



**Bill Johnson, Chairman, House Veterans Affairs
Subcommittee on Oversight and Investigations**

VetLikeMe Interviewed Mr. Johnson in February

Thank you Mr. Johnson, for being available to us and for your support of service disabled veteran owned small business (SDVOSB).

VetLikeMe: What strikes you most about the VA policy that's puts Veterans eighth in line for contract opportunities?

The sole purpose and responsibility of the VA is to assist our nation's veterans. I believe the law is clear that the VA is required to give priority consideration to qualified Veteran Owned and Service Disabled Veteran Owned Small Businesses for contacting opportunities in the VA. I don't believe the VA is currently complying with the law, and the GAO investigations and findings confirm this. I believe the VA has the responsibility to set an example by increasing its priority of contracting with VOSBs.

VLM: The recent response from the VA to GAO was the cancelation of the solicitation in the Aldevra case. What does this imply?

It means that the VA has taken another look at the law in light of the testimony shared during our subcommittee hearing, and have determined to further evaluate how the VA can better comply with the spirit and intent of the law. I also believe the VA now has the opportunity to do the right thing and consider VOSBs for a new contract.

VLM: The federal laws, PL 106-50 from 1999 directs all agencies to dedicate at least 3% of their procurement budgets to SDVOSB. Discounting funds from the Recovery Act, only one federal agency has ever met this 3% goal. Do you think this goal is unrealistic?

I do not believe the goal is unrealistic as the VA has shown by achieving this threshold. Other agencies have the opportunity to reassess their priorities in order to meet this goal and do business with more VOSBs.

Johnson, cont. page 12



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Why Can the VA Say 'No' to GAO?

The Veterans Affairs Department cried foul in the Government Accountability Office's recommendations in the *Aldevra* case. GAO said VA violated a 2006 law when it failed to set aside two contract solicitations for service disabled veteran owned small businesses.

By law, agencies do not have to follow GAO's recommendations — but most do.

"GAO recommendations are followed 99 percent of the time," said William Welch, chair of the Government Contracts Practice Group at General Counsel, in an interview with *In Depth with Francis Rose*.

"Congress can't tell the executive [agencies] what to do without passing a law signed by President," he said.

"Despite the fact that recommendations don't carry the weight of a mandate, generally agencies consider

"GAO recommendations are followed 99 percent of the time..."

recommendations "as written policy" that *should be* followed. If an agency does not follow a GAO recommendation, that agency must notify GAO and the Congress," he explained.

In an effort to appease GAO and Congress in the *Aldevra* case, VA cancelled the solicitation, which is in itself an indication that the VA knows it isn't following its own Veterans First policy.

Why does VA fight us? Answer may be on page 3.

At Last, No More Legalese

Mr. Jonathan T. Williams, Esq. recently wrote "Veterans First? VA Should Give Vet Contracting Program Priority" in *The Procurement Lawyer*, Winter 2012 (published by the American Bar Assoc.). An impartial, balanced summary of the activities in the SDVOSB community over the past 18 months, Williams, a partner in the Washington, DC law firm *PilieroMazza, PLLC*, has written several briefs on veterans and federal procurement.

The article traces SDVOSB/VOSB federal contracting legislation from the "Veterans Entrepreneurship and Small Business Development Act of 1999" (PL 106-50), "The Veterans Benefit Act of 2003" (PL 108-183) and the Veterans Health Care and Information Technology Act of 2006 (PL 109-461).

The article is significant for several reasons. The author establishes and reiterates the essential intent of Congress when the bills were signed into law, the piece summarizes federal laws and statute in plain terms and Williams thoroughly examines the central issues of the past 18 months, including the GAO investigations, *Aldevra*, *Kingdomware*, *Angelica*, *Powerhouse* and recent GAO determinations. In particular, Williams' questions the motive of the Veterans Administration regarding PL 109-461: "It is unclear why the VA, the agency specifically entrusted to aid veterans and administer [PL 109-461] would choose to litigate against its own "Veteran First" guidance and statutory mandate."

In closing, Williams notes: "Rather than continuing to spend precious resources on further legal battles, the VA should accept the broad Veterans First mandate..."



Full article at top link of this web page:

<http://tinyurl.com/7m3b8b4>

Below is a graphic rendering of how the Veterans Administration has mutated the *Veterans First* program (109-461). SDVOSB and VOSB that do not have a Federal Supply Schedule (FSS) don't pay the Industrial Funding Fee (IFF) that VA charges all contract awardees. Funds from the IFF are then funneled into the "VA Supply Fund."

