



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

Office of the Deputy General Counsel

VIA REGULAR MAIL

SAF/GCR
4040 N. Fairfax Drive
Suite 204
Arlington, VA 22203

MAY 20 2011

Mr. Richie E. Hill
[REDACTED]

Re: Notice of Debarment

Dear Mr. Hill,

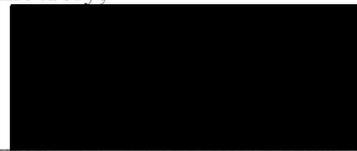
Effective this date the Air Force has debarred Richie E. Hill (Mr. Hill) from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125.

On January 12, 2011, the Air Force proposed Mr. Hill for debarment and afforded him the opportunity to submit information and argument in opposition to his proposed debarment. Mr. Hill was issued a Notice of Proposed Debarment and a Memorandum in Support of the Proposed Debarment. (Enclosed.) To date, Mr. Hill has not responded.

I have carefully considered all information contained in the Administrative Record and determined that a preponderance of the evidence establishes the existence of a cause for debarment, and Mr. Hill has failed to demonstrate his present responsibility. I have, therefore, concluded that debarment is in the public interest and necessary to protect the Government's interests.

The effects of debarment are set forth in the Notice of Proposed Debarment issued to Mr. Hill, as well as in FAR Subpart 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125, which are provided on our website at: <http://www.safgc.hq.af.mil/organizations/gcr/index.asp>. Mr. Hill's debarment is effective immediately. As to the length of the debarment term, due to the egregious nature of Mr. Hill's improper conduct, I have determined that a three-year term is appropriate, which will run from the date of his proposed debarment, January 12, 2011. Mr. Hill's debarment will terminate on January 11, 2014.

Sincerely,



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

Enclosures



DEPARTMENT OF THE AIR FORCE
ARLINGTON, VA 22203-1613

JAN 12 2011

Office Of The Deputy General Counsel

MEMORANDUM IN SUPPORT OF THE PROPOSED DEBARMENTS OF:

MJW MEDICAL SOLUTIONS, INC.
MICHAEL J. WILLIAMS, SR.
RICHIE E. HILL
JANA WILLIAMS

Effective this date the Air Force has proposed the debarment of MJW Medical Solutions, Inc. (MJW), Michael J. Williams, Sr. (Mr. Williams), Richie E. Hill (Mr. Hill), and Jana Williams (Mrs. Williams) from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation ("FAR") Subpart 9.4

INFORMATION IN THE RECORD

Information in the record establishes by a preponderance of evidence that at all times relevant hereto:

Parties

1. MJW, a Texas corporation, is a Government contractor that supplies medical equipment.
2. Mr. Williams serves as MJW's President, Chief Executive Officer (CEO), Director, Registered Agent, and MJW's sole shareholder.
3. Mrs. Williams is married to Mr. Williams and serves as MJW's Chief Financial Officer (CFO) and Director. In this role, Mrs. Williams signed MJW's 2010 Texas Franchise Tax Public Information Report.
4. Mr. Williams (retired 2007) and Mr. Hill (retired 2000) previously served in the Air Force and both were involved in medical supply logistics.
5. During the 2008-2009 timeframe, Mr. Hill had a financial interest in MJW and served as Mr. Williams' partner in MJW.

Background

6. Following his retirement from the Air Force, from August 2002 through October 14, 2009, Mr. Hill worked as Chief of Receiving and Transportation for a Government contractor that provides

professional services and information technology solutions to federal agencies (hereinafter Company C).¹

7. Company C required its employees to adhere to the Company's ethics standards and to comply with governing law and regulations.
8. Company C articulated its expectations for all employees in its "Standards of Ethics and Business Conduct" (Standards), which addressed many issues. Of particular relevance here, the Standards prohibited employees from: engaging in personal conflicts of interest; treating suppliers disparately and unfairly; using third party insider information in dealings with suppliers; and from improperly using contractor bid or proposal information and source selection information.
9. Company C provided ethics and compliance educational training to its employees.
10. Mr. Hill received ethics and compliance educational training and completed such training successfully, including courses addressing Company C's Standards and personal conflicts of interest.
11. At all times relevant hereto, Company C held a Government contract to provide medical logistics support services to Department of Defense (DoD) agencies. In this role, Company C fulfilled the acquisition function traditionally carried out by the Government and procured medical supplies on behalf of agencies by making awards to Government contractors, including MJW, under the contractor's respective Decentralized Blanket Purchase Agreement (DBPA), which DoD previously awarded. Each contract awarded by Company C was between the Government and the contractor.
12. During the 2008-2009 timeframe, Mr. Hill was a partner in MJW and worked with Mr. Williams to establish MJW's Government contracting business. In furtherance thereof, Mr. Hill and Mr. Williams engaged in several business activities, including but not limited to:
 - a. Mr. Hill represented to third parties that he was a "partner" in MJW and that he had a financial interest;
 - b. Mr. Williams treated Mr. Hill as a partner in MJW and referred to the MJW enterprise as "we," meaning Mr. Hill and himself.
 - c. Mr. Hill and Mr. Williams created and utilized MJW business e-mail accounts;
 - d. Mr. Hill and Mr. Williams developed biographies, which would be used to market MJW as a medical supply Government contractor established by retired Air Force personnel experienced in medical supply logistics;
 - e. Mr. Hill and Mr. Williams hired an independent company to assist them in marketing MJW, including developing a website, business plan, and financials;
 - f. Mr. Hill marketed MJW to independent businesses engaged in the health care industry;

¹ The title "Company C" is utilized to refer to an entity that is not a party to this action.

