

## **RESPONSE TO OSC FILE NUMBER DI-11-2122**

The first, and most concerning issue that comes to mind is that the people involved in the mostly substantiated complaints are still in positions of leadership; most notably as DISES and GG-15s.

Since gross mismanagement was substantiated in most every point of the complaint, and turned out to prove that it was heavily directed upon Mr. Mancini, but concerned several other senior members who conduct business via shortcuts and “drug deals” so to speak, I would expect that these members cannot remain in positions of such leadership, but in this report, there was no recommendation that affected anyone personally with such regard; with the exception being if anyone is found negligent in the ADA investigation which will, as stated before, either be minimized and explained as being a simple misunderstanding between parties, or dumped off on some lesser responsible and ranking individual(s) if handled in-house.

When it comes to handling the Anti-Deficiency Act potential violations, which I think should easily be substantiated, even though Lt General Zahner directed it be accomplished to the INSCOM CG, the process will likely involve these same people. When one considers how the senior staff in the command are there primarily to support one another, one can demonstrate concern that the outcome of the ADA investigation may be tainted in an effort to sweep this matter under the rug, and potentially degrade the findings to the obvious and substantiated gross mismanagement posed by these same senior members.

I did not see anything in the report directing the Contracting Office or anyone else to take immediate action to recoup the people’s monies paid to Silverback 7 or AVUE. I am concerned that what is of substance here concerns what the government did in terms of the contract disabling any possibility of recouping any of the peoples’ monies; signing a fixed fee contract as opposed to a base contract for personnel dependent upon Task Orders based on immediate need in positions not already encumbered by an individual or individuals on other contracts. Although time was factor in this investigation, more time and effort, and far more in-depth questioning would undoubtedly prove that the key players in letting this contract knew well in advance (to include Silverback 7 and Mr. Mancini), the true picture of the contracts already in place.

It should be noted that I was taken a little out of context. My intent was to suggest that Mr. Mancini exercised a leveraged pressure on the contracting office staff to get these contracts accomplished prior to fiscal year-end closeout; not that he literally directed them to do it, nor that either he or Mr. Lance are authorized to sign contracts. That was an action on which his counterpart in the Contracting Office, Mr. Bob Adams (GG-15), along with his deputy John Izgrigg (GG-15) undertook upon their own directorate; what is identified in this command as a basic “drug deal” and is commonplace.

In this particular year the contracting office couldn’t get a number mission requirements on contract by years end, but were able to put these frivolous contracts on contract, and in

an effort to build an acquisition empire, found plenty of time to bring in on contract for themselves, a military retired acquaintance to conduct training to ensure everyone involved in acquisitions throughout the command would learn to be virtual contracting specialists; an action devised so members within the newly developed Acquisition Center of Excellence, could spend greater emphasis on aiding in the building of the empire. Incidentally, those same personnel give or take a few gains and losses, had basically failed a couple of DAIG inspections, and should have been focusing on leadership and compliance.

We have an exceptional Lean Six Sigma Team that has proven their worth time and time again. Neither of these two contracts included in this complaint ever were presented for review by the team, or individually by a Black Belt. Why? That should seem obvious after this investigation. But a factor to consider is that the Deputy G8, Mr. Mancini once admitted that he will never turn back funding to the command; an open confession.

I have recommended that INSCOM develop an Internal Process Review (IPR) philosophy when it comes to major, high dollar, purchases since arriving, and am aware he Lean Six Sigma Team has so advocated. To work under such a philosophy ensures that members having any role in the process regularly meet until each and every reasonably foreseeable issue to minimize risk factors has been accounted for. Although this command's senior staff seems to have excuse for a ridiculous number of meetings which inevitably take them away from the office and therefore preclude them from having personnel involvement to resolve issues, here is a plain situation where these meetings would all but guarantee productivity, risk minimization, and exceptional contract performance. Accomplished well prior to letting a contract, to finally invoke and IPR process after a contract has been let and after discovering less than optimal performance was and is futile; I can only wonder, at that point, what an IPR was supposed to accomplish.

The fact that an SES level staffer at the Command Headquarters admitted that because many other pieces of the contract had been CARB'd and approved, so they accepted that to mean it was good to go, is disconcerting. But the facts dictate that the reason this piece wasn't CARB'd either demonstrates a lack of understanding for the needs of the process, or a deliberate intent to push this one through regardless. The rule established in this command, set at their level, is any contractual requirement greater than or equal to \$500K (in aggregate), or any contract that seeks to add 3 or more contractor personnel, must go through the CARB process. So what part of their own, set in concrete rule, did they seemingly misunderstand? Or was this a little "iffy" from the very start and the intent to get one by? One in the know would certainly have the impression that the people's money provided to this command far exceeds our needs to accomplish the mission if we redundantly have enough additional funds to endeavor to waste money on frivolous, unnecessary requirements.

