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**POGO Releases Names of Suspended and Debarred Contractors
 Profiled in GAO Report**

Last month, the Government Accountability Office released a report titled, [Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds](#), documenting 25 cases in which companies and individuals that had been suspended or debarred from federal contracting continued to receive contracts. Unfortunately, the report did not name the companies and individuals at issue.

POGO was able to obtain those names. The following is a reproduction of the case studies chart in the GAO report. The last column, added by POGO, contains the names of the suspended or debarred companies and company principals, as well as links, if available, to their suspension/debarment records in the Excluded Parties List System (EPLS):

Case	Nature of Work	Excluding Agency and Reason for Exclusion	Case Details	Name *
1	Chemical products	<ul style="list-style-type: none"> • GSA, May 2007 • Conspiring to defraud the government. 	<ul style="list-style-type: none"> • Company sold over \$1,000,000 in chemicals to various federal agencies, including GSA, during its debarment. • EPLS searches did not reveal the company was debarred because GSA did not list any unique identifying information for the company in EPLS until we notified it of the discrepancy in May 2008. 	Company: Steven Industries Principal: William Rubenstein
2	Cable television	<ul style="list-style-type: none"> • Navy, July 2003 • Conviction for a massive tax fraud scheme. 	<ul style="list-style-type: none"> • The Navy made two awards to the company during FY 2006 and FY 2007 totaling \$230,000 because the contracting officer (CO) used an 	Company: Americable Principals: Charles C. and Joan A. Hermanowski

			incorrect name to search EPLS.	
3	Mechanical parts	<ul style="list-style-type: none"> • Defense Logistics Agency (DLA), February 2005 • Delivery of noncompliant parts for use in military vehicles. 	<ul style="list-style-type: none"> • Per a DLA investigation conducted in summer 2007, during its debarment the company sold over \$1,000,000 in parts to various federal agencies, including the Air Force, the Army, the Navy, and GSA, among others. • The Air Force purchased \$2,000 of these parts because it used incorrect punctuation in an EPLS search. We do not have documentation explaining why other agencies made awards to this company. 	Company: Lasmer Industries, Inc.
4	Computer services	<ul style="list-style-type: none"> • GSA, August 2006 • Conviction for falsification of records related to Securities and Exchange Commission (SEC) filings. 	<ul style="list-style-type: none"> • The U.S. Department of Agriculture (USDA) awarded the company \$120,000 in September 2006 when EPLS searches by name and DUNS did not reveal the suspension because the CO used incorrect punctuation in the company's name. 	Company: Applix, Inc.
5	Construction	<ul style="list-style-type: none"> • GSA, September 2006 • Use of fictitious SSNs to open fraudulent GSA auctions accounts. 	<ul style="list-style-type: none"> • Interior made seven awards to the company totaling \$230,000 during 2007. • Five of these awards were made because the CO failed to query EPLS. • For two awards, an EPLS query did not reveal the suspension because GSA failed to enter the data in a timely manner. 	Company: National Supply & Installation Principal: Melvin Ray Nickell
6	Cleaning supplies	<ul style="list-style-type: none"> • GSA, March 2007 • Conviction for illegally dumping chemicals into city sewers. 	<ul style="list-style-type: none"> • The Department of Veterans Affairs (VA) made a \$1,500 purchase from the company during August 2007. VA did not check EPLS because it assumed the company was eligible based on its listing on the Federal Supply Schedule. 	Company: Chemco Industries
7	Engineering	<ul style="list-style-type: none"> • Navy, April 2006 • Deliberate replacement of inspected parts with nonconforming parts during a repair of a naval vessel. 	<ul style="list-style-type: none"> • Within a month of debarring the company, the Navy awarded contracts totaling \$110,000 without checking EPLS. • The Navy also made a \$4,000 award following an 	Company: Tecnico Corporation

