



# ETHICS AND INTEGRITY

“An Absolute as a Government Contractor”

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I was recently sent a posted website article from the Department of Justice (<https://www.justice.gov>) with the headline: “State Department Contractor to Pay \$1.65 Million to Resolve Criminal and Civil Fraud Allegations.” I was intrigued by the headline and decided to dive deeper. The irony of this discovery was that this posting had a personal importance to me as it was another not-so-shiny example of the tricky business contracting world we live in, but it was also one with which we have had direct experience.

Ironically, DCA spent almost a year developing a proposal with two teaming subcontractor partners to go after a \$100 million Department of Homeland

Security (DHS) Federal Protective Service (FPS) contract for the entire South Florida region. At the last minute, through friendly ongoing dialogue with another large company's proposal manager, the new company came on board for a small 10 percent piece of the equation since their former small business prime apparently dropped the ball and was in jeopardy of not timely getting their security license to bid as a competitor. After two weeks of being part of our conference call meetings, including pricing and strategy, and five days before the actual submittal due date, the new company backed out because apparently their former prime small business was pushing through the licensing system and could give them a much higher percentage of the contract value if awarded. Either way, the company had direct information (as a large business) of our management and supervisory plan, including the numbers we would propose and pay our ten (10) supervisors. Of course, a contentious and aggressive dialogue about their competitive advantage opened up between me, their CEO, and the proposal team. I was assured they would not share any data in their proposal efforts; never once did I believe them, but I wasn't prepared to get into an expensive legal battle over a hunch that I could not directly prove without a long tenuous court battle.

Fast forwarding, the company in question was awarded the \$102 million contract and had dramatically underpriced us by over \$5 million. Considering that all the hours and pay requirements were outlined in the union's Collective Bargaining Agreement (CBA), the only real cost differentiator was the number of proposed Supervisor(s). We happened to have proposed 10 full-time supervisors to cover the contract, and later, we found out (by a failed redaction accident by the federal agency through documents received to support their protest defense) that the small business prime (supported by the large business) had also proposed ten (10) supervisors. Of course, it was our

collective opinion that this coincidence was *no coincidence*, so we tried to make our case to the Government Accountability Office (GAO).

The lesson learned here was an expensive one for DCA, as we did not win the protest based on a 'technicality' issue of timeliness of bringing up the small business awardee's state licensing debacle; however, it was recently equally as enlightening and supportive of our assumptions of our proposal information/offers being used. As the article attached to the posted website link above iterates, The Department of Justice and the U.S. State Department recently proved our hunch of both civil and criminal practices by the large business for eerily similar unscrupulous business practices we were alleging, which landed a few of their executives and employees in jail and generated a hefty fine of \$1.65 million.

A business only has its Ethics and Integrity – period! When winning at 'all costs' circumvents the integrity of proper business practices, this creates a culture of distrust and destructive behavior with employees, executives, strategic partners, and most importantly – the customer. Such practices also become an issue of National Security as a contractor providing such critical services. Why would any Government agency contract with a company that has lied and, in essence, economically stolen from the taxpayer coffer? There is a saying; "If you lie about the small things, you will easily lie about the large." When it comes to National Security through the protection of our nation's assets and our greatest asset – the American people, we must fight to expose and rid the government contracting industry of those who have shown the ultimate contempt for the system they benefit from. It is our Patriotic duty to do so.

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