Resources from the VA Supply Fund finance important VA programs, such as bonuses and "Holiday Pay" for VA's Senior Executive Service employees. It follows, then, that if capable SDVOSB or VOSB are not on the FSS, they don't pay the IFF, and nothing gets funneled into the VA Supply Fund. If you're not on the FSS, you're on your own. Few SDVOSB are on the FSS. Thus, very few SDVOSB are awarded VA contracts.

**Veterans First?
No way.
Follow the money!**



Congressional Appropriations to VA for Goods and Services



"VA Supply Fund " pays **executive bonuses, holiday pay, cash allowances**, but few operations vital to the VA mission.



SDVOSB/VOSB

VA buys from businesses with a Federal Supply Schedule (FSS)

IFF "becomes" the VA Supply Fund -



VA Charges FSS Businesses a fee
(77% are non-veteran businesses)

FSS Businesses must pay at least 0.5% of all procurements back to the VA Industrial Funding Fee (IFF)



“Veteran’s First”... and General Eric Shinseki

During Operation Iraqi Freedom in 2003, General Eric Shinseki was Chief of Staff of the U.S. Army during the initial phases of the war. His relationship with President Bush and Defense Secretary Donald Rumsfeld disintegrated when he testified before the Senate Armed Services Committee that an overwhelming force of several hundred thousand troops would be required to secure Iraq. The Secretary of Defense and the General shared an intensely combative relationship until Shinseki retired. Though he retired as scheduled, it was not without controversy on Capitol Hill. Top military leaders and Congress began to question the Bush administration’s respect of top level military leaders.

His integrity and staunch respect for the chain of command marked his thirty-eight year career.

The integrity that made him a great American soldier, however, has been called into question with his seemingly hypocritical observance of “Veterans First” procurement policy, PL 109-461. SDVOSB currently are behind in priority for contract award opportunities to Federal Prison Industries, Ability One, NISH, and FSS. (see page 3)

Quotes by the Secretary of Veterans Affairs

“VA will begin putting Veterans first--fully first--in our contracting efforts because we recognize the on-time, on-budget, quality solutions that you offer to meet our contracting needs.”

Eric K. Shinseki, 2009 5th Annual Veteran Small Business Conference

“At VA, we put Veterans first both in employment and in contracting.”

2010 6th Annual Veteran Small Business Conference

“We are in the business of serving Veterans with healthcare, benefits, memorials, and advocating for Veteran-owned and service-disabled, Veteran-owned small businesses.”

2011 7th Annual Veteran SB Conference

“VA is about Veterans in all that we do—first, last, and always.”

“By advocating for, and helping to boost the number of Veteran-owned small businesses, VA intends to also create more jobs for Veterans.”

“We, in VA, believe in your abilities, your resolve, and your determination to succeed.”



ON THE HILL

Legislative Update

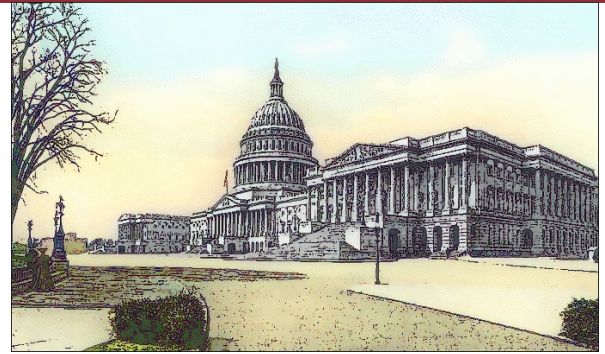
HR 4048

To amend title 38, United States Code, to clarify the contracting goals and preferences of the Department of Veterans Affairs with respect to small business concerns owned and controlled by veterans.

Sponsor: Bill Johnson (R-OH)

Introduced: February 16, 2012

Referred: House Committee on Veterans' Affairs



HR 3438

To require the Department of Defense to meet the annual goal for participation in procurement contracts by small business concerns owned and controlled by veterans with service-connected disabilities.

Sponsor: Bob Filner (D-CA)

Introduced: November 17, 2011

Referred: House Armed Services Committee, House Small Business Committee

2011 Proposed Legislation:

S. 1154: Honoring Promises to Service-Disabled Veterans

Act of 2011

Requires transparency for Executive departments in meeting the Government-wide goals for contracting with small business concerns owned and controlled by SDVOSB.

