













Illegal Activities
IRS Notice Redesign Contract
Jireh Consulting, Inc., dba The Writing Company





SUMMARY OF ILLEGALITIES:





- It is illegal to terminate a contract for “bad faith” reasons. IRS did not terminate The Writing Company’s (TWC’s) contract because of poor performance. In fact, IRS praised TWC’s performance on numerous occasions. So why was TWC’s contract the first contract that IRS terminated for convenience (T4C’d) in 20 years? See pages that follow, **Steps 1-22.**
- It is a *breach of contract* to enter into a contract with no intentions of fulfilling the contract. IRS and Treasury had no intentions of allowing TWC to complete its contract. From the outset, IRS and Treasury talked *non-stop about terminating TWC’s contract* and **diverting it to another firm**. See pages that follow, **Steps 23-26.**
- IRS was *contractually obligated to mitigate project sabotage and unwarranted interference with TWC’s performance*. Desiring to terminate TWC’s contract, IRS left rampant sabotage unchecked and, in many instances, encouraged sabotage and contract violations. The agency breached its contract with TWC by *violating the Criminal False Statements Act*, laws prohibiting conspiracies, and a host of other federal laws and policies, including the Inspection Clause, Prompt Pay Act, Deliverables Clause, Duty to Cooperate and Not Hinder Performance, Request for Information Services Contract Clause, Good Faith Provision, Contract Disputes Act, Duty To Show Confidence and Mutual Respect, Duty To Show The Same Cooperative Attitude To All Contractors, Small Business Act, and a plethora of statutes prohibiting racial discrimination. See pages that follow, **Steps 27-57.**
- IRS and Treasury provided *changing reasons* for terminating TWC’s contract. When the sufficiency of a reason they provided was called into question, they would invent yet another reason for terminating TWC’s contract. Their lies and deceit, which were designed to conceal discrimination in contracting, amounted to government fraud. See pages that follow, **Steps 58-61.**
- IRS, Treasury, and officials at the Treasury Inspector General for Tax Administration (TIGTA)—charged with investigating waste and abuse at IRS—conspired to injure Sanders (retaliate against) and destroy TWC for attempting to make known IRS and Treasury officials’ illegal acts. See pages that follow, **Steps 62-92.**
- Former Treasury Inspector General for Tax Administration (TIGTA) David Williams—now U.S. Postal Inspector General—spearheaded the conspiracy to destroy and silence Sanders and TWC. He and IRS officials destroyed almost everything Sanders worked a lifetime to amass. See pages that follow, **Steps 93-112.**
- **For nine years**, IRS and Treasury officials have succeeded in preventing TWC from obtaining redress for the wrongful contract termination and officials’ retaliatory acts. For nine years, IRS and Treasury successfully concealed they awarded the Notice Redesign Contract to Kleimann Communications Group (KCG) soon after terminating TWC’s contract. **For nine years, Kleimann Communications Group has reaped millions from TWC’s innovations.** See pages that follow, **Steps 113-119.**








