

Remsburg, Kristy

From: Stratton, Amy [<mailto:Amy.stratton@mail.house.gov>]
Sent: Thursday, October 31, 2013 5:00 PM
To: Schmidt, Rebecca; Powell, Amy
Subject: CONGRESSIONAL INQUIRY: Tawanda Smith/IFOS (Hard Copy to Follow)
Importance: High

October 31, 2013

Ms. Rebecca Schmidt
Director, Office of Congressional Affairs
Nuclear Regulatory Commission
Washington, DC 20555-0001

RE: Intelligent Fiscal Optimal Solutions (iFOS)
CONTRACT #NRC-HQ-13-C-10-0040

Dear Ms. Schmidt:

This letter is written on behalf of Ms. Tawanda Smith, President of Intelligent Fiscal Optimal Solutions (iFOS). Ms. Smith has contacted my office regarding difficulties they are experiencing with alleged contractual deficiencies and optimal solutions for solving these issues. I have enclosed correspondence from Ms. Smith for your review.

Please review this matter to determine if you can be of assistance and forward your reply to my office at 8267 Main Street, Room 102, Ellicott City, Maryland 21043. Should you require additional information, please do not hesitate to contact me or my Staff Assistant, Ms. Amy Stratton at 410-465-8259.

Sincerely,

C

Elijah E. Cummings
Member of Congress

Amy Stratton
Special Assistant
Congressman Elijah E. Cummings
8267 Main Street, Room 102
Ellicott City, MD 21043
410-465-8259
Fax 410-465-8740
<http://cummings.house.gov>

From: Tawanda M. Smith [<mailto:tsmith@ifoscorp.com>]
Sent: Tuesday, October 29, 2013 9:41 PM
To: Stratton, Amy
Cc: dlucas@ifoscorp.com
Subject: IFOS Small Business Concern
Importance: High

Hello, Amy

Per our conversation, attached is the official letter regarding the small business concern with NRC. I will provide the other two attachments during our meeting tomorrow at 9:30 am.

Thank you.

Tawanda M. Smith, CPA, CGFM, CGMA
President & CEO



"Manage risk...beyond expectations"™

toll 1-888-830-iFOS ext. 710
local 301-837-9735 ext. 710
cell 301-651-1327
fax 301-837-9734
<http://www.ifoscorp.com>
tsmith@ifoscorp.com

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"In God's wisdom, He frequently chooses to meet our needs by showing His love toward us through the hands and hearts of others."

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Intelligent Fiscal Optimal Solutions

10480 Little Patuxent Parkway, Suite 400, Columbia, MD 21044

Toll: 1-888-830-iFOS Local: 301-837-9735 Fax: 301-837-9734

www.ifoscorp.com

October 29, 2013

The Honorable Elijah E. Cummings
United States House of Representatives
8267 Main Street Room 102
Ellicott City, MD 21043

Dear Representative Cummings:

As a small business located in the Maryland 7th District, I respectfully request your assistance in addressing a matter affecting my firm Intelligent Fiscal Optimal Solutions (iFOS), LLC with the U.S. Nuclear Regulatory Commission (NRC). iFOS is a Small Business Administration (SBA) 8a certified, woman-owned small business) of staff augmentation and management consulting services. We provide a wide range of administrative and financial management solutions to government agencies. iFOS has a superior reputation for delivering highest quality administrative staff to a wide array of Federal customers nationally. Currently, the firm services the Federal government with 70 employees working in DC, MD, VA, CO and NM. We are small yet effective in the services we provide to the government with integrity and excellence.

The matter I bring before your attention involves our recent contract award through competitive bidding issued under NRC-HQ-13-C-10-0040, On-Site Secretarial Support Services with the U.S. Nuclear Regulatory Commission (NRC). The agency is seeking to terminate our contract based upon negative feedback received from former iFOS employees who were released from the project. Our position is the company released the individuals based upon conduct issues which were of a great concern to the firm. Since May 2013, our firm transitioned more than 85% of the contract staff based upon the government "first right of refusal" of incumbent staff who previously held the contract for many years. Over the past few months, iFOS made tremendous strides in improving customer service and coordination with the employees in an effort to provide secretarial support services. Until recently, iFOS performed these services with no complaints from the Government.