Introduced: June 7, 2011 by Senator Max Baucus (D-MT); co-sponsors: Harkin, Vitter

Referred: Senate Committee on Small Business and Entrepreneurship

S. 1184: To amend title 38, United States Code

To revise the enforcement penalties for SDVOSB misrepresentation

Introduced: June 13, 2011 by Senator Maria Cantwell (D-WA)

Referred: Senate Committee on Veterans Affairs

Introduced in House of Representatives: April 15, 2011 by Marlin Stutzman (R-IN)

Activity: May 23, 2011: passed in the House by roll call vote

HR 240: To amend title 38, United States Code

Requires (current law authorizes) a Department of Veterans Affairs (VA) contracting officer to award contracts to small businesses owned and controlled by veterans using other than competitive procedures for contracts above the simplified acquisition threshold.

Introduced: Jan 7, 2011 by Mr. Robert Filner (D-CA)

Referred: House Veterans Affairs Committee, hearings held by Subcommittee on Economic Opportunity

Introduced: May 25, 2011 by Senator Mike Enzi, (R-WY)

Referred: Senate Committee on Small Business and Entrepreneurship

S. 633: Small Business Contracting and Fraud Prevention Act of 2011

Requires that SDVOSB/VOSB are verified by all federal agencies...ends self-certification...

Introduced: March 17, 2011 by Senator Olympia Snowe (R-ME)

Referred to House Small Business Committee.~~

Does the Center for Veteran Enterprise Care?

By Bob Hesser, 1st Vice Chair VET-Force

Does the Center for Veterans Enterprise care about the success or failure of veteran-owned (VOSB's) and service-disabled veteran-owned small businesses (SDVOSB's)? The definition of the adjective "caring" is "feeling and exhibiting concern and empathy for others." The key for caring is exhibiting. It has been difficult to notice if CVE does care.



I have some examples where a caring CVE would have resolved small problems within a day or two instead of damaging a verification applicant. During a veteran's renewal CVE could not find the veteran in the VA BIRLS (Beneficiary Identification Records Locator Subsystem) data base. The company was previously verified so they had submitted multiple VA proposals. CVE was provided the DD214. When CVE would not accept it as proof, the vet went to Philadelphia as instructed and was told they cannot get into BIRLS. The company was to be awarded three contracts on 9/29/2011 but had been removed from VetBiz. That afternoon the contracting officers informed the company that the contracts would be awarded to a competing SDVOSB listed in VetBiz as verified. The 3 contracts were worth \$1.3M. An individual has no means to get their name in BIRLS. CVE has been told this numerous times in multiple different ways. They refuse to use the DD-214, DOD Medical Board Report or the VA Disability Rating letter. Mr. Tom Leney was asked by the Chairman of the HVA Oversight Subcommittee if CVE is requiring a veteran to be listed within BIRLS to prove they are a veteran. The reply was that they must be listed in BIRLS before final verification is approved. CVE has not exhibited concern and empathy for veterans.

Many Vets have been denied verification because their Board of Directors authority within their By-Laws and/or Share Holders Agreement needed a minor change. They were denied and it took 75 days or longer to get a "reconsideration" resolved. With a 60% rejection rate the CVE staff is telling the VET to resubmit a new application versus a reconsideration request. If a reconsideration is rejected the second time you cannot reapply for six months. The BOD problem could have been resolved with an email or telephone call. CVE has not exhibited concern and empathy for veterans.

"Many Vets have been denied verification because their Board of Directors authority within their By-Laws and/or Share Holders Agreement needed a minor change."

It needs to be recognized that 38 USC 8127, 8128 with changes by PL 111-275 gives the VA (CVE) the authority and responsibilities to create 38 CFR 74. 38 CFR 74 is similar to the regulation that directs the 8(a), SDB, WOSB and HUB Zone small businesses (13 CFR 125.8 thru 29). IT IS NOT THE SAME. 38 CFR 74 is far more stringent than 13 CFR 125. CVE does not exhibit concern and empathy for veterans.

Hesser, cont. page 14

Runaway Contracts: VA Loses Control of "Open Market" Purchases

(Press Release)

Washington, D.C. - Democratic Members of the House Committee on Veterans' Affairs released this statement following today's Full Committee hearing to review the Department of Veterans Affairs' Pharmaceutical Prime Vendor (PPV) contract and \$1.2 billion in improper drug and pharmaceutical purchases starting in 2004:

"We are here because VA has one again demonstrated an inability to perform at the level expected in managing procurement processes. VA readily admits that violations took place, and they are quick to assure us that changes have been implemented to fix the deficiencies at hand. But frankly, I have heard it all before," stated Congressman Michael H. Michaud, Ranking Democratic Member of the Subcommittee on Health.

Since 2004, the VA has purchased \$1.2 billion in "open market" purchases, a clause allowed in the PPV contract to be used in accordance with all applicable procurement law and regulation. However, the VA testified that they did not follow all applicable guidelines for these transactions nor detected the problems with the

“In moving forward, the VA should provide us with who is going to be held accountable for the abject failure to follow policies and procedures, how this going to be fixed...”