- g. Mr. Hill and Mr. Williams discussed MJW's product offerings, including product pricing, profit margins, and sources of supply; and
- h. Mr. Williams, on behalf of MJW, submitted a proposal and was awarded a DBPA with the Defense Supply Center Philadelphia, which would allow MJW to compete for contracts awarded by Company C; select pages from MJW's proposal and/or DBPA were found in Mr. Hill's office at Company C following his termination.

The Misconduct

13. While working for Company C during the 2008-2009 timeframe, Mr. Hill placed his personal financial interests and those of Mr. Williams and MJW ahead of those of Company C and the Government agencies that relied upon Company C to procure medical supplies. Among other activities, Mr. Hill engaged in the following conduct:

- a. Mr. Hill did not disclose his financial interest or partnership in MJW to Company C responsible personnel;
- b. Mr. Hill utilized Company C and Government resources to conduct work on behalf of MJW;
- c. Mr. Hill marketed MJW to his colleagues at Company C;
- d. Mr. Hill accessed Company C's procurement system (referred to internally as DMLSS), improperly obtained procurement-sensitive, non-public information, such as contractor bid or proposal information and source selection information, and utilized such information on MJW's behalf;
- e. Mr. Hill improperly disclosed contractor bid or proposal information, source selection information and/or other procurement-sensitive, non-public information obtained from Company C to Mr. Williams for use on behalf of MJW;
- f. Mr. Hill advised Mr. Williams as to how they should price MJW products to be awarded contracts and, in turn, get MJW listed as a source of supply in Company C's procurement system; and
- g. Mr. Hill requested that Company C personnel process MJW invoices ahead of other vendors in order to expedite payment to MJW in violation of Company C's policies.

14. Mr. Hill had a personal conflict of interest during his employment with Company C as a result of his financial and partnership interest in MJW and the actions taken on behalf of MJW.

15. Mr. Williams improperly obtained contractor bid or proposal information, source selection information, and/or other procurement-sensitive, non-public information.

16. Mr. Williams used the information obtained from Mr. Hill to provide MJW with an unfair competitive advantage in competing for Government contract awards.

17. As to those acquisitions where MJW was the low bidder, MJW's proposed prices were below, by slim margins, the prices previously paid by Company C, which were recorded in Company C's procurement system.
18. From February 2009 through September 2009, Company C awarded MJW over \$2.6 million in medical supply contracts on behalf of DoD agencies, including the Air Force.
19. Mr. Williams did not disclose to Company C that Mr. Hill was his partner or that Mr. Hill had a financial interest in MJW.
20. Notwithstanding the evidence to the contrary, Mr. Williams denied any wrongdoing when confronted by Company C personnel regarding his relationship with Mr. Hill and suspicions pertaining to MJW's pricing.
21. In October 2009, Company C conducted an internal investigation concerning Mr. Hill's conduct with regard to MJW. Mr. Hill was interviewed and admitted to expediting payment to MJW because he was friends with Mr. Williams and wanted to help him get paid more quickly. Notwithstanding the evidence to the contrary, Mr. Hill denied sharing information obtained from Company C with Mr. Williams and further denied owning or having any interest in MJW.
22. Company C ultimately terminated Mr. Hill finding that he engaged in misconduct and violated Company C's Standards.
23. In Mr. Hill's application for unemployment compensation with the Texas Workforce Commission, he acknowledged having a "relationship with a vendor who did business with the company" but denied any wrongdoing, including giving preferential treatment to MJW. The Texas Workforce Commission denied Mr. Hill's claim for unemployment compensation finding that he violated Company C policies.

BASES FOR THE PROPOSED DEBARMENTS

1. The improper conduct of Mr. Hill, Mr. Williams, and MJW is of so serious or compelling a nature that it affects their present responsibility to be Government contractors or subcontractors and provides a separate independent basis for their debarments pursuant to FAR 9.406-2(c).

Imputation

2. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Mr. Hill is imputed to MJW because his improper conduct occurred in connection with the performance of his duties for or on behalf of MJW, or with the knowledge, approval, or acquiescence of MJW. The imputation of Mr. Hill's conduct provides a separate independent basis for the debarment of MJW.
3. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Mr. Williams is imputed to MJW because his improper conduct occurred in connection with the performance of his duties for or on behalf of MJW, or with the knowledge, approval, or acquiescence of MJW. The imputation of Mr. Williams' conduct provides a separate independent basis for the debarment of MJW.

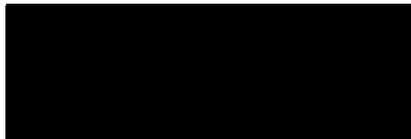
4. Pursuant to FAR 9.406-5(b), the seriously improper conduct of MJW is imputed to Mr. Hill, Mr. Williams, and Mrs. Williams because as an officer, director, shareholder, partner, employee or other person associated with MJW, each participated in, knew of, or had reason to know of MJW's improper conduct. The imputation of MJW's conduct to Mr. Hill, Mr. Williams, and Mrs. Williams provides a separate independent basis for each of their debarments.

Affiliation

5. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Mr. Williams and MJW are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, either one has the power to control the other or a third party has the power to control both. The affiliation of Mr. Williams and MJW provides a separate independent basis for each of their debarments.

6. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Mrs. Williams and MJW are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, either one has the power to control the other or a third party has the power to control both. The affiliation of Mrs. Williams and MJW provides a separate independent basis for the debarment of Mrs. Williams.

7. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Mr. Williams and Mrs. Williams are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, either one has the power to control the other due to their identity of interests as a married couple. The affiliation of Mr. Williams and Mrs. Williams provides a separate independent basis for the debarment of Mrs. Williams.



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)