDA or others. FDA, thereof, owns all proprietary information and all copies. The contractor agrees that contractor personnel will not divulge or release data or information developed or obtained in connection with the performance of the resulting contract, unless made public by FDA, except to authorized FDA personnel or upon written approval of Project Officer. Except as may otherwise be permitted by a data owner, the contractor personnel agrees not to use, disclose or reproduce proprietary data, other than as required in performance of the contract; provided, however, that nothing herein shall be construed as precluding the use of any data independently acquired by the contractor without such limitation. FDA owns all proprietary information and all copies shall be returned to FDA upon completion of the work for which it was obtained or developed. Due to the sensitive nature of the information involved, all contractor personnel will be required to sign a non-disclosure agreement before data and information otherwise exempt from public disclosure (e.g., Privacy Act or Data Collected Under an Assurance of Confidentiality) may be disclosed to them. **CONTRACTOR CONFORMANCE WITH APPLICABLE LAWS, REGULATIONS, POLICIES, AND STANDARDS:** The Contractor shall be responsible for knowledge of and compliance with all applicable federal information technology and information management laws, regulations, policies and standards at the government-wide, HHS and FDA levels. At the government-wide level, these include Office of Management and Budget (OMB), National Institute of Standards and Technology (NIST) and General Accounting Office (GAO). These can be primarily found at or through the Federal CIO Council website at: <http://www.cio.gov>. HHS documents are found at: <http://www.cdc.gov/irmo>. **PAST EXPERIENCE:** The contractor must be able to demonstrate past experience directly relevant to the types of work needed. Such experience includes projects performed in the past five years similar in scope to the requirements of this Statement of Work. Interested parties may identify their interest by responding to this requirement within 5 calendar days after the date of publication of this notice. The period of performance for this contract is from 07/02/2007 to 09/30/2007 with four option years. Vendors must be registered in the Central Contractor Register (CCR) prior to the award of a contract. You may register by going to [www.ccr.gov](http://www.ccr.gov). You will need your DUN and Bradstreet number and banking information. The anticipated award date is 07/02/2007. The following FAR clauses apply to this combined synopsis/solicitation. 52.212-1 Instructions to Offers-Commercial Items, 52.212-3 Offer Representations and Certifications-Commercial Items, 52.212-4 Contract Terms and Conditions-Commercial Items, 52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Items, 52.217-8 Option to Extend Services (Nov 1999), 52.217-9 Option to Extend the Term of the Contract

(Mar 2000). All information received by 2:00pm EST on June 21, 2007 will be considered by the Government. All questions must be emailed no later than June 12, 2007 to kimberly.davila@fda.hhs.gov.

**Place of Performance**

*Address:* 7500 Standish Place, Rockville, MD, ,

*Zip Code:* 20855

*Country:* UNITED STATES

**Record**

SN01311312-W 20070608/070606220449 (fbodaily.com)

**Source**

[FedBizOpps Link to This Notice](#)

(may not be valid after Archive Date)