



## Decision

**Matter of:** Identity One, LLC

**File:** B-424040.2; B-424040.3

**Date:** April 13, 2026

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David Smith for the protester.

Sarah S. Jaward, Esq., Department of Homeland Security, for the agency.

Kasia Dourney, Esq., and Alexander O. Levine, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

Protest challenging the implementation and scope of agency corrective action that includes issuing a new solicitation for only the remainder of the requirement is denied where, due to unique circumstances related to a government shutdown, a substantial portion of the requirement was performed before the protest was filed and the agency issued a stop work order.

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### DECISION

Identity One, LLC, a small business of Atlanta, Georgia, protests the scope of a corrective action in connection with a protest that challenged the award of a contract to Parroco Production Group, Inc., of Chesapeake, Virginia, under request for proposals (RFP) No. 70Z02325RFAC20001. The Department of Homeland Security (DHS), United States Coast Guard, issued the RFP for hand-held biometric reader hardware, software, and maintenance services. The protester argues that the agency improperly modified the scope of, and delayed implementing, the corrective action that formed the basis for the dismissal of the firm's protest with our Office.

We deny the protest.

### BACKGROUND

On September 30, 2025, the agency awarded a contract under this solicitation to Parroco Group. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 1. The next day, October 1, the federal government experienced a shutdown due to a lapse in appropriations. *Id.* During that time, Parroco took significant steps to begin performing the requirement, including generating an internal company purchase order

on October 13, and submitting a purchase order to its hardware manufacturer on October 16. *Id.* at 1-2.

The government shutdown ended on November 12, and the government reopened on November 13. *Id.* at 2. That same day, Identity One filed a protest with our Office, challenging the agency's evaluation of proposals. *Id.* On November 13, after receiving the protest, the agency issued a stop work order to Parroco. Agency Report (AR), Tab A.1, Stop Work Order at 1.

On November 25, the agency informed our Office that it would take corrective action by "terminat[ing] the current award and issu[ing] a new solicitation for the same requirement." Notice of Corrective Action at 1. On December 2, we dismissed the protest as academic. *Identity One, LLC*, B-424040, Dec. 2, 2025 (unpublished decision).

On December 10, the agency sent a notice of intent to terminate the award to Parroco and commenced settlement discussions with the firm. COS/MOL at 2. The settlement discussions continued in January and on January 9, the Coast Guard received a settlement proposal from Parroco that included the company's incurred cost. *Id.* On January 30, the Coast Guard submitted a request to DHS to approve the termination of the contract awarded to Parroco. *Id.*

In the meantime, on January 8, 2026, Identity One filed the instant protest, challenging the implementation of the agency's corrective action.

## DISCUSSION

The protester alleges that the Coast Guard improperly delayed and failed to "implement the corrective action [as] represented to GAO." Protest at 2. Identity One also contends that the agency improperly changed the scope of the corrective action and "no longer intends to resolicit the full requirement" but instead, will "accept the completed contract work and resolicit only the remaining requirement." Supp. Protest at 1. The protester argues that this is "a material deviation" from the corrective action proposed to our Office and "upon which GAO relied in dismissing the prior protest as academic." *Id.*

The Coast Guard counters that contrary to the protester's assertions, "the [a]gency initiated and is actively implementing corrective actions consistent with its prior representations to GAO and has done so within a reasonable timeframe." COS/MOL at 2. The agency maintains that it has taken "concrete and substantial steps" in this regard, including issuing a stop work order and a notice of intent to terminate the award, and is awaiting approval from DHS to terminate the contract. *Id.* at 3. The Coast Guard acknowledges, however, that the awardee completed a substantial part of the requirement before the stop work order was issued and hence, the agency will be only resoliciting the remainder of the requirement. *Id.* at 3 n.1.

We have considered all of the protester's arguments and find no basis to sustain the protest.