DETAILS OF ILLEGALITIES AND SUPPORTING DOCUMENTATION








No.	Narrative	
	Successful Contract Performance	
1	<p>It is illegal to terminate a contract for bad faith reasons, which includes racial discrimination. (<i>See section of this binder labeled Governing Law & Policies, Step C.</i>) IRS terminated TWC's contract despite excellent performance and then immediately diverted the contract to a politically-connected, majority-, female-owned firm, Kleimann Communications Group, which continues to reap millions from TWC's innovations.</p> <p style="text-align: center;">When tainted by bad faith or an abuse of contracting discretion, a termination for convenience causes a contract breach. —<i>Krygoski Construction Company, Inc. v. U.S.</i></p>	
2	The following attest that IRS did not terminate TWC's contract because of performance deficiencies:	
3	<ul style="list-style-type: none"> <i>The contracting officer's technical representative (COTR) failed to issue any cure¹ notices on the Notice Redesign Contract.</i> The Federal Government has established a process for communicating failed performance and other contract-related concerns to contractors. The process was explained to COTR Janet Delvison when she took COTR training. Delvison was to send the contractor a cure notice¹ when the contractor failed to perform. The contracting officer urged Delvison to use the cure notice process in the event TWC failed to perform.² COTR Delvison, a union steward, was hostile to TWC; she did not want notice redesign work outsourced. She would have issued TWC a notice to cure if TWC had failed to perform. Because TWC performed and met every deadline, COTR Delvison and co-conspirators were forced to contrive allegations of poor performance in order to undermine TWC's credibility in the written record. 	 Acrobat Document NOTICE ¹ CURE  Acrobat Document NOTICE ¹ CURE  Acrobat Document CO REMINDS ² COTR
4	<ul style="list-style-type: none"> <i>Stakeholders praised TWC's samples.</i> When considering TWC for the IRS Notice Redesign Contract, IRS executive John Dalrymple asked Sanders to rewrite two notices, one of which was the CP2000—IRS's most complex notice. IRS routed the sample notices throughout IRS. TWC's CP2000 and the other notice TWC developed received very favorable reviews. Note: Kleimann reports winning an award for the CP2000,¹ which it reportedly helped IRS redesign. It won the award based significantly upon TWC's work.² 	 Acrobat Document KLEIMANN CP-2000 ¹  Acrobat Document TWC CP- 2000 ³ RESULTS
5	<ul style="list-style-type: none"> <i>IRS repeatedly stated TWC performed without deficiency.</i> A letter from SBA Officer John Johnson, under the signature of Hugh Wright,¹ reiterated statements IRS manager John T. Smith made when he terminated TWC's contract: <ul style="list-style-type: none"> IRS stressed that the termination of the contract was for convenience of the gov't and was in no way related to the performance of Jireh Consulting. The IRS indicated Jireh Consulting would be a "player" in the procurement of the new solicitation." 	 Acrobat Document HUGH ¹ WRIGHT'S LETTER ¹





No.	Narrative	
6	<ul style="list-style-type: none"> ▪ <i>TWC adhered to the project timeline.</i> TWC developed a timeline revealing when it would release redesigned notices to tier reviewers for review.¹ Mid-project, TWC created a new schedule for legal counsel, which only wanted to review notices twice (there were few changes, if any, to most notices). At one point, TWC asked legal counsel liaison Gerry Katz to provide a listing of redesigned notices legal counsel had reviewed. Counsel's roster confirms TWC was working at a fierce pace on notice rewrite.² 	 Acrobat Document TWC PLAN ¹  Acrobat Document COUNSEL ROSTER ²
7	<ul style="list-style-type: none"> ▪ <i>Commissioner Charles O. Rossotti's 2001 report before the Senate Finance Committee¹ applauded the six prototype notices (11 versions) TWC redesigned.</i> TWC is also responsible for the penalty enhancements Rossotti referenced:² As part of its continued effort to improve its correspondence to taxpayers, the IRS began sending out six redesigned notices, including those dealing with math errors, balance due, overpayments and offsets. The new notices should: (1) reduce the number of times taxpayers need to contact the IRS; (2) be easier to understand; and (3) facilitate resolution of inquiries. The combined yearly volume of these six notices is about 10.5 million. Following RRA 98's directions, the new notices also contain more information, (1) the formula for how the IRS computes the penalty or interest; (2) the section of law from which the penalty or interest is based; and (3) a table that details account information under each penalty or interest section to specific periods that the charges apply. 	 Acrobat Document ROSSOTTI ¹ REPORT  Acrobat Document TWC'S PEN INFO—PDF PGs 5, 20, & 22
8	<ul style="list-style-type: none"> ▪ <i>Taxpayers preferred TWC's system-compliant notices to those of EP's and NPR's, as evidenced by nationwide focus groups.</i>¹ Also, TWC's innovations are glaringly present in all redesigned notices currently issued by IRS, including those revamped by Kleimann Communications Group—the politically-connected firm that stepped in and secured TWC's contract. 	 Acrobat Document FEEDBACK ¹
9	<ul style="list-style-type: none"> ▪ <i>First contract review (Bruce Witty) revealed TWC performed without deficiency.</i> The review was conducted at the end of December 1998, a few months before IRS terminated TWC's contract. IRS/Treasury commissioned the review¹ to determine where IRS would stand if it terminated TWC's contract and awarded the work to another vendor. The review concluded IRS, not TWC, breached the contract: The contract does not have documentation to reflect dissatisfaction of their performance by the Government, or documentation that The Writing Company has breached any of the contract terms and conditions. 	 Acrobat Document CONTRCT ¹ REVIEW
Non-stop Talk Of Contract Termination & First Contract Termination in 20 Years		
10	<p>It is a breach of contract to enter into a contract with no intentions of fulfilling the contract. (<i>See section of this binder labeled Governing Law & Policies, Step E.</i>) IRS officials procured Notice Redesign Services from TWC before Clinton-Appointee Lisa Ross could weigh in on their decision. From the outset, Ross made clear her plans to terminate the contract.</p> <p>Good faith in enforcement. . . . The obligation of good faith and fair dealing extends to the assertion, settlement and litigation of contract claims and defenses. The obligation is violated by dishonest conduct such as conjuring up a pretended dispute, asserting an interpretation contrary to one's own understanding, or falsification of facts. It also extends to dealing which is candid but unfair, such as</p>	



