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Re: OSC File No. DI-11-2122

First of all, there is no question that “gross mismanagement” was confirmed by the Investigating Officer (Ms. Lynn Schnurr) and it was her that questioned whether it wasn’t evident that violations of the Anti-deficiency Act had occurred citing violations of Time, Purpose, Amount and Bona Fide Need. She was certainly qualified by nature of both her rank and duties to have recognized the violations and would not have pursued further investigation were she not to have had evidence proving the violations.

Mr. Jeffrey Willey is a former Contracting Officer (Colonel with no opportunity to achieve the rank of Brigadier General) within INSCOM who decided to retire from military service knowing that he was to return to a similar duty and a DISES role (1 star equivalent) assumed on a non-competitive basis. This is becoming a standard in the empire building operations in INSCOM. His former and current responsibilities were and continue to keep him in constant communicate with the senior staff members in the Resource Management (RM) Division; technically, although separate divisions, they are both in the same G-Staff. Mr. Willey was appointed as the investigator even though he is not a subject matter expert, nor does he come from an external organization to the installation level organization. He is most definitely a friend of Mr. Mancini and the Colonels leading Resource Management since his arrival; two of three of those Colonels have either returned to similar circumstances as Mr. Willey to take on other created DISES positions, or remain in the office by nature of military assignment. The third has since been assigned to the Pentagon in the Army Budget Office. To ensure the investigator is free of personal, external, and organizational impairments would be a significant stretch. Many of the very people that were included in the original Whistleblower complaint are currently under his direct authority as Advisor to the Principle Assistant Responsible for Contracting (PARC).

After reading Mr. Willey’s report, I am thoroughly dismayed. At the time, and undisputed, the contract with Avue to develop a Salary Management Module was established using Operations and Maintenance funds without a clarification of whether the Time and Attendance Module requirement needed to be completed prior to work being undertaken on the Salary Module. That aspect was never clarified by Avue, however, that company did not have any salary modules developed in their products inventory prior to INSCOM’s contract with them to build one; only a bunch of promises that Mr. Mancini bought into. The mere concept of no initial product to develop should have automatically triggered a need for Procurement funds which were not available at the time, or certified on the initial Purchase Request. That simple action, by itself is a confirmed violation of the Anti-Deficiency Act. As well, since the Time and Attendance Module required a great deal of modification to achieve what the command desired, it too should have automatically triggered a need for RDTE funding that, once again, was not available at the time; O&M funds were instead applied creating yet another unquestionable violation of the Anti-Deficiency Act. Both confirmed violations concerned Purpose (wrong appropriations) and Amount (No appropriated funds available) yet it amazes me that the PI was able to find nothing to support any violations of the Anti-Deficiency Act. Along with these demonstrated failures, the RM was paying for several months (well beyond a year) for a service where no one specifically Mr. Mancini as he was the Program Manager, ever sought to seek proof of effort (work-to-date), blindly allowing the contractor to literally steal government funds by billing, and ultimately being paid for services not

rendered. The individual who knew all of this from the onset is Mr. Mancini who was aware of and complicit of allowing the contractor to perpetrate a fraud. Yet, once again, the PI failed to note any violations and certainly never made mention of any fraud. What I can clearly see, is the fact that a long standing close working relationship between the Contracting Office, PARC, and RM conveniently allows the truth to be swept under the rug.

