

U.S. Department of the Interior
Office of Inspector General
1849 C Street NW
Washington, DC 20240

October 22, 2014

Dear Sir or Madam,

It is important to the mission of the NPS to demonstrate to Congress and the American public that we hold ourselves accountable:

- To the effective and efficient use of tax payer dollars;
- For adherence to public policy;
- And for the equitable and fair treatment of employees, contractors, partners, stakeholders and our visitors.

Source: http://www.nps.gov/training/essentials/html/Admin_IT_topic.html

In October 2011, the OIG conducted an investigation into complaints of mismanagement, contracting violations, and ethical issues at Canaveral National Seashore (Case Number OI-VA-11-0371-I). Examination of FY14 budget spreadsheets indicate these violations are still occurring at the park. This signifies a glaring lack of accountability concerning the three points listed above.

During the first week of October, the watchdog group Public Employees for Environmental Responsibility (PEER) issued a news release citing the National Park Service's lack of accountability concerning findings of the previous investigation at Canaveral National Seashore. A local newspaper in Daytona Beach picked up the story. The reporter was referred to Bill Reynolds at the Southeast Regional Office in Atlanta, Georgia. According to the article, Mr. Reynolds says the department took an "appropriate level of action and response" and indicated that purchasing policies were one of the things addressed.

Whatever "appropriate action" was taken does not appear to have been effective. The park's budget spreadsheets from FY14 provides evidence of split purchases, purchases exceeding the micro-purchase threshold, and other violations of the Federal Acquisition Regulations (FAR). Basically, the same sort of violations are being committed, and overlooked, by the same people that were investigated and found culpable in the previous investigation.

For the purposes of this complaint, the following regulations are relevant:

1. **FAR, Parts 2.101, 13.2 and 13.3:** A split purchase is the "intentional" breaking down of a known requirement to stay within the cardholder's single purchase limit to avoid sending the requirement to the contracting office for award. Split purchases include: splitting requirements among merchants; splitting requirements among cardholders and splitting requirements over several days.

2. **FAR 13.003(c)(2):** Do not break down requirements aggregating more than the micro-purchase threshold into several purchases that are less than the applicable threshold merely to avoid any requirement that applies to purchases exceeding the micro-purchase threshold.
3. **FAR Part 2.101:** “Micro-purchase” is an acquisition of supplies or services using simplified acquisition procedures, the aggregate (total) amount of which does not exceed the micro-purchase threshold. These micro-purchase limits are: (1) \$2,000 for construction; (2) \$2,500 for services; and (3) \$3,000 for supplies. (Also in **DOI Charge Card Policy Manual, 1.6.1.**)
4. **FAR Part 2.101:** “Construction” means construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms “buildings, structures, or other real property” include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels. Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing, or assembling of vessels, aircraft, or other kinds of personal property.
5. **FAR Part 3.101-1:** Government business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many Federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions.
6. **FAR Part 4.1100:** This subpart prescribes policies and procedures for requiring contractor registration in the System for Award Management (SAM) database to (a) Increase visibility of vendor sources (including their geographical locations) for specific supplies and services; and (b) Establish a common source of vendor data for the Government. It also states that “prospective contractors shall be registered in the SAM database prior to award of a contract or agreement.”

This complaint involves not only the actions of the two park employees I previously reported (as well as others engaged in split purchasing), it also involves the inaction of management and inadequate internal controls in that the park’s administrative officer and the superintendent have allowed these violations to continue. The mismanagement of the purchasing program and lack of accountability is inexcusable in light of previous OIG investigative findings. The NPS has not held itself accountable.

My complaint illustrates the ineffective and inefficient use of tax payer dollars, failure to adhere to public policy and regulation, and the unequitable and unfair treatment of employees, contractors, partners, stakeholders and visitors.

For a park found by an OIG investigation to have contracting issues, the “appropriate response” should have involved additional training for credit card holders and increased oversight of purchases to insure adherence to regulations and policy. These continuing violations, if substantiated, should warrant a higher level of action.

Sincerely,

Candace Carter
Titusville, FL 32780

Attachments:

1. Purchases above micro-purchase threshold (construction and services)
2. Split-purchases
3. Daytona Beach News Journal article, Oct 11, 2014
4. FOIA request results for NPS response letter to OIG
5. DI-1 (Requisition) Log excerpts
6. Vendor/Contractor information – SAM registration information
7. Tax Lien information/Vendor information – M2 Design & Signs

Purchases above the \$2,000 construction or \$2,500 services threshold:

Weaver Construction*	Demolition of Lifeguard Building	\$2,100	
Edgewater Screen*	Replace Screen, Seminole Rest House	\$2,230	
Coleman Plumbing*	Fellers Septic Repair	\$2,900	
M2 Design & Signs*	Modify Existing Signs	\$2,994	
Minette Electronics*	LE Vehicle Lights & Stripping	\$2,392	6/25
Minette Electronics*	Labor	<u>\$200</u>	6/25
	TOTAL:	\$2,592	
G&W Roofing*	Roof Shingles	\$1,500	6/2
G&W Roofing*	Repair Roof Eldora State House	<u>\$1,950</u>	7/1
	TOTAL:	\$3,450	
Alfaya Properties*	Storage Room Addition (entry station)	\$1,450	3/13
Alfaya Properties ¹	Replace windows & doors (entry station)	contract	4/9
Alfaya Properties	Remove/replace wall (entry station)	<u>\$1,250</u>	6/17
	TOTAL:	\$2,700	

Note: There are more purchases that appear to be for the same “entry station” project. This cannot be confirmed without access to actual DI-1 acquisition requests.

