

Ethics & Procurement Integrity

What You Need to Know as a Federal Employee Involved in the Procurement and Acquisition Process



U.S. Office of Government Ethics
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Booz Allen Hamilton is a large government contractor, recently reporting \$5.6 Billion in annual sales and a backlog of \$10.9 Billion. Reportedly it has received more than 3,500 individual government contracts and task orders. So the company may well be presumed to know something about contracting with the Federal government. But apparently the company's knowledge of Federal procurement rules—not to mention the standards of ethical business conduct—varies by geographic region.

We reach that conclusion after learning that Booz Allen Hamilton's San Antonio, Texas, office was suspended by the U.S. Air Force. Four BAH San Antonio employees were individually named by the Air Force. The Project on Government Oversight (POGO) reported it [right here](#).

The Society of Corporate Compliance and Ethics (SCCE) linked its readers to this Federal Times article, which reported it

[as well](#)

. MySanAntonio.com also had

[a report](#)

focusing on the local issues.

Booz Allen Hamilton Suspended, Proposed for Debarment

Written by Nick Sanders

Tuesday, 14 February 2012 00:00

POGO [also linked](#) to the official Air Force Memorandum on the proposed debarment.

From perusing the reports linked above, we have gathered the following—

Lt. Colonel Joselito Meneses was the “Deputy Chief, Information Technology Division, Office of the Surgeon General, Air Force Medical Support Agency at Brooks Air Force Base (located just outside San Antonio, Texas) until his retirement in May 2008. BAH hired Meneses in April 2011, giving him the title, Senior Associate, and responsibility for “business development in the regional military and civilian health markets and was in charge of all Air Force medical accounts.”

When Meneses left the Air Force, he brought with him a little memento of his service: an external hard drive on which he had copied “non-public information,” including proprietary information related to a \$75 Million Information Technology Modernization Services contract held by a BAH competitor. The information Meneses had retained included “CLIN pricing data, the labor mix [of the competitor], and the associated labor rates by labor category.” For those who cannot put that information into proper context, it reasonably would be considered to be “source selection information” and BAH's possession and use would fall under the [Procurement Integrity Act](#).

When Meneses forwarded his information throughout the BAH San Antonio office, one might reasonably think somebody would have remembered their BAH ethics training or basic regulatory compliance training, and stopped everything at once while contacting BAH attorneys. But no. As the Air Force noted, “none of the subjects instructed or informed Mr. Meneses that his disclosure was improper.” Instead, one BAH employee replied with a nice “Thanks for sharing.”

Not only did BAH not take any action to halt the improper use of the competitor's proprietary information, Mr. Meneses was made a part of the BAH Capture Team that was competing for the follow-on contract. But that Shangri-La state of ignorance didn't last a full month: eventually a member of the *pricing department* came across the information and realized the depth of the hole the company had been digging—and called the BAH attorneys.

Mr. Meneses was fired about 10 weeks later.

BAH San Antonio decided not to pursue the follow-on contract it had been targeting.

The Air Force debarring official summed-up his feelings thusly—

The conduct ... raises serious concerns regarding Subjects' business integrity, business honesty, and compliance with government contracting requirements, and the adequacy of BAH San Antonio's ethics and compliance program, including the training provided to its employees. Well, yes.

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As POGO notes, prior to distributing his ill-gotten data, Meneses had attended “at least six days of orientation and training—including training on the company-wide ethics program.” So either the training was ineffective, or the employees in question decided to proceed despite what they had learned. Regardless, BAH has learned some lessons about the efficacy of its training program.

We [recently reported](#) that BAH had hired former DOD Inspector General Gordon Heddell as a “senior executive advisor.” On September 30, 2011, the Air Force suspended and moved to debar BAH San Antonio and called the corporate ethical culture into question. On January 1, 2012, BAH hired Mr. Heddell. Coincidence?

We doubt it.