Mr. Mancini was advised on more than 1 occasion of the fact that there were several contracts in place around the command and that the current Silverback-7 contract was redundant with regard to most all of them. Where previous contracts were in place, the then performing contractor continued to complete their efforts through to the end of the respective periods-of-performance. Yet, he allowed the contractor (Silverback-7) to bill each month for 100% of the contract value divided by 12 (initial year) even though, at most, they were entitled only to administrative costs and negotiated rates earned for providing personnel service that in the base year never exceeded 15 people. The total annual contract was \$8.4M; the monthly rate was \$700K. The Contracting Officer (Mr. Dunaway) and myself as stated in the original complaint physically met with Mr. Mancini to advise him of the redundancy (overlapping contracts), challenge the legality of paying for services not rendered, and notify him that we all had become well aware of the overlapping contracts that he chose not to reveal to the Certifying Officer or the Contracting Office. Others had previously expressed concerns as well. We also advised him of the need to amend the contract to utilize Purchase Requests each time an individual(s) were to be provided by the contractor to ensure they were only able to bill for services rendered. Both the Contracting Officer and I were in no uncertain terms told that the Chief of Staff (Mr. Lance (an SES-2) and he (Mr. Mancini) had accepted the risk and that we needed to leave things as they were and basically keep our noses out of their business. Risk in the conventional business world is generally accepted to be no greater than 10%, not nearly those far exceeding 50% of the total contract cost they were referring.

During the investigation, Mr. Mancini conveniently was found to demonstrate selective amnesia that Ms. Schnurr was able to see through very clearly, claiming not to have known of the many issues of which, was he honestly telling the truth and didn't know about, he most assuredly should have by nature of his position. Between himself and the Deputy Director of Contracting, Mr. Robert (Bob) Adams (GG-15) at the time, the two conspired to ensure a product whether good or bad, rightly accomplished or not was in place to get remaining funds for the fiscal year spent prior to the end of the fiscal year. Being wholly knowledgeable that what they were doing was wrong, they strong-armed and over-rode Contracting Officers to dictate how they wanted things accomplished, even though the complaints received from the originally assigned Contracting Officer was wholly correct in accordance with the FAR. This action, along with several other significant issues, clearly violated the Bona Fide Needs Rule, another ADA violation left undiscovered by the PI. In the end, the two conspired to take inappropriate actions as at the time they apparently anticipated making future changes to at some point to correct their indiscretions; a point that never occurred until well after the complaint was lodged and was never correctible.

After all of this, when I consulted members of the Contracting Directorate regarding their interpretations of Firm Fixed Fee Contracts, they all now cited that a contract crafted as an FFP entitled the contractor to the whole of the proceeds of the contract, whether or not they provided a service to the government or not. This is not correct and never has been. Although the contractor is entitled to negotiated administrative costs for maintaining the contract, this should never apply to any additional earnings regarding the people (or a product), unless they were actually supplied. They also spent a great deal of time advising me of how the 49 personnel requested initially by Mr. Mancini, implied nothing more than an estimate for the contractor to provide their proposal; whether the contractor provided a body, all or none, they were entitled by nature of the FFP to the whole of the annual proceeds of the contract. All of a sudden the contracting division employees all appeared to have lost contact with regard to the FAR and fiscal law.

At the time of this complaint, in the initial year, the contractor properly would have been entitled to the rates of pay and allowances for 15 people supplied, and the negotiated administrative costs; certainly a far cry from the whole of the annual funding authorized of \$8.4M. In the first option year, the number of personnel did go up, and although

difficult to maintain a track of the total number on board , considering the losses, transfers, and gains, still ended up very short of any entitlement to the whole of the annual contractual proceeds.

Bottom line is that the contract was being rushed to blow through remaining end-of-year funds that had to be obligated prior to midnight, 30 September of that fiscal year. There were no mistakes pursued, but rather deliberate intent to beat the clock without regard to law, procedure or proper appropriations; just a common view of many of our senior leaders that they can do as they please, and that no one would ever dare to call their bluffs. Abuse of position is a rampant occurrence in the command. Oddly enough, leaders at their respective levels (GG-15) are expected to know implicitly the encompassing laws concerning their career fields and are also expected to act in a manner from which their subordinates emulate.