A week prior to the Federal government shutdown, several complaints were brought to iFOS' attention regarding employee conduct at the NRC worksite. My management team took a proactive approach through discussions, informational feedback and an employee survey to isolate the underlying issues. In the mist of our investigation, NRC issued a stop work order to iFOS on Wednesday, October 9, 2013 that affected all Secretaries on the project. Subsequently, iFOS provided appropriate lay-off notification to the affected staff. Please understand, once the employees were laid off they were no longer iFOS employees.

In addition, we considered our firm very fortunate during this timeframe since most of our contracts continued operations beyond the shutdown. Therefore, my management team continued to work on addressing NRC project issues. During their assessment, it was discovered there were individuals who breach several conduct rules of the company. Based on our internal risk assessment, the team continued to deliberate on the actions to be taken for final resolution to the issues.

When the Federal shutdown ended on October 17, 2013, iFOS was notified to have all employees report back within hours of the 7:04 a.m. notification from the assigned Contracting Officer. iFOS made every effort to coordinate the reinstatement of employees except for four individuals who were awaiting our decision based upon legal advice to reinstating the employment relationship with the four individuals. The employees displayed inappropriate behavior towards iFOS management and our employees.



Intelligent Fiscal Optimal Solutions

10480 Little Patuxent Parkway, Suite 400, Columbia, MD 21044

Toll: 1-888-830-iFOS Local: 301-837-9735 Fax: 301-837-9734

www.ifoscorp.com

Subsequently, the decision was made to terminate the relationship with four employees. We believe our decision was in the best interest of the welfare and safety of the entire iFOS team. All four employees were notified of their dismissal that was non-furlough related. As a private employer, iFOS is prohibited from discussing employee personnel matters due to privacy and confidentiality issues of internal human resources decisions.

iFOS' management subsequently learned NRC was notified improperly by our Project Manager (PM) to precede with the replacement project personnel prior to the final decision made on the dismissal. We also learned at a later date, the PM did not previously communicate with the Government problems experienced with the employees. We believe our decision to release the individuals was in the best interest of the welfare and safety of the entire iFOS project team. As a private employer, iFOS is prohibited from discussing employee personnel matters due to privacy and confidentiality issues of internal human resources decisions.

Later, one of the dismissed employee contacted Congressman John Delaney's office and misinformed the office that our firm released the individual as a result of the furlough. (Please see Attachment A.) During this time, NRC requested a meeting with iFOS management team on Thursday, October 25, 2013. (Please see Attachment B.)

iFOS attended the meeting with the intention of addressing several contractual deficiencies identified as a result of our internal investigation. Immediately, upon the start of the meeting, Ms. Sheila Bumpass, Deputy Director of Acquisition made the following statements.

1. Unless three out of the four project employees released were reinstated, NRC is in the process of terminating the contract.
2. The agency is considering other firms to replace iFOS.
3. Training and security clearances will need to be reimbursed to the agency for these individuals.
4. As a result of Congressman Delaney's office inquiry which had elevated to the agency Administrator level, the decision was made to get rid of iFOS.

As the company president, I firmly stated my position as to general reason why we could not discuss employee dismissals. I also explained based upon an internal risk assessment involving the individuals and given the recent workplace violence at the Navy yard, the position of the company was to release any individual that threatened, bullied or displayed unprofessional behavior. Most importantly, I conveyed that iFOS had approximately 15 individuals with prior NRC security clearances (many with Bachelor degrees and previous government administrative experience) that were available to replace the three individuals released from the project. The government did not want one former employee to return due to an issue that occurred at NRC which iFOS had no knowledge of the incident.