Representative Bob Filner

Possibly the best cartoon of this century



I personally would suggest government. They never go to jail.

PPV open market clause "in part because the process that was in place since 2004 had become routine." Veterans Affairs Committee Ranking Member Bob Filner (D-CA) concluded that, "There is a saying that ignorance of the law is no excuse. In moving forward, the VA should provide us with who is going to be held accountable for the abject failure to follow policies and procedures, how this going to be fixed, and how these changes will ensure that the care we provide to our Nation's veterans is properly managed at all levels."

Following the hearing, the Committee voted to subpoena documents from VA related to the VA open market purchases.

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Republican Statement, page 8

House Committee on Veterans Affairs Investigates VA Contracting Issues

(House Committee on Veterans Affairs Press Release)

WASHINGTON, D.C., Feb 1, 2012—VA officials today admitted to illegally purchasing pharmaceuticals for veterans off-contract through its Pharmaceutical Prime Vendor (PPV). The House Committee on Veterans' Affairs cited numerous contracting laws that were broken by VA leadership and contracting officers, which it has been investigating for nearly a year.

“Instead of performing due diligence in its open market purchasing, VA officials took the easy route,” stated Rep. Jeff Miller, Chairman of the House Committee on Veterans' Affairs. “What VA has been doing is not mere bureaucratic failure; it is illegal with serious potential ramifications for America's veterans. We will get to the bottom of this and who knew of VA's illegal buying and did nothing about it, either through a complete contracting overhaul or simply new leadership that can enforce existing law.”

“We will get to the bottom of this and who knew of VA's illegal buying and did nothing about it, either through a complete contracting overhaul or simply new leadership that can enforce existing law.”

**Chairman Jeff Miller, House Committee on Veterans Affairs
February 1, 2012**

A PPV contract, when executed correctly and with proper oversight, allows VA medical facilities to receive needed pharmaceuticals at a competitive price and in a timely manner. VA, however, illegally conducted open market purchases off their PPV contract. The House Committee on Veterans' Affairs has partnered with the House Oversight and Government Reform Committee to further investigate the extent of these activities.

“Anytime a federal agency engages in contracting outside the appropriate process, it is unacceptable. Putting veterans at risk through illegal contracting is shameful,” stated Rep. Darrell Issa, Chairman of the House Committee on Oversight and Government Reform. “There is no gray area when it comes to the health and safety of our veterans. I look forward to continuing to work with Chairman Miller to fully investigate this matter.”

“Federal acquisition regulations outline clear procedures on how agencies can acquire items not on contract, VA officials for years have ignored those procedures when purchasing supplies,” Miller said. “VA's practices also willfully ignored required competition, thereby potentially compromising patient safety and compromising best value to taxpayers.”

A subpoena to request all documents and communications from VA related to this matter was issued in conformance with Clause 2 (m) of Rule 11 of the House of Representatives.

Small Business Committee Bill Ups Agency Small Business Goals

Penalties Proposed

House Small Business Committee Chairman Sam Graves, R-Mo., introduced legislation to encourage a higher percentage of federal contracts to go to small business, along with a separate bill to elevate agency Offices of Small and Disadvantaged Business Utilization.

Graves' GET Small Business Contracting Act would raise the small business prime contracting goal from the current 23 percent to 25 percent, while withholding bonuses from agency managers who fail to meet the goal. He estimates the 2 percent increase would bring \$11 billion in new federal contracts to small businesses. The government spent about \$535 billion in contracting in fiscal 2010, according to the Office of Management and Budget.

Editor's Note

When *VetLikeMe* launched in December 2009, GAO investigations of SDVOSB fraud, the VA and government incompetence began to cook up. Congress started noticing, especially the self-certification sham and widespread fraud across the federal procurement arena. SDVOSB starting getting traction toward increased opportunities.

SDVOSB need a collective voice to form a 'pressure group.' With the help of social media, VSOs and grassroots organizations, much more attention is drawn to our issues.

The first issue of *VLM* was a four-pager. Key events within our community have grown this publication by four in two years.

I apologize for the 'busy' appearance of *VLM*. I'm pleased with our progress and hope you are too. Let our inertia keep us going until there's no need to make demands of our government to do the right thing...honor promises made for our sacrifice.

Hardy R. Stone

Hank Wilfong—

GETTING TO THEIR POCKETBOOKS....

VETS & SHINSEKI.....

We were stunned, as were many others, that Secretary Shinseki did, indeed, know about the failure to put VETS First, at the VA. As a matter of fact, it appears now that, "it was Secretary Shinseki's personal decision to not go Vets First"! So why the language we've heard from the Secretary's office—even from the White House? What happened? Why were VETS sold down the river?