			EPLS search in which the company's name was misspelled.	
8	Electronics	<ul style="list-style-type: none"> • DLA, May 2006 • Use of insider information to bid on federal contracts. 	<ul style="list-style-type: none"> • The Air Force awarded the company \$50,000 in 2007 after incorrectly searching for the company's DUNS using EPLS's name search function. 	<p>Company: Pamir Electronics</p> <p>Principal: Nellie S. Sarukhanyan</p>
9	Administrative services	<ul style="list-style-type: none"> • Treasury, March 2004 • Submission of inflated invoices to the Internal Revenue Service (IRS) for payment. 	<ul style="list-style-type: none"> • The National Aeronautics and Space Administration (NASA) awarded the company \$450,000 in 2006 on the basis of an EPLS query performed in 2003, before the company was debarred. 	<p>Company: RGI, Inc.</p> <p>Principals: John and Priscilla Rachel</p>
10	Prosthetics	<ul style="list-style-type: none"> • GSA, November 2006 • Violation of antifraud provisions of federal securities laws. 	<ul style="list-style-type: none"> • GSA did not enter the company in EPLS until after the suspension had terminated. VA made \$1,000 in purchases from the company in November 2006, having no way to know that the company was ineligible. 	<p>Company: Gerber Coburn Optical, Inc.</p>
11	Electronics	<ul style="list-style-type: none"> • Navy, October 2005 • Conviction for stealing federal purchase card numbers to make fraudulent purchases totaling over \$125,000. <p>* Mr. Garrett pleaded guilty to the alleged charge and paid \$19,358.84 in restitution, representing the full amount of the victims' losses.</p>	<ul style="list-style-type: none"> • DLA made a \$2,500 purchase from the company in December 2005 through an automated purchasing system that does not interface with EPLS. • Debarred owner created a "new" company to receive an additional \$30,000 in 2006 and 2007 from DLA by using a slightly altered name and a new DUNS and CAGE code. Federal contractor databases list the convicted company president as the point of contact for both companies. The contact phone number, addresses, and banking information were also identical. 	<p>Company: Total Electric</p> <p>Principal: Van Robala Garrett</p>
12	Medical equipment	<ul style="list-style-type: none"> • HHS, April 2003 • Conviction for wire and Medicare fraud. 	<ul style="list-style-type: none"> • After a series of ownership transfers, the owner's wife operated her debarred husband's company under her maiden name. This scheme allowed the company to continue to receive Medicare disbursements for 3 years 	<p>Principal: Marc Louis Siebzener</p>

			until her husband's debarment terminated.	
13	Aircraft adhesives	<ul style="list-style-type: none"> • GSA, November 2006 • Wire fraud and use of noncompliant parts. 	<ul style="list-style-type: none"> • GSA entered into an administrative agreement with the owner that allowed him to continue to do business with the government as long as he removed himself from daily operations. In reality, the owner maintained control of the company using anonymous e-mail accounts and untraceable prepaid cell phones. 	Company: Principal: Steven M. Fine
14	Military spare parts	<ul style="list-style-type: none"> • DLA, December 2005 • Conviction for false statements. 	<ul style="list-style-type: none"> • The Navy and the Air Force made purchases totaling \$3,000 during FY 2006 in part because they used incorrect punctuation in EPLS searches. 	Company: Bright Lights USA
15	Manufacturing	<ul style="list-style-type: none"> • Army, July 2005 • Conviction in Germany for attempting to smuggle nuclear reactor parts into North Korea. 	<ul style="list-style-type: none"> • The Army awarded the company over \$4 million during FY 2006. • The Army told us it was legally obligated to continue the contract. However, there were in fact several options for termination. It is not clear whether the Army considered those options. 	Company: Optronic GmbH Principal: Hans Werner Truppel
16	Cleaning services	<ul style="list-style-type: none"> • Air Force, October 2003 • Submission of false billings for services not provided. 	<ul style="list-style-type: none"> • The Air Force awarded the company \$7,000 in FY 2006 after a properly conducted EPLS search failed to reveal the company's debarment. 	Company: Thompson International/Advanced Environmental Services
17	Military supply	<ul style="list-style-type: none"> • Navy, August 2007 • Violation of federal antitrust statutes. 	<ul style="list-style-type: none"> • DLA made a \$12,000 purchase from the company in September 2007 through an automated purchasing system that does not interface with EPLS. 	Company: Peck & Hale
18	Refinery	<ul style="list-style-type: none"> • EPA, August 2007 • Conspiracy to violate the Clean Water Act. 	<ul style="list-style-type: none"> • Energy awarded the company \$10,000 after the suspension date, but before the suspension was entered into EPLS. 	Company: Johnson Matthey
19	Microwave technology	<ul style="list-style-type: none"> • Navy, June 2006 • Indictment on multiple charges, including 29 counts of wire fraud. 	<ul style="list-style-type: none"> • The Navy made two purchases totaling \$11,000 from the company using simplified acquisition procedures without checking contractor eligibility in EPLS. 	Company: General Microwave Corporation
20	Construction services	<ul style="list-style-type: none"> • Army, June 2006 • Indictment on multiple 	<ul style="list-style-type: none"> • The Navy modified an existing contract to add 	Company: Parmatic Filter Corporation

