



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Usatrex International, Inc.

File: B-231815.4

Date: October 31, 1988

DIGEST

Protest is dismissed where contracting agency has referred the protester's allegations of fraud in the procurement process and bias on the part of the selecting official to the agency's Inspector General for investigation. The protester may reinstate its protest with the General Accounting Office if its allegations are substantiated by the Inspector General's report.

DECISION

Usatrex International, Inc. protests the award of a contract to Danville Research Associates, Inc. under request for proposals (RFP) No. DE-RP03-88SF17290, issued by the Department of Energy (DOE) for technical and administrative support services for the Safeguards and Security Division of DOE's San Francisco Operations Office. Usatrex alleges fraud in the procurement process and bias on the part of the selecting official.

The RFP was issued as a small business set-aside on November 12, 1987. The DOE received five proposals in response to the RFP; three proposals were determined to be in the competitive range, including those of Usatrex and Danville. DOE awarded a contract to Danville on June 20, 1988, and has proceeded with contract performance.

In sworn affidavits from a Usatrex employee and from an employee of Usatrex's subcontractor, the Maxima Corporation, Usatrex alleges that an employee of Danville's subcontractor, Science Application International Corporation (SAIC), told the Usatrex and Maxima employees in meetings in February and April 1988, prior to contract award, that he had written the statement of work for the RFP while working on another DOE contract; that he was aware of cost information submitted by other competitors for the contract; and that he had discussed the RFP with the selecting

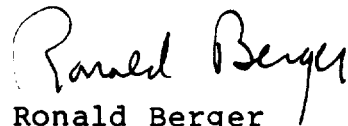
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official, the Manager of DOE's San Francisco Operations Office.

We have been informed by DOE that Usatrex's allegations have been referred to DOE's Office of the Inspector General which has responsibility for investigations concerning alleged fraud, waste and abuse and violations of DOE's standards of conduct regulations. As a result of the Inspector General's investigation, such allegations may then be referred for administrative action within DOE or to the Department of Justice for possible criminal prosecution if appropriate. DOE does not presently know when the investigation of Usatrex's allegations will be completed.

In its report to our Office, DOE has denied all Usatrex's allegations and submitted sworn affidavits from the SAIC employee, the selecting official, and other DOE employees in support of its position. However, DOE has also informed us that it has requested that the Inspector General depose additional individuals identified in the affidavits given by the Chairman of the Technical Advisory Group to the Proposal Evaluation Panel and named in Usatrex's response to the DOE's report as having information supportive of Usatrex's allegations.

In view of the ongoing DOE investigation by the Inspector General of the allegations of fraud and bias in the procurement process, we believe the appropriate course of action at this point is to close our file on Usatrex's protest pending the results of the DOE investigation. See Esmor, Inc., B-231725, Oct. 17, 1988, 88-2 CPD ¶ ____. We are requesting DOE to complete its investigation as rapidly as possible and to promptly notify the protester and our Office of the results. Upon receipt of these results, the protester may reinstate its protest if its allegations have been substantiated by the Inspector General.



Ronald Berger
Associate General Counsel