Split purchases:

G&W Roofing*	Roof Shingles	\$1,500	6/2/14
G&W Roofing*	Repair Roof Eldora State House	<u>\$1,950</u>	7/1/14
	TOTAL:	\$3,450	
Alfaya Properties*	Storage Room Addition (entry station)	\$1,450	3/13/14
Alfaya Properties ¹	Replace windows & doors (entry station)	contract	4/9/14
Alfaya Properties	Remove/replace wall (entry station)	<u>\$1,250</u>	6/17/14
	TOTAL:	\$2,700	
Minette Electronics*	Patrol Lights	\$2,707	7/2/14
Minette Electronics*	Patrol Siren, Console and Wires	<u>\$1,541</u>	7/2/14
	TOTAL:	\$4,248**	

CSI Sign Company*	4 Signs	\$270	2/21/14
CSI Sign Company*	Replace SR Historic Sign	\$500	3/24/14
M2 Design & Signs*	Seminole Rest sign	\$325	4/17/14
M2 Design & Signs*	Signs	\$35	5/9/14
M2 Design & Signs*	Signs	\$825	5/9/14
M2 Design & Signs*	A-frame Signs	\$270	5/12/14
M2 Design & Signs*	Signs	\$900	5/29/14
M2 Design & Signs*	Signs	\$128	5/29/14
M2 Design & Signs*	Signs	\$320	6/13/14
M2 Design & Signs*	Signs	\$96	7/7/14
M2 Design & Signs*	Fee Dollars at Work Signs	\$2,033.50	8/1/14
M2 Design & Signs*	Modify Existing Signs	\$2,994	8/4/14
M2 Design & Signs*	Vista Signs	\$58	8/19/14
	TOTAL:	\$8,754.50	

* Contractors not registered in SAM at time of purchase (as required by FAR 4.1102).

** Micro-purchase threshold for non-construction purchases is \$3,000 (FAR 2.101).

¹ Contractor became active in SAM (registered) on 4/11/2014.

Specific Vendor/Contractor/Company Information:

Alfaya Properties performed construction work in the park before registering in SAM (therefore, not registered as required by FAR 4.1102). This company also performed work on the same project (entry station) outside of an awarded a contract. The construction services totaled over the \$2,000 micro-purchase limit for construction and were paid through split-purchases on an employee's credit card.

Coleman Plumbing is not registered in SAM (as required by FAR 4.1102). It is listed in the budget spreadsheet as having an "Aerobic Maintenance Agreement" with the park. The park has paid this contractor a total of \$4,323 for repairs and services performed in FY14.

CSI Signs (Caleb Services, Inc.; Caleb Services of North Brevard, Inc.) is not registered in SAM (as required by FAR 4.1102). This company was owned/operated by one of the same registered agents as M2 Design & Signs. On June 13, 2014, the Florida Department of Revenue issued this company a warrant for delinquent sales and use tax (\$9,199.72). Another judgment and tax warrant was issued by the Brevard County Tax Collector's office on July 23, 2014 (\$586.61).

Edgewater Screens is not registered in SAM (as required by FAR 4.1102). They performed construction services (repairs to real property) that totaled over the \$2,000 micro-purchase limit for construction. The total amount was paid with an employee's credit card.

G&W Roofing is not registered in SAM (as required by FAR 4.1102). They performed construction services that totaled over the \$2,000 micro-purchase limit for construction through split-purchases (supplies and repairs to real property) on employee credit cards.

M2 Design & Signs registration date in SAM is 6/10/2014, but is currently inactive and listed as “Work in Progress” with status given as “Registration failed IRS Consent validation” (therefore, not registered as required by FAR 4.1102). This company registered in the state of Florida (www.sunbiz.org) on 3/31/2014. The park began purchasing from this vendor a few weeks later on 4/17/2014 and has purchased \$7,984.50 in signs and services from this specific company during FY14. All purchases were made with employee credit cards.

Minette Electronics registration in SAM expired 11/15/2011 (therefore, not registered as required by FAR 4.1102). The park has paid this contractor over \$12,400 in FY14 for equipment and services through individual purchases on employee credit cards.

Weaver Construction is not registered in SAM (as required by FAR 4.1102). This company was one of the contractors involved in my previous complaint. They performed construction services that totaled over the \$2,000 micro-purchase limit and were paid with an employee’s credit card.