No.	Narrative	
	<p>taking advantage of the necessitous circumstances of the other party Other types of violation have been recognized in judicial decisions: harassing demands for assurances of performance, rejection of performance for unstated reasons, willful failure to mitigate damages, and abuse of power to determine compliance or to terminate the contract.</p> <p style="text-align: right;">—Cibinic & Nash, Page 5</p>	
	<p>Treasury and IRS repeatedly discussed terminating TWC’s contract throughout TWC’s period of performance:</p>	
<p>11</p>	<ul style="list-style-type: none"> On April 14, 1998, contracting officer Pamela Kitchens¹ asked why IRS was considering terminating TWC’s contract. <p>Keynote: Documentation TWC secured after contract termination revealed Treasury was displeased with the graphic look of TWC’s notices. Rather than discuss the matter with TWC, Treasury immediately began discussing contract termination. An inquiry directed to TWC about the graphic look would have afforded TWC the opportunity to explain the existing design was nothing more than a placeholder. TWC’s strategy called for TWC to address rewrite issues first. Once rewrite was fully underway and TWC had a good feel for what could potentially appear in notices, TWC planned to turn its attention to the graphic look of redesigned notices.</p>	 PAM KITCHENS ¹
<p>12</p>	<ul style="list-style-type: none"> On multiple occasions, Treasury (Ross) discussed terminating TWC’s work and diverting it to National Partnership for Reinventing the Government’s Plain Language Writing Team led by Annetta Cheek and Melodee Mercer: 	
	<p>Janet Delvison: There are no changes so far by the govt to the 05-20-98 list of notices, nor has the govt communicated to TWC, Treasury’s proposal to assign some of the notices to the plain language writing team.¹ (08/4/1998)</p> <p>Janet Delvison: Thanks for the FYI. I have no input to this issue. I’m without a clue. What would be the intent behind including NPR at all. Didn’t they give their input with the designs? I do remember vaguely someone discussing the possibility of the NPR doing some of the writing of the remaining notices but I honestly can’t remember who. Ann and Lisa come to mind. Let me know what you find out.² (08/31/98)</p> <p>Keynote: Both Mercer and Cheek are close associates of Susan Kleimann, who owns Kleimann Communications Group (KCG). KCG secured the Notice Redesign Contract in 1999—the same year IRS terminated TWC’s contract.</p>	 TREASRY ¹ PROPOSAL  TREASRY ² TO DIVERT TWC’S WORK
<p>13</p>	<ul style="list-style-type: none"> <i>Contracting officer Pamela Kitchens warned Sanders IRS might terminate TWC’s contract if TWC did not permit MACRO International to conduct focus groups TWC was contracted to perform (August 1998).</i> Kitchens was attempting to save the contract. 	
<p>14</p>	<ul style="list-style-type: none"> <i>Contracting Officer Beverly Cox advised SBA Officer John Johnson that contract termination might be avoided (September 1, 1998).</i> <p style="text-align: right;">PS I believe things are going to work out to continue this contract.¹</p>	 COX ¹ TELLS SBA