Mr. John Izgrigg, a Contracting Officer with a very large warrant indicated that "task order 0001 was a firm-fixed-price because the requirement was for a commercial service and the FAR specifies that service contracts should be firm-fixed-price. First of all, he

knows that the word should indicate a desire, where feasible to use the FFP contract, not that it constitutes a mandate. Contracting Officers are provided a substantial amount of autonomy (within reason) to take the best, most cost and performance efficient contractual action. His response indicates either his lack of knowledge of both the English language and the intent of the FAR, or the fact that, in essence, a lack of fortitude to utilize reasonable judgment on his own per the authority he is granted, or that his intent was to do as the purchase request owner, Mr. Mancini wanted, despite taking the correct course of action, or inquiring further so as to ensure his understanding of the contract and its intricacies supported the type of contract he was signing; therefore demonstrating a lack of concern for either the established rules or the people's monies.

Also, Mr. Izgrigg gave reason to believe that the complainant was wrong, believing that Silverback 7 was required to provide 49 individuals. There was never a question that being an FFP contract, whether Silverback 7 provided 0 or all 49, they were entitled to the proceeds cited on the contract. That is the travesty of this action. How ignorant is it to establish a contract on this basis as FFP, not IDIQ. The objective of the FFP is to reduce the risk on the government and place it on the contractor which works well if you are buying a bunch of hammers. But in this case, the whole deal never made one iota of sense. The risk as the contract was written was tremendous and any reasonable person would have and should have been aware of such a glaring issue.

There is no debate that the intent of the contract was to lessen the costs through a contractual vehicle that sought to maximize efficiencies. But that is where common sense left off. After this point, the whole process is corrupt.

Mr. Lance, according to the investigator gets a lot of credit for calling for the halt of the AVUE contract, although that didn't happen at the point his first became aware that the whole contract was lacking in performance and getting worse. The report does not cite his gross mismanagement in this regard, but most assuredly should have. In the past, senior members of our G4 staff misused the government purchase card to the tune of roughly \$1M to purchase items that were mostly of a personal nature (sunglasses purchased from a local mall from Sunglass Hut, stiletto heeled women's shoes, undergarments, pearl handled knives, and I-Pods that were purchased to act as alarm clocks (even though alarm clocks were available in their accommodations), along with many other unauthorized purchases to the tune of roughly \$1M, none of which were entered into the property books or signed out on hand-receipt, and all of which are long gone. This situation was initially swept under the rug at the senior most levels, though after DAIG concern, was directed upon the contracting office legal staff to be immediately investigated. Everyone at the senior most level knew of the wrongdoing and all were committed to remaining "mum" in hopes that the whole thing would go away. These so-called leaders leave a great deal to be desired. But one thing no one would desire would be their obvious lack of leadership and responsibility. All in all, don't ever believe that Mr. Lance only found out about the poor performance of AVUE's T&A module until February 2011; the senior members meet so often, it had to come up repeatedly in his presence.

When Mr. Mancini first became interested in AVUE's product offerings, representatives came to see him peddling their wares. Now, normally at his level you give the contractor the courtesy to see what they have to offer, knowing full well that all contractors have an innate responsibility to grow the company, but recognizing that you have no obligation to purchase anything. If you can see how the product presented can directly contribute to the efficiency of a particular mission, then you may consider a further analyst. But, in this case Mr. Mancini was on board with the contractor's product and presentation and immediately began to show interest. Along with a couple of personnel from his staff (Ms. Chony Culley and K. Thomas Lord) they visited the company for a preview of the system AVUE was peddling that Mr. Mancini liked, the time and attendance module. Shortly thereafter, the question of cost came up and Mr. Mancini without missing a beat said \$800K. The question was asked "How much would it cost us to, in essence, lease the system on a temporary basis to ensure the system meets our requirements?" His reply was \$1M. Does that make sense to anyone? It certainly did not to me. The final question asked of Mr. Mancini was what would happen to the product and cost if we purchased the item and it did not meet our requirements, and his reply was, "well, then we sh@t can it I guess"; a wholly unacceptable waste of resources. But shortly thereafter, again at year end, we had a couple of contracts with AVUE for a T&A and a Salary module; separate systems that the T&A module, originally thought to be completed prior to the salary module being developed or useful, but in the end found to be wholly independent of the T&A module. Originally, it was conveyed to concerned G-8 staff members that this item was basically commercial off-the-shelf ready with only minor tweaks, but in the end the T&A system panned out to require a great deal more than just a few tweaks; fixes that the company was unable to sustain. The salary module, though originally thought to be in the same boat, was found to be non-existent and in development from the get go. In the end, no one can find any cause to believe that anything was produced by the contractor. At the end of each contract year the contractor was supposed to present something to show a working aspect to the completion of the whole module, but the responsible overseer never saw any evidence of work toward the completion of the module because it simply didn't exist. At one point it was alleged by AVUE that the system had been produced and was working, didn't we know that, and weren't we working with it. But in the end no one could find anything to substantiate that claim. Certainly no one was utilizing any aspect whatsoever of the salary module; most likely, as cited in the investigation, because there was nothing. Therefore, to make payment and certify that the contract was proceeding as expected, especially at year's end where the company is supposed to demonstrate proof of their efforts with working pieces of the whole, an activity that also never materialized, seems to me intent to defraud.

