



INSPECTOR GENERAL REPORT

2011-06-0217

April 26, 2013

IDOA CONTRACTOR APPLICATION¹

Inspector General David O. Thomas, after an investigation by Special Agent Charles Coffin, reports as follows:

On June 20, 2011, the Office of the Inspector General (“OIG”) received information from the Indiana Department of Administration’s (“IDOA”) alleging that a contractor (“Contractor 1”) may have submitted documents with inaccuracies or misrepresentations in its response to a Request for Proposal (“RFP”). Due to this allegation, the IDOA suspended the RFP process and did not award the contract.

On October 20, 2010, the IDOA, on behalf of the Indiana Family and Social Services Administration’s Division of Disability and Rehabilitative Services (“DDRS”), issued RFP 11-29. RFP 11-29 was a solicitation for Psychiatric/Psychological Services for Medical Chart Review and Evaluation. Contractor 1, along with two other vendors (“Contractor 2” and “Contractor 3” respectively), submitted a proposal in response to that RFP.

¹ This report was initially confidential under Indiana law. Revelations of the allegations by persons involved to other persons have made this report public.

As a result, the DDRS evaluation team scored the three proposals. Based on the team's evaluation, an IDOA Strategic Sourcing Analyst and the IDOA Strategic Sourcing Director sent an Award Recommendation Letter ("Letter") to the IDOA Deputy Commissioner of Procurement. The Letter noted that Contractor 1 failed the Technical Proposal for multiple reasons. Therefore, Contractor 1 did not pass Step 1 and was disqualified from further consideration. The Letter also noted that only Contractor 2 successfully advanced through all steps of the evaluation process, so the DDRS recommended it for selection to begin contract negotiations.

The IDOA Deputy Commissioner of Procurement ruled, however, that there were no "Pass/Fail" requirements in the RFP. Because of that ruling, the IDOA issued an opinion that the DDRS had used invalid evaluation criteria to disqualify Contractor 1 and Contractor 3. The IDOA overrode the DDRS's initial scoring and directed the DDRS to re-evaluate the three proposals, which it did on March 22, 2011.

Based on the second evaluation, the DDRS recommended Contractor 1 and Contractor 2 to the IDOA for selection to begin contract negotiations. The IDOA issued a "split-bid" award to Contractor 1 and Contractor 2. Subsequently, a law firm ("Law Firm") representing Contractor 2 filed a formal vendor complaint/protest with the IDOA in which the Law Firm contested the split award. The Law Firm based its complaint/protest on the assertion that Contractor 1 submitted its proposal with misrepresentations of information for a service provider candidate ("Service Provider"). The Law Firm's complaint/protest

included an affidavit from the Service Provider which stated, in part, that he did not give permission or consent to Contractor 1 to submit his name as a committed provider or to include his name and information with its proposal and did not commit to do work for Contractor 1. Despite this lack of consent, Contractor 1 submitted the Service Provider's name and information as a person who was committed to provide services.

During the investigation, SA Coffin interviewed numerous mental health providers whose names were submitted in Contractor 1's proposal. Information for twelve of nineteen providers in Contractor 1's proposal included discrepancies. These discrepancies were noted, in part, by comparing what the providers sent to Contractor 1 and what Contractor 1 submitted in its proposal. For example, hours of commitment per week were changed, blank forms were completed in full without the consent or knowledge of the providers and some providers' names and information were included without their consent or knowledge.

SA Coffin interviewed Contractor 1's President and Director of Administration. During his interview, the Director stated that either the provider candidates filled out their respective Provider Commitment forms and returned them to him or the candidates supplied the information to him and then he completed the forms on the candidates' behalf. He confirmed that he was responsible for ensuring the commitment forms were filled out and the correct documents were included in Contractor 1's proposal. He was also responsible for verifying the candidates' credentials.

He explained that he spoke with the Service Provider on several occasions about being included in Contractor 1's response, that the Service Provider agreed to be included and that he completed the experience section based on information provided by the Service Provider. He noted that he signed the Service Provider's commitment form as an indication that he talked to the Service Provider by phone and that the Service Provider agreed to provide services. In addition, the Director stated that the Service Provider supplied his professional credentials, indicated his willingness to provide services and told Contractor 1 the number of hours he would provide on its behalf. The Director also completed commitment forms for other service providers. The Director would not answer why some sections on the commitment forms were blank, but he gave various reasons why some of the commitment form sections were incomplete, altered or in conflict with other sections on the same form.

During the interview with Contractor 1's President, he stated that both he and the Director had the responsibility of compiling the information that was used for Contractor 1's proposal. No one else prepared Contractor 1's proposal. Even though, as President, he had the responsibility of compiling the material submitted in Contractor 1's proposal, he did not know why numerous providers' forms were incomplete or were unsigned by the providers.

This case was presented to the Marion County Prosecutor's Office for consideration of criminal charges. After a thorough review, the Prosecutor's Office declined to pursue prosecution because there was insufficient evidence. Specifically, it was impossible to determine whether the President, the Director or

both had committed the alleged acts. Also, the recall of several witnesses continued to become increasingly vague.

A subsequent RFP proposal submitted December 18, 2012 by the Director and President on behalf of Contractor 1 demonstrates that Contractor 1 has taken self-corrected measures and has not repeated the same alleged acts noted in its RFP 11-29 proposal. Therefore, the Prosecutor's Office recommends the OIG conduct an unannounced review of Contractor 1's proposals in six to nine months. Accordingly, this case is closed pending the OIG's unannounced review.

/s/ David O. Thomas, Inspector General

ADDENDUM

September 3, 2013

OIG Special Agent Coffin conducted the follow-up review requested by the Prosecuting Attorney's Office. Four additional proposals by Contractor 1 were reviewed. No evidence of the issues observed by Contractor 1 in RFP 11-29 were observed in these four subsequent proposals. All indications at this time are that Contractor 1 appears to have self-corrected the issues which were discovered in the original proposal upon which the initial case was brought. This information will be reported to IDOA and the Prosecuting Attorney's Office. Accordingly, this investigation is closed.

/s/ David O. Thomas, Inspector General