I was dismayed by the professional attack by Ms. Bumpass and her lack of disregard for the employer-employee relationship regarding contractor employees. Ms. Bumpass also expressed during the meeting that she did not want to hear anything directly from me as the company president but wanted to hear from my management staff. The level of behavior displayed by this government official was most disturbing and disrespectful. While trying to explain iFOS discovered one of the root causes to the disruption in the work environment was a result of the NRC notifying project employees that there were Administrative Assistants rather than Secretaries as specified in the contract. Several employees felt as though the classification were justification for higher pay which was prohibited by the Time and Material contract. These issues have escalated to external government agencies. (Please see Attachment C to see pay differential amongst the position classification as regulated from the Department of Labor.) When I



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stated the discrepancy by the agency, Ms. Bumpass stated the inquiries made by the State of Maryland and Department of Labor was our company problem and not theirs. "NRC has been using the term of Administrative Assistants for years and that has no relevance on the issue of the requested reinstatements." The ability to remain in compliance with the Federal Labor Standards Act and other regulations remains a challenge with the Government taking the position that we will call your employees Administrative Assistants but classify them as Secretaries. We believe this issue in conjunction with NRC government officials discussing company matters led to the disruption in the work environment with the former employees. In short, doing business with the Government exposes a company and its employees to a range of monetary and other sanctions for failure to comply with applicable laws and regulations.

In contrast, Ms. Bumpass and another Contracting Officer left the meeting and the remaining NRC management staff began to communicate in a collegial manner with iFOS management team to find an amicable solution to the project challenges. During the remaining time of the meeting, project communications and contract provisions were discussed and options were provided for NRC consideration. My staff also reiterated to the NRC staff that if the individuals were reinstated our company could not be held liable for future actions of the dismissed individuals. Furthermore, NRC officials agreed there were problems with at least two of the employees which they knew about but explained the offices affected wanted the individuals based upon their outstanding performance at NRC. After the meeting, iFOS submitted our response to the NRC inquiry. (See Attachment D).

I am requesting your assistance with this matter to advocate on behalf of our small business to NRC as a result of the misleading information from the former employee(s) to the agency and to Congressman Delaney's office. iFOS has had great success in performing under similar contracts at the U.S. Patent and Trademark Office, U.S. Department of Agriculture, U.S. Superior Courts and other government agencies. We are asking for opportunity to service NRC in fairness and in compliance with both the agency contract and Federal and State regulations. We also request the opportunity to partner with NRC without our company being damaged as a result of disgruntled employees seeking to harm the business reputation of the firm. We accept our responsibility to provide all management, supervision, recruitment, employment etc. for our personnel assigned to work under the contract. Most importantly, we are humbly asking for the chance to be judged on our performance rather than imposing adverse treatment based upon the defamation of disgruntled former employees. As a small business in Federal contracting, our reputation is our greatest asset to surviving in this competitive environment and many years of hard work is at stake without your assistance.

Rest assured our firm is committed to the success of the NRC On-Site Secretarial Support Services project. We believe our company can provide exceptional, cost effective support services when there is a proper balance between the government and contractor relationship.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Tawanda M. Smith
President & CEO

Subject:

FW: Congressman Delaney's Office

Attachment A

From: Darlene Lucas [<mailto:dlucas@ifoscorp.com>]

Sent: Tuesday, October 29, 2013 7:54 PM

To: Tawanda Smith

Subject: Congressman Delaney's Office

On Monday, October 21, 2013 Intelligent Fiscal Optimal Solutions (iFOS), Project Manager (PM) for the Nuclear Regulatory Commission received a call from Kevin Mack of Congressman Delaney's Office requesting information regarding the individuals released following the government shutdown. The PM informed Mr. Mack that he was unable to discuss any information with him at the time.

The PM notified Darlene Lucas, Chief Operating Officer immediately that Mr. Mack from Congressman Delaney's Office would like to speak with management concerning the recent termination of iFOS employees. I phoned Mr. Mack that afternoon to discuss the matter at hand. Mr. Mack began informing me that Congressman Delaney's had been contact by an iFOS employee stating they had been terminated as a result of the government furlough and that he needed to get to the bottom of this matter. I informed Mr. Mack that the recent termination of four individuals was not the result of the furlough. It was personnel related and I was not at liberty to discuss the matter with him because it was a private personnel matter. I assured him that the individuals was not released due to the furlough and the information shared by the individual(s) was inaccurate. I also informed Mr. Mack that the individual(s) should examine the notification more closely because the specified language does not speak to termination as a result of the government furlough.