No.	Narrative	
15	<p>▪ <i>IRS forced TWC to work without a modification while IRS looked for a way to terminate TWC's contract.</i> When IRS first contracted with TWC, IRS Contracting Officer Beverly Cox advised TWC all funding reserved for the contract had not been received by IRS. Cox promised TWC a specific scope of work via 8(a) procedures; hence, IRS was contractually bound to award the work to TWC. Cox executed a contract that spanned from March 3, 1998, to July 31, 1998. (It was anticipated that available funding would cover work TWC performed through July 31, 1998; by then, additional funding would be available and Cox would sign a modification extending the performance period.) Although IRS received the expected funding, it forced TWC to work from July 31, 1998, through February 1999 without a modification. During that time, IRS was attempting to discover what would happen if it did not sign a modification extending the contract. IRS legal counsel conducted a contract review and provided the following response:</p> <p style="padding-left: 40px;">There has been a clear violation of implied authority on the part of the Government as it relates to the contract performance period. As stated earlier, to date Contracting has been unable to substantiate a modification that extended the performance period past July 31, 1998.¹</p>	 Acrobat Document TWC ¹ WORKS WITHOUT MOD
16	<p>▪ <i>IRS enlisted its attorneys to discover a reason for contract termination; attorneys concluded IRS, not TWC, breached the contract.</i> When TWC continued to perform without deficiency, IRS/Treasury commissioned a behind-the-scenes contract review to determine where IRS would stand if it terminated TWC's contract.¹ The attorney who performed the review concluded TWC performed without deficiency. He stated:</p> <p style="padding-left: 40px;">The Government accepted 11 prototypes from The Writing Company on September 21, 1998, and to date has not provided evidence to the Contractor that they could have not accomplished these changes. A Review & Analysis Report of the 11 Prototypes [sic] has been requested from the COTR, this is in lieu of an Inspection & Acceptance [sic] Report.</p> <p style="padding-left: 40px;">It is our opinion that the following will occur if this contract is allowed to end on December 31, 1998:</p> <ul style="list-style-type: none"> · The Writing Company will file a claim against the Government, · The Writing Company will notify their Congressman and a Congressional Inquiry will follow, · The Writing Company will protest award to another contractor for the accomplishment of these services. <p style="padding-left: 40px;">THIS OFFICE STANDS READY TO SUPPORT THE DECISION THAT IS MADE AS TO THE FUTURE OF CONTRACT NO TIRNO-98-C-00041.</p>	 Acrobat Document CONTRCT ¹ REVIEW
17	<p>▪ <i>IRS conducted a seven-person site inspection, hoping to discover within TWC's offices a reason for contract termination.</i> Soon after the first contract review (referenced above) found no reason for contract termination, IRS arranged to inspect TWC's site in St. Louis, Missouri, hoping to find TWC had breached the contract. The inspection team entered TWC's site in Gestapo-like fashion. Ethel Carter, who led the team, told Sanders to bring her employees into the conference room so she could tell Sanders and TWC's employees the purpose of the team's visit. Sanders told Carter to tell her, TWC's president and CEO, the purpose of</p>	 Acrobat Document PURPOSE ¹ SITE INSPEC  Acrobat Document POSSIBLE ² BREACH