There was opposition by the originally assigned Contracting Officer at the time who viewed what was being directed of him as questionable and illegal. He was replaced by another to get the task accomplished unquestioned. Many of the details known to Mr. Mancini were intentionally not shared. He intentionally pursued the scope of this project under false pretenses, well aware that what he was pursuing was legally, morally, and ethically wrong, but as a result of a self-serving attitude combined with a recurring abuse of position, he chose to press ahead. Were the Certifying Officer (me) to have known the scope of the details, later discovered, at the time he performed his duties, I would certainly have appropriately questioned many aspects to my satisfaction and found many circumstances on which to deny certification. Mr. Mancini was well aware of my knowledge and dedication to those responsibilities and took all action to circumvent them from me. I did certify the document initially based upon that which was presented to me at the time, but knowing what I discovered later, would never certify the document forcing Mr. Mancini to find someone less experienced, and able to be intimidated to accomplish that task, have the Comptroller himself sign the document (not likely), or abandon his pet project. He would have attempted to try them all before giving up on this project, I can assure you. All pursued in an effort to make the books and that reported to Headquarters, Department of the Army appear to demonstrate a high percentage of obligations and an ability to spend, far exceeding reality; a simple indiscretion, a blemish on his integrity. This is the kind of actions one would expect from an organization where cronyism is prevalent and the empire is built upon a vast number of rank abusing senior leaders, none of which are technically proficient, but all knowing unquestionably that what they do, more often than not, is a shortcut full of wrongs and significant wastes of taxpayer resources.

Mr. Mancini's actions in supporting a fraud, being an advocate of serious waste of resources, and abuse of power and position should have long since seen him replaced. Yet, he continues to be the same abundantly self-serving person, lacking in integrity and ethics. Of grave concern, is that Mr. Mancini's Resource Management subordinates are precisely the ones who conduct the oversight of the flash report when an ADA is suspected. There is obviously, at least to those actually carrying out their duties that personnel appraised by him are going to be unwilling to be brutally honest as a result of having to endure reciprocities where he is involved. There were two efforts undertaken at preparing a flash report. The first, very poorly constructed, though signed and submitted, was returned to command to re-accomplish. The document being reviewed for this report represents the second effort. It was still reviewed by Mr. Mancini's subordinates, and was accomplished by a PI who is a far cry from being an ADA or fiscal law subject matter expert. Instead, his selection was one that could be concealed. His efforts left a large number of questions with regard to his expertise or ability to fundamentally carry out his duties without influence. He apparently could not, as all he served to accomplish was to cover this mess up rather than seriously assume the responsibilities for which he was assigned. Any mid-career individual reviewing his efforts would have been able to clearly find substantially different results whether or not they were privy to the knowledge that Mr. Mancini had already been found to have acted with "gross mismanagement" where the term "gross" had to be further clarified for all concerned to really get a grasp of the significance of his failures and ultimate disregard for laws, setting himself above them, or not.

As a Certifying Officer, having pecuniary liability, it was impossible for me to have carried out my responsibility without knowing the whole story up front, much of which was intentionally withheld from me by Mr. Mancini and

that which was identified, in fact, so vaguely crafted that many of the questions I would have been obliged to ask for clarifications sake were not apparent. At that time, I did have a respect for Mr. Mancini and would not have thought that he would stoop to such lows as intentionally disregarding laws or of his offering up his own people (me) in the event that discovery was made of the truths involved, such that he could levy the blame on them banking on his position over theirs as being more believable. Since that time and discovery, I, and the greater majority of my colleagues, have lost complete faith in this man's ability to lead. There is no doubt he was well aware that what he was doing was wrong on several levels, as was his bringing others along with him to conspire to do wrong. He is a disgrace to his profession and should have been relieved of his position at the onset of this complaint. This man is the advisor to the Comptroller, Chief of Staff, and Commanding General. To allow this person to continue to operate under the guise of competency when he is in fact negligent and untrustworthy, is a travesty of justice. He is only respected by his fellow cronies who, in this command cover for each other's failures. Mr. Mancini has literally lied on multiple occasions to maintain his position and status. All allegations cited in the complaint were brought to his attention well in advance of any decisions to proceed, and thus only with knowledge and foresight did Mr. Mancini proceed with intention; all advice brought directly to his attention, by multiple personnel, was wholly disregarded sustaining our position that he acted with intention to perpetrate known violations of law.