It appears it was the money all the time. GSA fees supplied a huge bundle of cash to the VA. It appears that it was too big for some to pass—including the Secretary.

"The complex functions required to support the diverse programs of VA are reflected in the mission and organization of OAL. In addition to its primary role of supporting VA's programs, OAL has a Government-wide role in the supply management of medical supplies and non-perishable subsistence." "All OAL operations are funded through the self-sustaining VA Supply Fund which is managed by OAL. The operating costs are recovered through a variety of cost recovery mechanisms that are designed to pass the costs of services provided along to the beneficiaries of such service."



"The VA's Supply Fund offsets the operating costs of OAL, such as the VA Acquisitions Academy, Denver Acquisitions and Logistics Center, National

Wilfong, continued page 14



Frauds

An popular feature of *VLM*, these fraudulent companies get their just deserts. Everybody likes

to catch a thief.

They are caught in their own petard.

House Small Business Subcommittee traces pass-throughs: <http://tinyurl.com/ckchxro>

Washington, DC company wacked for falsification: <http://tinyurl.com/ckp7x6a>

Busted in Albuquerque (video) <http://tinyurl.com/75kdxwf>

After three-year probe, busted flat in New Orleans: <http://tinyurl.com/7fqls5m>

VA employee caught red-handed and jailed: <http://tinyurl.com/72379kc>

Atlanta has its share, too: <http://tinyurl.com/co3wvxa>

Another major problem with CVE...or collateral damage? Bona fide SDVOSB gets stripped of status by VA. <http://tinyurl.com/buhdmqp>

Joint Venture gone wrong: <http://tinyurl.com/7auodk8>

Interactive Map: Suspensions and debarments listed by state: <http://tinyurl.com/7z9rraq>



Short Takes

Rep. Bill Owens (D-NY) introduced HR 3779 that would penalize agencies that don't meet their small business set asides. HR 3779 decreasing their budget by 10 percent the following year: <http://tinyurl.com/7ykd937>

Rumblings have it that SBA will be merged with Commerce Dept. Small Business groups are not pleased. <http://tinyurl.com/7wt7xre>

VA's woes continue with Congress and CVE's 'new' certification requirements. Lawyers smell blood in the water...Tom Leney takes another severe beatdown. <http://tinyurl.com/86nuup2>

GAO pitches for SDVOSB to get on GSA schedule...Many SDVOSB pay thousands for help from companies to set up a GSA schedule—then all the business goes to mega-companies. <http://tinyurl.com/882dv19>

California to allow GI Bill to be used for start-up capital. Bill drafted by SDVOSB: <http://tinyurl.com/6wtmnu4>

In-Depth article on why veterans hire veterans (NaVOBA): <http://tinyurl.com/767dg5c>

USDA/American Legion Partnership <http://tinyurl.com/7lceh8j>

Unemployment payments to service members fresh out of the military have doubled since 2008, a sign that veterans are returning from war to an increasingly tough job market. <http://tinyurl.com/3mdfcgs>

A National News Publication for
Service-Disabled Business Owners



Senate Committee on Small Business and Entrepreneurship Demands Answers from VA Secretary Shinseki

In a letter to VA Secretary Shinseki dated February 9 from the Senate Committee on Small Business and Entrepreneurship, Ranking Member Olympia Snowe noted that in 2011 both the Government Accountability Office and the VA Office of the Inspector General “issued scathing reports” concerning fraud in the VA Procurement office and the harm the CVE verification process has done to legitimate SDVOSB.

Excerpts:

“I have long insisted that small business contracting programs must be subject to a vigorous verification process that is uniform and robust in order to ensure that only eligible businesses are participating in the programs.”

“I continue to hear from numerous veteran-owned small businesses about the struggles legitimate veterans face when applying for certification through the CVE process.”

Senator Snowe asked General Shinseki for six critical updates, including statistics on CVE applicants; steps VA has taken to streamline the current process; methods of outreach the VA is providing applicants while the verification process is underway; the progress of GAO’s 13 recommendations from the November 2011 audit; efforts of collaboration with other federal agencies to establish common verification methods; and whether VA needed any legislative authority from Congress to effectively process applications.

Senator Snowe requested a response to these questions by March 2.

“The world is a dangerous place to live –not because of the people who are evil but because of the people who don’t do anything about it.” —

Albert Einstein

State Activity

Hawaii—A nine per cent preference for businesses owned by service-disabled veterans on government procurements...

<http://tinyurl.com/6uxua7f>

Minnesota—Commissioner must establish goals for state agencies and penalties on prime contractors that don’t meet those established goals...