Mr. Mack became persistent about receiving an answer relevant to why the individuals were not able to return to work and rudely stated that he is going to get to the bottom of this matter because there is something serious going on with this contract and he will be contacting the NRC to address this matter.

Darlene Lucas
Chief Operating Officer



local 301-837-9735 ext. 712

cell 301-651-1552

fax 301-837-9734

<http://www.ifoscorp.com>

dlucas@ifoscorp.com



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

October 23, 2013

Ms. Tawanda Smith, President & CEO
Intelligent Fiscal Optimal Solutions, LLC
10480 Little Patuxent Parkway, Suite 400
Columbia, MD 21044-3576

Subject: Contract No. NRC-HQ-13-C-10-0040 / SBA 0353/12/202856/0; Contractual Concerns

Dear Ms. Smith:

The Nuclear Regulatory Commission's (NRC) Acquisition Management Division (AMD) would like to bring to your attention contractual concerns rising to a potential breach of the above stated contract for failure to deliver services in accordance with the terms and conditions of the contract and the individual task orders (TO). Section B.6, subsection IV (B) "Contractor Responsibility" states in part: "The contractor shall coordinate assignments of all personnel required to successfully perform the support service requirements set forth in this contract." Section B.6; subsection IX, "Substitution of Contractor Personnel Performing Under A Task Order" states in part: "The personnel designated in the individual TO shall be considered key personnel for purposes of each TO. The contractor shall obtain the prior approval of the COR in reassigning and/or replacing any key personnel with other contractor employees."

On October 17th, Ms. Rheana Frazier, Ms. Marcellia Kemp, and Ms. Terri Harrison, contractor employees under individual task orders and therefore designated key personnel, were not allowed to return to their contractual duty station after the conclusion of the lapse in appropriations. The COR and Task Order Managers were not provided advance notification; therefore, prior approval for replacing these individuals was not obtained. This is a clear violation of the notification and approval requirements of the contract. Further, the lapse in service without prior notification or the replacement of equally qualified personnel represents a failure to perform services within the time specified and in accordance with the specification of the contract.

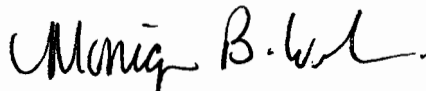
The objective of this secretarial services contract is to provide competent secretarial services to NRC's executive offices. NRC invests valuable resources to support the contractor secretarial staff. These resources include the cost of security clearances and human capital costs associated with providing specific in-house training for the specialized secretarial positions. The contractor secretaries provide support to NRC's executive staff, thus many positions require extensive training to enable a contractor secretary to perform NRC specific tasks. For example, an employee dedicated a month to train Ms. Frazier. Unfortunately, this office does not have the resources to train a new contractor secretary to replace Ms. Frazier. The Office of Information Security (OIS) invested a tremendous amount of time and effort to train Ms. Kemp.

The removal of Ms. Frazier, Ms. Kemp, and Ms. Harrison without notice or transition leaves three NRC executives without critical secretarial support. This void severely impacts the office's ability to complete critical tasks that impact their mission. In each instance, the executives applauded the work ethics of their contractor secretary, and questioned the rationale of the iFOS management team.

Therefore, replacement of a fully trained, top performing secretary involves more NRC effort than a simple "meet and greet." NRC offices are willing to invest the time and effort required in order to develop a well-trained contractor secretary staff, but only with a stable secretary staff. Not having a well-trained and stable contractor secretary staff impedes NRC's ability to perform its function, and brings into question the contractor's ability to perform its contractor responsibility to retain contractor personnel.

NRC further questions the management decision to abruptly remove contractor personnel without advance notification to the COR, and without attempts to mitigate loss of support prior to removal. NRC would like to know the specific effort iFOS plans to employ to mitigate future disruption in contractor personnel support, and the cost to the NRC to obtain costly security clearances and train new contractor staff. The failure of iFOS to retain competent staff and to ensure a smooth staffing transition is threatening NRC's continued contractual relationship with iFOS.