It is truly amazing to me that after this investigation was brought to a completion by Ms. Schnurr, that many changes, especially in the Contracting Directorate were put in place, but Mr. Willey who is an overseer of that process found no violations of the ADA. And his people are surely protecting their backsides overtly since the complaint was substantiated. It is very intriguing how such significant changes were fundamentally necessitated in his arena, but no violations of the ADA could be substantiated. It should be obvious at this point that the PI did not conduct a thorough, methodical or comprehensive review of the merits associated with the alleged ADA violations, but instead fit the mold of a command desperate to cover up any evidence of wrongdoing. By signing his name to any documentation pertinent to his role assigned in this investigation, the PI was negligent and committed perjury.

The amount surrendered by Silverback-7 was not negotiated, but rather the amount offered by the contractor simply accepted, as a result of a poorly conceived estimate on behalf of the government, and was far short of the amount they should have returned to the government. The government was complacent in seeking to recoup a greater portion of that paid through taxpayer monies, and their acceptance of the amount initially and quickly offered by the contractor. The government certainly made several mistakes in the execution of the contract, including seeking to sweep this issue under the rug by not calculating an honest assessment of that which the contractor indeed owed the United States allowing the contractor to keep unearned funds paid them by substituting acceptance of blame on behalf of the government for the differences.

Since the initial complaint, the Silverback-7 contract has been re-competed and they lost the award. They have lodged two protests which has allowed them to continue to receive funds via a contractual bridge. The protests are frivolous, but they do buy a significant amount of time that is concurrently closing in on a year, that was undoubtedly contrived to keep the money in their pockets and keep it out of the awarded contractor's coffers. This has also caused quite a mess in terms of the stability of the contracted personnel; many of whom have already quit taking on other positions elsewhere. The new contract has been changed from a Firm Fixed Price contract to a Cost Plus a Fixed Fee contract, if the protests can ever be remedied.

Also of concern, the Contracting Officer issued a demand letter to AVUE. Subsequent negotiation with the PARC was undertaken, but later INSCOM's legal counsel (a staff exceptionally poor in fiscal law skills), along with the PARC, elected not to further pursue negotiations as a result of a decision "to seek any redress would greatly exceed the expected benefits and the probability of a successful resolution was assessed to be low". Almost the entire amount paid to AVUE was due the government. A fraud was perpetrated between the company and via complicity of Mr. Mancini that will apparently not be pursued either corporately or individually. In essence, INSCOM allowed the company to abscond with taxpayer monies unearned, without recouping anything or taking any action to prosecute fraud.

Frankly, the CARB process cited in the Additional Corrective Actions Taken by INSCOM, represents nothing more than a diversion. It provides a one page edict citing nothing unknown previously, and dumps a lot of blame on Contracting Officer Representatives who were not the causative factor in any form or fashion in this complaint.

The development of the new Command Services Organization is another addition to the command's empire building where a former G-8 (Colonel having no opportunity while in the military for promotion to Brigadier General) returned to accept a DISES (SES 1) position and a division created to justify his employ. The PARC has indeed increased oversight, but to the point of more an obstruction to procedures and process than any other beneficial aspect, and also provides for three more "chiefs" to become a part of the empire; a GG-15 and two GG-14s.

With regard to the Disciplinary Actions Taken by INSCOM, Letters of Reprimand to unspecified persons are in no way adequate punishment for violators of law. LORs are more suited for repeated personal indiscretions effecting office operations or morale, not willful violations of federal law. The LORs in the Contracting office were put in those individual's records for a year and have already been removed. The one specific individual who should have received more appropriate action, such as being replaced, remains in the G-8 and in a position of leadership; to date having not been subject to any such warranted punitive actions. Even though changes in the Contracting Directorate have been put in place, and INSCOM believes that enhanced management practices have significantly increased the quality of contracting actions, they have had only minimal, if any, impact. That statement is an attempt to justify more than has actually been instituted or achieved and several problems still exist that leaves the doors open to recurrence of like actions at some point in the future.

