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Washington, DC 20548

Office of  
General CounselIn Reply  
Refer to: B-194765

May 15, 1980

Robert Builders Incorporated  
370 Wray Large Road  
Clairton, Pennsylvania 15025

Attention: Domenic A. Macioce, President

Gentlemen:

We refer to your letter dated February 22, 1980, and subsequent correspondence relating to your contract No. DAHA 36-77-C-0063 with the Departments of the Army and the Air Force, National Guard Bureau.

You have advised us that you were a prime contractor under an agreement for making alterations and additions to aircraft hangars. Much of the work involved subcontracting. You have also advised us that there were numerous changes made under the contract, and that some of the work performed by subcontractors was defective.

According to your letters, several disputes arose among you, the subcontractors and the Government. Apparently, one dispute between you and a subcontractor resulted in arbitration, with Government representatives agreeing with the subcontractor rather than you.

You have alleged that the Government has breached its contract with you, and that Government action has brought about a wasteful expenditure of public funds. You have also alleged that Government officials have made such "gross mistakes" that your firm interprets these as fraudulent. You have asked us to investigate.

We have very carefully reviewed all the information you have furnished. It is clear there have been disagreements among the participants in the project. Our review of these materials, however, does not indicate strong potential for procurement fraud. We do not as a matter

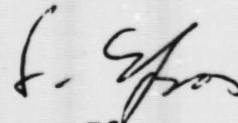


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of practice become involved in contract disputes. Generally, in fact, these disputes must be resolved in accordance with the dispute-resolving procedures agreed to under the contract. In light of this, we are not planning an investigation.

It is suggested that if you have evidence of fraud, you may wish to bring the matter to the attention of the Army or Air Force Inspector General. Also, if your disputes with the Government have not been finally resolved, you might use the dispute-resolving mechanisms available under the contract or seek relief in court.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'S. Efros', is written above the typed name.

Seymour Efros  
Associate General Counsel