Sincerely,



Monique B. Williams
Contracting Officer
Acquisition Management Division

cc: Ms. Darlene Lucas, iFOS
Ms. Catherine Blakeney, NRC COR

October 24, 2013

Ms. Monique B. Williams
Contracting Officer
Acquisition Management Division
U.S. Nuclear Regulatory Commission
Division of Contracts
Rockville, MD 20555-0001

Subject: Response to Letter Dated October 23, 2013 titled, "NRC-HQ-13-C-10-0040/SBA 0353/12/202856/0; Contractual Concerns.

Dear Ms. Williams:

I would like to thank the U.S. Nuclear Regulatory Commission (NRC) for this much appreciated opportunity to address the agency concerns regarding the recent staffing changes made by iFOS. As former government officials, we understand the challenges faced by agency when contractor changes occur and our main servicing goal to the agency is to provide a stable workforce to minimize any disruptions to the NRC operations.

To address the potential breach of removing specific iFOS staff from the project, in reviewing the contract, we can find no language which limits our ability to remove personnel. I agree that the NRC does, however, have the right to review replacement candidates. As you are aware, there are numerous iFOS candidates with NRC clearances available and is awaiting approval for your selection. We agree the contract clearly states "[t]he personnel designated in the individual TO shall be considered key personnel for purposes of each TO. The contractor shall obtain the prior approval of the COR in reassigning and/or replacing any key personnel position with other contractor employees." As defined in our original solution to the NRC, the Project Manager oversees all iFOS personnel and is responsible for all decisions necessary to implement the day-to-day operations of the project. The role includes continuous customer interface and critical coordination with the customer in the decision-making on project staffing issues. iFOS accepts full responsibility that the critical coordination with the government did not occur to allow an effective transition period to prevent service interruption of the individual offices stated in your letter. iFOS is committed to resolving risks before they occur and have implemented corrective actions to ensure this service failure will not occur going forward.

In addition, as we expressed to the entire NRC team in our meeting, iFOS is prohibited from discussing employee personnel matters due to privacy and confidentiality issues of internal HR decisions. We understand your frustration in not being provided with full disclosure concerning these personnel matters, as well as providing the agency with advance notice of our employment decisions. However, we believe the former employees' right to privacy and iFOS' right to discipline its employees to mitigate risk to the overall project was in the best interest of all parties involved. I am certain that you would have the same sensitivities should we make inquiries into the disciplining of any NRC employees.

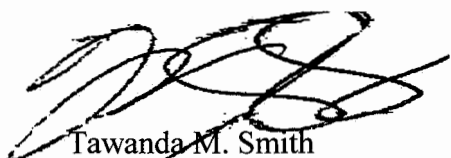
Most importantly, we understand the work of the NRC is of paramount importance to our nation. Our firm's commitment is to provide your agency with exceptional, reliable professional support services. Again, we appreciate the NRC as premium customer and would not jeopardize our partnership we have and continue to establish with NRC internal offices. Given the magnitude of the situation expressed by the agency during today's meeting and the impact it has had on your internal offices, we are carefully reconsidering our position on the matter. However, we still have great concerns relevant to weighing internal information on the personnel matters involving the former employees. Therefore, we propose a solution that would address the agency immediate need for reinstatement of the requested employees while minimizing our risk based upon potential liabilities that may occur upon rehiring these former employees.

Therefore, as an alternative to accommodate your desire to retain the specific employees identified in your letter to return to this contract, iFOS is amenable to modifying its contract so that these employees are placed on iFOS' payroll and the NRC assumes all responsibility and holds iFOS harmless for any actions taken by or attributable to these employees. This would necessarily include actions taken with respect to NRC as well as any internal costs, problems or difficulties created by reemploying these individuals as well as insulating iFOS from any conflicts of interest which are created by accepting the agency direction.

Finally, to make certain iFOS is clear on the communication that was conveyed during today's meeting, we are requesting clarification from the agency that failure to reinstate the former employees would result in termination for convenience of the contract. We also request the agency to identify any unresolved matters with our firm that need to be addressed.

Again, iFOS would like express its gratitude for granting us the opportunity to rectify and resolve any issues which would prevent NRC from meeting its operational goals.

Respectfully yours,



Tawanda M. Smith

cc: Ms. Catherine Blakeney, NRC COR
Ms. Darlene Lucas, COO