

Statement of
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Chairman Coffman, Ranking Member Kuster, and Members of the Subcommittee. Thank you for inviting me to testify before you this morning. Today I find myself in a position I never envisioned myself to be in. I am testifying as a whistle blower.

Before I go further, I want to assure you I do not enjoy being a whistle blower. I am not a disgruntled VA Senior Executive. I am definitely not seeking attention or celebrity. I am here before you, because I have been unsuccessful in my persistent attempts to bring massive violations of Federal acquisition and fiscal laws and regulations to a halt in VA.

Each of us engaged in Federal acquisition and fiscal processes have an overriding responsibility to taxpayers. Those of us in leadership positions must always lead in a manner so as to maintain the public trust, while upholding the integrity of the Federal acquisition and financial systems.

Over the past five years, some senior VA acquisition and finance officials have willfully violated the public trust while Federal procurement and financial laws were debased. Their overt actions and dereliction of duties combined have resulted in billions of taxpayer dollars being spent without regard to Federal laws and regulations, making a mockery of Federal Statutes. I am not aware of a single senior acquisition leader being held accountable for wrongdoing or dereliction in the nearly 10 years I've been in my present VA position.

While intentional violations of Federal acquisition and fiscal laws add to the VA's now infamous "corrosive culture" recently cited by the White House, these unlawful acts may potentially result in serious harm or death to America's veterans. When VA procures pharmaceuticals or medical devices without terms & conditions afforded via written contracts, the government forfeits all legal protections afforded by contract law. Efficacy and safety mandates are nonexistent.

Without contracts, Food and Drug Administration certifications are not a legal requirement, nor are Trade Agreement Act or Made-in-America provisions. Unfortunately, the government has little recourse if veterans are harmed by products or services obtained without protection of contract terms & conditions.

In addition doors are flung wide-open for fraud, waste and abuse when contracts are not executed. For example, by law, prices paid for goods or services subject to contracts can only be determined to be fair-and-reasonable by duly appointed contracting officers. I can state without reservation that VA has and continues to waste millions of dollars by paying excessive prices for goods and services due to breaches of Federal procurement laws.

Further, traceability and auditability of public funds spent without regard for established laws and regulations are difficult if not impossible to realize. Contract award data is required statutorily to be recorded in the Federal Procurement Data System (FPDS), which is accessible by the general public. When contracts are not executed, taxpayers are not afforded access to data describing these expenditures.

Also, VA small-business goal accomplishments have been and continue to be overstated. Illegal procurements without contracts are not included in calculations to determine Federally mandated small-business goals. Thus we've duped the veteran-owned business community we are required by law to advocate for.

The overarching questions are these: How is it possible the VA procurement and finance systems have been allowed to operate where potentially billions of dollars in goods and services are acquired without contracts as required by Federal law? Why are VA senior procurement and finance officials not actively enforcing acquisition and fiscal laws?

You have just heard Mr. Murray provide the VA's official statement in response to your request for this hearing. There are no false affirmations in our statement that I am aware of. However, senior leaders before you today know the Department is not telling the whole story. We hope you won't ask us any questions that will force us to tell you about the important pieces we've premeditatedly left out. If you happen to ask us about what we've failed to tell you, we hope we can answer your questions in such a way as to quickly extinguish potential follow-on questions. In short, obfuscation is our game.

I will no longer be a party to these VA games. The vaunted Veterans Affairs ICARE values, with Integrity being first, make an attractive lapel pin, but little else if we don't live these values daily. We continue to flout Integrity, the most basic and necessary foundational footing, the very core of our being.

In the recent past, because VA senior leaders would not conduct themselves appropriately, I was forced to request assistance from Congressional members. For instance, Rep. Donnelly, now Senator Donnelly, assisted me in halting ubiquitous violations of Federal law in the procurement of VA pharmaceuticals in 2012, through hearings he mustered. Former Rep. Buyer assisted me twice in arresting massive violations in the use miscellaneous obligations, in 2008 and again in 2010, through hearings.

In 2013 I attempted to report massive, illegal acts to the House Oversight and Government Reform Committee, including matters involving illegal purchase card use. I was thwarted in my efforts when that Committee's Senior Counsel and a VA Senior Acquisition Executive, who are friends, conspired to keep my letter from Chairman Issa.

Approximately seven weeks ago, I disclosed illegal matters in a 35-page report to Secretary McDonald, which included recommendations going forward. My labors have not yet been acknowledged. I took to heart the Secretary's invitation for "whistle blowers" to step forward. I believed the Secretary was sincere when entreating all VA employees to abide by words found in the West Point Cadet Prayer..... "Make us to choose the harder right instead of the easier wrong." However, I hope we can also live up to the remainder of the sentence in which those words are contained, which reads "and never to be content with a half-truth when the whole can be won."

Mr. Chairman, this concludes my testimony. I am prepared to answer questions you or other members of the Subcommittee may have.