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COMMITTEE ON VETERANS' AFFAIRS

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Committee Investigates VA Contracting Issues

WASHINGTON, D.C.—VA officials today admitted to illegally purchasing pharmaceuticals for veterans off-contract through its Pharmaceutical Prime Vendor (PPV). The House Committee on Veterans' Affairs cited numerous contracting laws that were broken by VA leadership and contracting officers, which it has been investigating for nearly a year.

“Instead of performing due diligence in its open market purchasing, VA officials took the easy route,” stated Rep. Jeff Miller, Chairman of the House Committee on Veterans' Affairs. “What VA has been doing is not mere bureaucratic failure; it is illegal with serious potential ramifications for America's veterans. We will get to the bottom of this and who knew of VA's illegal buying and did nothing about it, either through a complete contracting overhaul or simply new leadership that can enforce existing law.”

A PPV contract, when executed correctly and with proper oversight, allows VA medical facilities to receive needed pharmaceuticals at a competitive price and in a timely manner. VA, however, illegally conducted open market purchases off their PPV contract. The House Committee on Veterans' Affairs has partnered with the House Oversight and Government Reform Committee to further investigate the extent of these activities.

“Anytime a federal agency engages in contracting outside the appropriate process, it is unacceptable. Putting veterans at risk through illegal contracting is shameful,” stated Rep. Darrell Issa, Chairman of the House Committee on Oversight and Government Reform. “There is no gray area when it comes to the health and safety of our veterans. I look forward to continuing to work with Chairman Miller to fully investigate this matter.”

The Committee's investigation, leading to today's hearing, revealed that VA officials knowingly purchased pharmaceuticals and other medical supplies off-contract. VA confirmed that senior leadership knew of the PPV contracting problems at least in early 2011, and possibly back to 2009, but did not order the illegal practice be stopped until November 2011.

“Federal acquisition regulations outline clear procedures on how agencies can acquire items not on contract, VA officials for years have ignored those procedures when purchasing supplies,” Miller said. “VA's practices also willfully ignored required competition, thereby potentially compromising patient safety and compromising best value to taxpayers.”

A subpoena to request all documents and communications from VA related to this matter was issued in conformance with Clause 2 (m) of Rule 11 of the House Representatives.

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RT @HouseVetAffairs: #VA officials admit to illegal contracting practices @ #HouseVets hearing for #vets meds.

RT @HouseVetAffairs: @CongJeffMiller: “#VA took the easy route...w/serious potential ramifications for America’s #vets”: <http://veterans.house.gov/press-release/committee-subpoenas-documents-on-illegal-va-contracting-practices>

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