<http://tinyurl.com/7jp8lxz>

San Diego, CA—Veterans preference becomes point of contention in Mayoral race...

<http://tinyurl.com/82c838p>

Las Vegas, NV—Veterans First Becomes Campaign issue...

<http://tinyurl.com/7zckwub>



SBA to GAO:

“Reverse Auctions Break Law”

The furor over PL 109-461 (Vets First) received wide-spread national media attention. Another issue relevant to SDVOSB and all small business is a contract vehicle known as a “reverse auction.”

In a January 5 letter, SBA notifies GAO that this contract vehicle is in violation of the Small Business Act.

“...the use of FedBid and the reverse auction, as well as the requirement that the bidder have a GSA Schedule or be an agent for a Schedule holder circumvents the statutory small business set-aside mandate.”

http://www.sba.gov/sites/default/files/files/L_Field%2001_21_12-%20attch%20.pdf

Heroes Villages Employs Veterans

As many as 30% of returning veterans are unemployed according to the Bureau of Labor Statistics. Tens of thousands of these veterans are homeless.



Using all American made products—from screws to drywall—*Heroes Villages*, an SDVOSB, offers jobs to veterans in the construction industry building affordable, environmentally-friendly, rental and single family residences. Veterans Assistance Centers are available for homeless male and female veterans.

Founded by Vietnam veteran Antonio St. Lorenzo, the Connecticut-based development company intends to house families of veterans in New England, Florida, Georgia, Texas, Arizona and California.

St. Lorenzo and company intend to “embrace, empower and employ veterans who have given us so much and asked for so little.” Cities in Connecticut that soon will have *Heroes Villages* include Norwalk, Meriden, Rocky Hill, Bridgeport, and Hartford. For further information contact Antonio St. Lorenzo, 203-286-1323.

Johnson, from page 1

VLM: The Department of Defense dedicated 0.85% of their procurement budget to SDVOSB before the infusion of dollars from the Recovery Act. Do you not see this as ironic?

I would think that an agency like the DoD, one that sees daily the work ethic and quality of America's brave warriors, would be able to see the value of doing business with these same warriors after they leave military service and start their private sector careers. I also see this as a prime opportunity for a federal agency to reassess their contracting priorities in order to contract with a higher percentage of VOSBs.

VLM: VA did respond to GAO on December 8, responding that they had cancelled the solicitation in the Aldevra case. GAO also recommended that VA should re-issue the solicitation as an SDVOSB set-aside. Is the VA responsible for responding to GAO's other recommendations as well? What do you think that response will be?

It is my understanding that the VA did respond to all of the recommendations in its response. It is rare for a federal agency to ignore a GAO report and recommendation.

VLM: Since the VA cancelled the Aldevra solicitation do you think that indicates that the VA will fully comply with PL 109-461, Vets First and finally abide the law?

Between the hearing on VOSBs and the Committee's agreement with GAO's decision on Aldevra, I believe we have made it quite clear to the VA what the Congressional intent of PL 109-461 is. And, I hope the VA received this clarification and does the right thing for our veterans in the future.

“It is rare for a federal agency to ignore a GAO report and recommendation.”

For two years, *VLM* has featured unvarnished national news and editorial opinion concerning the SDVOSB community. This publication will always be free.

We hear from Congress and federal agencies. We hope *VLM* keeps the SDVOSB community informed so that decision makers are pressured to provide increased federal contracting opportunities for those of us injured while serving our country.

We've been promised these opportunities.

Advocacy begins with agitation

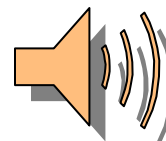
If you'd like to contribute toward our expenses, we won't refuse it...



Other Voices

VLM receives emails and comments from members of the national SDVOSB community that provide perspective and a sense of political urgency for our community. Comments, criticism and suggestions are encouraged.

Identifying information is redacted. Email: bluepoint1@comcast.net



_____”Having the CVE's verification for my business as a SDVOSB is gratifying, but the continued cost of obtaining the verification exceeds the value of having it. Like many business owners did a few years ago, I self-certified my business based on the knowledge that it was qualified as a SDVOSB under the former guidelines of the program. As a business owner, I supported the switch to an audited procedure to receive verification status in hopes that it would better qualify the field of businesses represented in VetBiz.gov as SDVOSB. I then submitted all required company documentation to the CVE for their audit and verification program, and was awarded verification status as a result.”