		charges, including conspiracy to commit fraud.	\$1,000 in goods during August 2006 without performing an EPLS search.	
21	Computer services	<ul style="list-style-type: none"> • Navy, November 2006 • Failure to disclose a conflict of interest related to prior military service. 	<ul style="list-style-type: none"> • Interior awarded a \$200,000 contract modification during FY 2007 based on the company's oral representation of eligibility, without conducting an independent query of EPLS. • The Navy and USDA awarded contracting modifications worth \$580,000 without checking EPLS. 	<p>Company: Access Systems</p> <p>Principal: Jose Luis Betancourt</p>
22	Construction	<ul style="list-style-type: none"> • Army, October 2005 • Engaging in a bid rigging scheme. 	<ul style="list-style-type: none"> • The Army made three awards to the company totaling \$300,000 during FY 2006 based on an EPLS search conducted during FY 2003. 	Company: Wintech Korea Company
23	Construction	<ul style="list-style-type: none"> • Army, September 2005 • Bribery and kickbacks related to federal contracts. 	<ul style="list-style-type: none"> • Army was unable to provide any justification for over \$100,000 in contracts awarded to the company during October 2005. 	<p>Company: SKE GmbH</p> <p>Principal: Hermann Merkl</p>
24	Computer services	<ul style="list-style-type: none"> • Air Force, July 2007 • Perpetrating a phantom bidding scheme. 	<ul style="list-style-type: none"> • Army made five awards during FY 2007 totaling \$150,000 after EPLS searches by name failed to reveal the company's debarment. 	Company: SWR, Inc.
25	Manufacturing	<ul style="list-style-type: none"> • DLA, February 1997 • Indictment for mail fraud. 	<ul style="list-style-type: none"> • Army was unable to provide any justification for \$25,000 in awards to the company made during FY 2006 and 2007. 	<p>Company: Aerotech Herman Nelson</p>

Source: United States Government Accountability Office, *Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds*, February 2009, GAO-09-174, available at: <http://www.gao.gov/new.items/d09174.pdf>

* Information obtained and added by POGO.

In conjunction with the release of the GAO report, the [House Committee on Oversight and Government Reform](#) held a hearing at which [POGO testified](#) about ways to improve the suspension and debarment system to ensure that taxpayer dollars do not end up in the hands of excluded contractors. The testimony of POGO's General Counsel, Scott Amey, and the other witnesses is posted [here](#).

Founded in 1981, the Project On Government Oversight (POGO) is an independent nonprofit that investigates and exposes corruption and other misconduct in order to achieve a more effective, accountable, open, and honest federal government.