Mr. Mancini basically suggested that he understood that the AVUE up front funding was due to the fact that it was based upon what he called "a subscription". That is fundamentally unreasonable and illogical thinking, but certainly presents a lesser sense, by its nature, of misunderstanding as opposed to malfeasance. He either knows, or should have known that this wasn't a magazine (something of which one subscribes), and although of us in the process knew only that which he chose to share at the time, he should have known that if the product required development, that the type of funding necessitated would have been RDT&E. This man received his job, like many in this

command, on the basis of being retired military senior leaders who knew people, not on the basis of what he knew and was fundamentally qualified to do. He has for most of his career, done absolutely nothing in terms of producing products, and most everything in passive managing of personnel. But, the truth be known, the senior enlisted managers were ultimately responsible for the successes or failure of his organization; in almost every case, the successes. The obvious lack of a substantial quality background of coming up through the ranks from bottom to top has proven that the way business should be accomplished in the government is that military retirees on the commissioned side should have to prove their technical knowledge and capabilities equal to the scope of the position, to ensure conformance with law, regulations, policies, and practicality. But how is this possible if you virtually were never more than the recipient of briefings from those who conducted the analysis and research, and only padded your performance appraisal by taking credit for everything your underlings accomplished as though you had some direct correlation with its achievement. That is the case here. Were Mr. Mancini, being one of the most irresponsible of the bunch, qualified in the basics of appropriation law and serious about his fiduciary responsibilities, as so few of the seniors leadership fail to demonstrate, this whole situation most likely would have been avoided. Not atypical of Mr. Mancini, most of the details of his knowledge in this situation remained in his head leaving the rest of us to operate based upon what little we did know; a tremendous manner of operations, guaranteeing less than maximum performance and ultimately leaving gaps in the mission. The number of improprieties here is staggering and what's worse, is that via his deceptiveness, he involved several valued members of his own staff.

Mr. Mancini on at least three occasions was informed by two of his assigned staff personnel and a Contracting Officer that although duplication of effort for a month or less to create a smooth transition is generally acceptable, however there were many people already on separate contracts worldwide that exceeded the one month duplicity, common sense policy. Some of those contractors cited in the 49, were already on contracts elsewhere and were 12 months out from being in a position to be taken over by the new contract. Also, on at least three occasions Mr. Mancini was informed by the same two staffer members in RM and the same Contracting Officer that we needed to modify the contract to reflect the number of personnel for which Silverback 7 had already put in place and then as new requirement arose, attach to the base contract task orders for the additional personnel. Originally, Mr. Mancini indicated that he knew he had been negligent in terms of managing the contract and that he was aware of the issues needing a fix. He added at that time he would utilize one of his assigned staffers to aid him in correcting the problem. When nothing happened for quite some time, the situation was addressed once again. Shortly thereafter Mr. Mancini dictated to the KO and another individual from RM who accompanied him to "leave the contract alone, that the Chief and I are willing to accept the risk." An absolutely jaw dropping statement considering that risk that is small, which was not the case with these contracts, is acceptable, but the larger it gets the less credible a decision to continue to "press on." But "press on" he did, despite the risk being huge.

To accept that the Silverback 7 contract was not attached to the OMNIBUS III contract (A huge, high dollar contract of multiple contractors and orders) for the purpose of burying it from plain sight would be ludicrous. There is certainly a lot of calculated activities going on here demonstrating not half as much a lack of knowledge, but rather a confidence in the knowledge that, based upon his experience in getting away with most everything for years, nothing adverse would materialize. He saw the risk of wrongdoing as being minimal.