The truth is that allegations of improper use of funds that ultimately violated the ADA are confirmed. If the command did not have the proper funds to pursue these requirements and found a way around them, they unquestionably are valid violations, not alleged.

The PI stated that there were no violations of the Purpose Statute relative to the question of using O&M funding vice developmental or procurement funds, as "the expenditure was necessary for the efficient running of the command". His is dead wrong, it is a direct confirmable violation and his cited excuse is immaterial. His perspective unequivocally fails to address the ADA violation of using the wrong appropriations to fund projects clearly necessitating funding from appropriations other than O&M that were not immediately available or requested from the Army Budget Office or the G-2 at the Headquarters, Department of the Army. An obvious ignorance of the law is openly demonstrated by the PI.

Although a Bona Fide Need may have been established at the time for a Salary Management Module, the fact remains that one was not previously developed by the company, and at the time it was contracted should have been pursued under Procurement appropriations not available at the time; the projected costs were always in excess of \$250K. The fact that it was contracted using O&M funds is a violation of the Purpose Statute, and the fact the no one has any proof that even a thought process occurred, while payment was made on a recurrent basis represents a fraud.

The Silverback-7 contract was never intended to support any more than 15 persons in the base year as a result of a multiplicity of already in place contracts from around the command and along with proper administrative costs, should have never been perceived as entitling the contractor to the whole of \$8.4M annual proceeds. All inclusive, they should have been paid less than \$1.5M. Mr. Mancini utilized his position in an attempt to deceive ABO, HQDA, DOD, and ultimately Congress by ridding the command of resources that could otherwise not be wasted in a timely fashion before midnight on the 30th of September of that particular fiscal year. Without having taken such action, the command would not have been able to obligate either properly or not, those funds which would then have required him to return the funds to the Army Budget Office. His actions clearly demonstrated an intent to deceive; masking discovery of his actions such that his efforts would not impact future budgetary allocations to the command in future years. That action alone, although some may see it as using all the tools in this bag for the betterment of

the command, demonstrates his disregard for law, policy or procedures, and an obvious abuse of position as he has always confidently employed an attitude that he can do whatever he elects to do and no one will have the intestinal fortitude to dare to challenge his authority...but they in fact did have the guts and integrity to do the right thing. This man has an inherent responsibility to act as a fiduciary for the taxpayer and has failed to adhere to those responsibilities vehemently. On the other hand, I take those responsibilities as seriously as I do the oath I swore to defend and support the Constitution of the United States.

Frankly the lies demonstrated in this effort to dismiss clear violations of the law should warrant an investigation under the scrutiny employed by attorneys having the skills to encourage the violators to note their own inconsistencies and, in the end, divulge the truth. These impediments to having recognized clear violations of law, supportive of individuals perpetrating a conspiracy to cover those facts, are a scandalous activity that seems to be an epidemic in government today. Guilt here is not questionable, but rather confirmed. And the Army leadership in the Chain-of-Command, both military and appointed positions, were sheep following sheep in their approvals, reliant on their buddies to make this go away; keep it out of the hands of those who pose a challenge or further instigate questions. But once again, they do! Common sense employed by anyone familiar with this case and the ADA should have clearly indicated far different results...those of confirmed violations. Finally, along with the confirmation of violations that should have long since been determined and appropriate punishment applied, the fact remains that virtually nothing has been accomplished to eliminate any recurrence of like violations or abuses. One of the greatest abusers and violators remains in office, along with several others, and Mr. Mancini remains confident that nothing will come of this as most everyone is well aware of how the statute is viewed moreover as a threat that has failed to jail or fine in accordance with the statute, as opposed to being appropriately and legally exercised. What we are currently left with is a continuance to sustain this philosophy, perpetuate violations and justify them to sidestep any perception of wrongdoing at both the command and individual levels, and accept abuse of power as tolerated; virtually acceptance of anarchy in government.

Respectively Submitted