_____”However, the idea that I would be willing to subject my business to the continued cost and disruption of a complete annual audit to prove my company's compliance is an example of "policy to the extreme." In my opinion, an annual audit is just more of VA's usual and customary approach to everything they do - it seems to be the reverse of "all are innocent until proven guilty." VA spends billions and billions of taxpayer's dollars annually keeping eligible Veterans out the system by delaying, preventing or denying qualified Veterans from receiving their earned benefits as a result of their service to our country (including Veterans eligible for disability compensation and healthcare). Why expect the CVE to be any different in their approach to Veterans?”

Other Voices, cont. page 17

CVE Verification Survey

VET-Force has been working with the veteran community, executive branch and legislative branch personnel to demystify and simplify VA's verification process. Much of the information presented and discussed to date has been anecdotal. This survey is intended to provide quantitative feedback to help the VET-Force recommend policy, standards, process, statutory and regulatory changes that veteran business owners feel will improve VA's verification program. If you are a veteran owned business, please participate at:

<https://www.surveymonkey.com/s/N53V9V3>

Hesser, from page 6

VA needs to allow Vets the opportunity to respond **BEFORE** removing them from the CVE database. This can't be stressed enough. An applicant should be innocent until proven guilty. According to Mr. Leney's own testimony in the summer, VA is "penalizing" companies by removing them from the database if they haven't proven they own and control the company. I hear complaint after complaint that CVE is unfair. I have agreed with rulings made by CVE and I have not agreed. But in most of the cases waiting for 10 calendar days after an email or phone call from CVE to the applicant does not violate the regulations or law. That ten calendar days can assist the applicant by allowing them to explain why they did what they did and/or allow them to fix a minor problem before they are removed from the PUBLIC VETBIZ.

"VA is penalizing companies by removing them from the database..."

CVE does not exhibit concern and empathy for veterans. Make SBA's Office of Hearings & Appeals (OHA) the Appellate Court for CVE Verification denial appeals! Mr. Leney has stated he wants to change "Center for Veterans Enterprise" to mean "Center for Verification and Evaluation." Does such a name exhibit concern and empathy for veterans? On the entrance to VA Headquarters are the words from Abraham Lincoln's quote:

"To care for him who shall have borne the battle"

Wilfong, from page 9

Contract Service, National Acquisition Center, and the staff that operates these activities. The fund also pays for bonus' and other items. How does it work? VA gets .05 % of every dollar of every FSS Schedule contract that is let. Given the VA purchases billions of dollars in products, supplies, medicine, services, etc., per year, with much of that through FSS, the FSS program brings in millions of dollars to the Supply Fund." We wonder how much VETS First was "sold" for. We also wonder what VETS are gonna do about it...

And, do not forget it was Shinseki all the time. The next wonderment, then, has gotta be, how far up the ladder this goes....Until we know better, we have no alternative but to expect that it goes ALL the way to the TOP....

BluePoint Productions is a service disabled veteran owned business. I need your help to keep producing *VetLikeMe* and *VLM NewsAlerts*. **Hire Me** for your PR needs, writing, media relations or anything dealing with communications or public relations. Thanks for your support and encouragement.

Hardy Stone
301-845-1330

What is His Motive?

VA Chief of Acquisition Talks About “Veteran’s First” Irony

In an astounding display of bureaucratic stupidity or marvelous cunning, Jan Frye, Deputy Assistant Secretary of Acquisition and Logistics spoke with one of our writers and had a weight on his chest than needed to be released.

“Yesterday I had a conversation with Mr. Jan Frye, VA’s Chief of Acquisitions. Mr. Frye talked with me about the workings of the VA FSS Program and what he believes to be the importance of the FSS in relation to procurement methodology and the importance of the VA Supply Fund to OAL Operations.



Mr. Frye also let me know that Secretary Shinseki stands by the VA FSS Schedule as the go-to procurement methodology and it was Secretary Shinseki's personal decision to not go Vets First! (I am attempting to get a past Press Release from VA PA Office that is supposed to contain the Secretary's words relative to this matter). Please read the below two paragraphs from the Office of Acquisition and Logistics (OAL) webpage – “About Us.”

“The complex functions required to support the diverse programs of VA are reflected in the mission and organization of OAL. In addition to its primary role of supporting VA’s programs, OAL has a Government-wide role in the supply management of medical supplies and non-perishable subsistence.”

“All OAL operations are funded through the self-sustaining VA Supply Fund which is managed by OAL. The operating costs are recovered through a variety of cost recovery mechanisms that are designed to pass the costs of services provided along to the beneficiaries of such service.”