Also, it is wonderful that Mr. Mancini suggests that the “contract type chosen was not (Mr. Mancini’s) decision”. However, the decision made on contract type by the contracting folks was based wholly on the input from Mr. Mancini. Were the contracting people to believe that all 49 personnel were required over a year, and have, at the time of the making of the contract, no knowledge of the several other worldwide contracts for personnel incorporated in this new contract and thus recognize duplicated requirements, I honestly believe they would not have contested the contract and, unless overridden by their senior staff (Mr. Adams or Mr. Izgrigg) would have produced the appropriate type of contract: an indefinite delivery, indefinite quantity contract with a moderate number of task orders.

With regard to the disagreements that arose, one can easily see even where staff members (e.g. Ms Sebero) brought obvious issues to senior management (e.g. Mr. Domaskin) and all they elected to do was support a wrong by blowing off the concern. This is a commonplace issue in INSCOM. It never occurred to anyone in the process that this contract required a COR, once let, until the bottom fell out in terms of the pilot process. Then, Mr. Domaskin attempted to assign an individual who did not have the requisite training, and so there never was an official COR assigned the oversight of the contract.

I believe Mr. Mancini had previous conversations with a senior representative of Silverback 7 and that both that Contractor and the Deputy, G-8 knew that funds would be wasted on the Army’s behalf and gained on behalf of Silverback 7. Silverback 7 personnel were aware that many contracts were already in place around the world and no one presented them with a schedule encompassing the whereabouts, number of personnel, and expiration of the contracts in place. It was simply an effort not worth the hassle, despite fiduciary responsibility, law, or even more importantly, common sense and a moral responsibility on Mr. Mancini’s behalf and likely his superiors. He is one of several members of the command who believe that by nature of the fact that they are senior staff members, they are untouchable and can virtually do anything they choose, right or wrong, lawful or not; after all who is going to risk going out on a limb to challenge them?

During the course of the investigation, I came to find out that Mr. Mancini did not want the most logical choice of his personnel to be a COR on this project. I believe his decision supports the fact that demonstrates knowledge of the substantial issues that accompanied both the Silverback 7 and AVUE contracts, and he wanted someone to perform those duties in a less than informed manner. In fact, currently that duty has been transferred to an individual who, since my arrival in the command, has been transferred 4

times within the division because of her lack of reliability and capacity to be trained to a point of expertise; heavily based upon a lack of desire. In fact, only because this individual is near retirement age, do they hold on to this person vice dismissal or appropriately consider reduction in grade. This complaint, I am sure, came as a shock to Mr. Mancini, but I am sure he set in action immediately to find allies. I believe he will be further shocked to find out just how many fingers, from most every direction, were pointing directly at him throughout.

I am very happy that this investigation was conducted and the discoveries brought forward included very concerning issues of gross mismanagement in all but a few of the total of the complaints. However, there is still much work to be accomplished and actions deemed appropriate to be taken against varying individuals. I am satisfied with the extent of which this transitioned within the Pentagon, but will only feel well served, and that the people of this country as taxpayers, will be well served when the issues are so circulated that not only those in INSCOM, but throughout government will cease to waste government resources, abuse their positions, and become far more active in challenging those actions that appear wrong, up front, as generally if they smell bad, they're probably bad! Also, when personnel who have actively and for a great period of longevity sought to operate contrary to law, rules, regulations, and policies, in the know, are dealt with in a manner which suggests to the people of this country, and others who act in such disdain, that such actions will not be tolerated and that violators will be held responsible for their acts, not just threatened by footnotes of legal consequences in regulations.

I am hoping that the government looks at retiring commissioned officers coming into civil service at very high grades very strenuously. These individuals have retired from service in the military, and are, in effect, beginning a new career. Although I believe they should be given priority coming into civil service, they should not be able to do so in the top tier of the grading structure. One must hold the credentials of practice and meet the requisites for progression and for anyone to simply start at the top is both inefficient, reckless, and slap-in-the-face to those who have been developing throughout the years to appropriately seek roles in leadership.

I look very much forward to the changes that surely will come from this investigation. And I believe that all members of government should be reminded of their fiduciary responsibilities. Moreover that senior level managers who receive concerns from their personnel on such issues, should consider them, first and foremost, to be credible and rule them out as they're investigated and found otherwise, as opposed to simply blowing them off. If those issues involve the individual senior manager, personnel should be able to go to the next level in the chain of command to ensure that their complaints are indeed taken seriously and investigated, without reprisal, and via professionalism vice fraternity.