As an initial matter, we note that contracting agencies have broad discretion to take corrective action where the agency determines that such action is necessary to ensure fair and impartial competition, and, generally, the details of a corrective action are within the sound discretion and judgment of the contracting agency. *Anders Constr., Inc.*, B-420717, July 20, 2022, at 3. We generally will not object to a specific corrective action, so long as it is appropriate to remedy the concern that caused the agency to take corrective action. See, e.g., *Castro & Co., LLC*, B-415508.4, Feb. 13, 2018, at 3; *360 IT Integrated Solutions; VariQ Corp.*, B-414650.19 *et al.*, Oct. 15, 2018, at 6, *citing MSC Indus. Direct Co., Inc.*, B-411533.2, B-411533.4, Oct. 9, 2015, at 5. In addition, our Office has previously found that an agency unduly delays implementation of its corrective action where the agency allows continued performance of an improperly awarded contract, fails to justify or explain lengthy delays, or acts in bad faith. *AdaRose Inc.--Protest & Costs*, B-299091.2, Jan. 14, 2008, at 4. However, we have recognized that an objection to the length of time taken to complete corrective action, without more, is not a cognizable basis of protest. *AboutWeb LLC--Protest & Costs*, B-416116.2, Nov. 9, 2018, at 4.

Here, the Coast Guard explains that while the government was shutdown, Parroco was performing the contract for over a month, *i.e.*, from September 30, the date of award, until November 13, when the federal government resumed operations and the agency issued a stop work order based on the protest filed by Identity One. COS/MOL at 3. As a result, "a substantial portion of the contract had effectively been performed, a fact that became fully apparent only after the [a]gency initiated termination and settlement negotiations." *Id.* at 3 n.1. Although the agency's original corrective action "contemplated resoliciting the full requirement, the material change in circumstances resulting from the shutdown necessitated a revised approach based on the work already performed." *Id.* The agency also maintains that "[c]onsistent with the [g]overnment's rights to accept and retain delivered work product following termination where it serves the [g]overnment's interests, the [a]gency intends to accept the completed contract work and resolicit only the remaining requirement." *Id.*

Identity One argues that contrary to the agency's explanation, the scope change was caused by the Coast Guard's unreasonable delay in implementing the corrective action. Supp. Protest at 2. The protester contends that the agency improperly allowed performance on the contract to continue, and improperly "accept[ed] hardware, software and services from Parroco," apparently resulting from a "termination settlement." *Id.* at 3. According to Identity One, by accepting the "equipment" from the awardee, the agency conducted a *de facto* sole-source procurement, in violation of Federal Acquisition Regulation (FAR) part 6. *Id.*

We have reviewed the record and find no basis to object to the agency's corrective action. As an initial matter, the Coast Guard's decision to accept and retain the completed work product and equipment after the contractor had completed substantial

performance of the requirement (before both the filing of Identity One's protest and the issuance of the stop work order) is a matter of contract administration that our Office does not review. 4 C.F.R. § 21.5(a). With respect to the agency's decision to resolicit the remainder of the requirement, we find this decision to have been within the agency's discretion and one we will not disturb where, as here, the protester has failed to demonstrate that the agency's judgment was unreasonable. See *Anders Constr., Inc., supra*.

Further, we find that the agency acted promptly in response to the protest to stop contract performance and implement the proposed corrective action. As discussed above, because of the government shutdown that started a day after the contract was awarded, Parroco continued performance for 43 days, nearly completing the requirement. The record also shows that immediately after Identity One filed the current protest, the agency issued a stop work order to the awardee. Moreover, shortly after announcing its November 25 corrective action, the agency commenced settlement negotiations with Parroco, culminating in a termination notice awaiting approval from DHS. Under the circumstances, we find these actions to be prompt and do not find that the Coast Guard unduly delayed the implementation of its proposed corrective action.

In sum, while Identity One disagrees with the agency's judgment, the protester fails to show that the agency's actions were unreasonable or otherwise violate applicable procurement law or regulation.

The protest is denied.

Edda Emmanuelli Perez  
General Counsel