The VA's Supply Fund offsets the operating costs of OAL, such as the VA Acquisitions Academy, Denver Acquisitions and Logistics Center, National Contract Service, National Acquisition Center, and the staff that operates these activities. The fund also pays for bonus' and other items. How does it work? VA gets .05 % of every dollar of every FSS Schedule contract that is let. Given the VA purchases billions of dollars in products, supplies, medicine, services, etc., per year, with much of that through FSS, the FSS program brings in millions of dollars to the Supply Fund. In addition to the money that comes back to the Supply Fund to support OAL, Mr. Frye also told me that VA believes that FSS provides the best cost and the most reliable and timely source of services and supplies to support our millions of Veterans. (But, since there are no cost comparisons with SDVOSBs for certain products and supplies I ask, “how can that claim be supported?”)*

A GAO Report on the Supply Fund along with an "anonymously prepared Analysis of the VA FSS and the Supply Fund", are also attached. I have looked over the Analysis but cannot confirm its validity or support its claims. Nonetheless, it appears to be very thorough.

So there you have it folks....FSS Priority...so says Secretary Shinseki! If you want to comment on this matter, send me an e-mail and I will place it in the News for Mr. Frye and staff to read. For me personally, nothing changes until the Law changes and until that happens, it remains Vets First as required by PL 109-461. Also, for any and all purchases under the small purchase threshold (to include the “griddle” Aldevra was trying to sell to VA when VA went FSS), by Law, has to be purchased from a small business! So says the Law, so says SBA..... Small purchases are for small business only and not VA FSS to large business.”

Johnson, from page 12

VLM: Do you think that federal agencies that don't meet this minimum should be fiscally penalized?

As mentioned above, Congress has the authority to force compliance with the laws of the land. But, rather than fiscal penalties being the first course of action, I believe ensuring that agencies are dealing with clear policies and understand Congressional intent will help to improve compliance with the law, such as those governing contracts with VOSBs.

VLM: The SDVOSB Network in California filed suit last week in San Francisco Regional Court against the VA for not abiding by the law in the Aldevra case. Do you think that all the legal activities surrounding the VA will prompt Sec. Shinseki to re-think VA's policy?

While I cannot speculate as to what Secretary Shinseki will do, I certainly encourage the Secretary and others



“I believe we have made it quite clear to the VA what the Congressional intent of PL 109-461 is.”

Congressman Bill Johnson

at the VA to revisit policies and work to improve their understanding of the congressional intent of laws affecting our nation's veterans. The Veteran's Affairs Committee was created to work with the VA to ensure our veterans are getting the care and benefits they have earned and are entitled to, and as the Chairman of the Oversight and Investigations Subcommittee I will continue to work hard to make sure the VA is complying with the law and providing these earned benefits and services to our veterans.

VLM: Do you think the President should step in due to the large number of troops returning from Iraq and Afghanistan?

I believe President Obama has the opportunity to make clear to all federal agencies that they are encouraged and expected to, whenever possible, contract with VOSBs...as is clearly outlined in current law.

Thank you, Congressman for spending time with *VetLikeMe*.



VetLikeMe

Other Voices, from page 13



—————“Nothing contained in Frye’s statement (page 17) is shocking. His ‘blame it upstairs’ declaration is classic VA dysfunction. General Shinseki would dismiss the majority of his staff if he could. The first budget cut within the VA should be any cost purporting to be OSBU related.”

—————”FSS Schedule and Supply Fund have been around quite a while. The DOD has a similar program. Both the DOD and the VA are in the business of trying to reduce the cost to the tax payer by getting the best prices offered by vendors. But, every supply vendor (both inside and outside the DOD and VA) knows that the prices in the FSS and at DOD are not necessarily the “lowest prices”. Furthermore, there is little incentive for the DOD and VA to keep the operating costs of OALs to a minimum. DOD and VA supply officers have been complaining for years that the

DOD and VA surcharges are too high, and not in line with industry.”

—————”What really raises my eyebrows is that it took over a year for Congress to debate and haggle over the Veteran’s First program. The VA knew it was coming. So, why didn’t they come out then and tell Congress they don’t agree with it. The supply practices of the 80s and 90s have changed, and so have the minds of our citizens. Many believe our Veterans have paid the heavy price and “earned” the right to the opportunities that come with being a successful business man. Its time we relooked the Federal Acquisition Regulation (FAR) and rethought our priorities, putting Veterans First, not last, which is where they are today.”

—————“Verification is the best way to find out exactly what is required to achieve - an more importantly - maintain your VOSB/SDVOSB status. During the process you will learn a great deal about FARs, teaming, participation requirements, joint ventures... probably much more than you wanted, but less than you need.”

—————“In one way it's risk free, because you do not have to submit your application until you are ready. Assume nothing; complete everything by CVE's book; triple-check. Verification makes a difference now, and it will be mandatory sooner or later. It's best to be ahead of the herd when the stampede starts.”

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