No.	Narrative	
	<p>the visit. Carter and her superiors concealed the real reason for the inspection in the document they furnished to Sanders defining the scope of the inspection.¹ The <i>true</i> purpose of the visit was disclosed in an internal document Carter prepared related to the site inspection. Carter writes, “The calls were essential to the mission since there was the possibility that the contractor may have breached the contract.”² A contract breach would have provided the ammunition IRS needed to justify terminating TWC’s contract. IRS contracting manager John T. Smith later told Sanders and SBA Officer John Johnson the site inspection did not reveal any negative findings.³</p> <p>Keynote: When the site inspection did not produce any negative findings, Carter back-dated a modification⁴ to July 31, 1998, that extended TWC’s performance period to October 1, 1999. The signature date on the modification is February 2, 1999—22 days before contract termination.</p>	 Acrobat Document JOHN ³ JOHNSON  Acrobat Document MOD ⁴ SIGNED AT SITE INSPCTN
18	<ul style="list-style-type: none"> ▪ <i>The contracting relationship had reached an all time low.</i> IRS personnel were openly disrespecting TWC at every turn and the issues and concerns of the project manager were completely ignored. Jerroll Sanders of TWC first met with IRS senior manager John Gunner on December 9, 1998. COTR Delvison, Assistant COTR V’Neill DeCosta, Gatekeeper Barbara Murray, Contracting Officer Sharon Warren, and Warren’s supervisor Ethel Carter were also in attendance. During the meeting, Gunner slammed his fist on the table and told Sanders, “When I tell you to make a change, you had damned well better make it.” Sanders rendered an appropriate response. Upon returning to St. Louis, Sanders met with SBA Officer John Johnson, who was helping manage the Notice Redesign Contract. He suggested Sanders put TWC’s concerns in writing and submit them as a contract dispute.¹ <p>Keynote: On January 6, 1999, Sanders met with IRS representatives to discuss project status. The status report TWC provided adhered to criteria in the contract. In the meeting writeup TWC acquired after contract termination,² IRS complained about report format. If IRS wanted a different format, it should have advised TWC rather than creating a memo to file.</p>	 Acrobat Document TWC ¹ INITIATES DISPUTE  Acrobat Document MEETING ² WRITEUP
19	<ul style="list-style-type: none"> ▪ <i>IRS terminated TWC’s contract¹—the first contract IRS terminated for convenience in 20 years.</i> IRS manager John T. Smith contacted TWC and invited Sanders and TWC’s attorney, Ralph Capio, to Washington. On February 24, 1999, IRS terminated TWC’s contract for convenience of the government (T4C) in surprise fashion, without explanation. While it is lawful for IRS to use a T4C to end a contract, it is <i>not lawful</i> for IRS to use a T4C to rid itself of a minority contractor or to accomplish other ends that evidence <i>bad faith</i>. IRS knew when it terminated TWC’s contract that IRS would continue to require notice redesign services, as evidenced by its continued use of Kleimann Communications Group (KCG) for notice redesign since terminating TWC’s Notice Redesign Contract in 1999. 	 Acrobat Document CONTRACT ¹ TERMIN  Acrobat Document NOT MANY ² T4Cs
20	<ul style="list-style-type: none"> ▪ <i>IRS offered to reinstate TWC’s contract, providing TWC agreed to relinquish 90 percent of the work contained in the contract before it was terminated.</i> Sanders contacted Senator John Ashcroft’s office to complain of the wrongful contract termination. In response, Senator Ashcroft’s office launched a congressional inquiry. Gregory Rothwell, Assistant Commissioner of Procurement, contacted TWC and 	 Acrobat Document RESTMNT ¹ OF IRS’S VERBAL OFFER









No.	Narrative	
21	<p>invited Sanders and her attorney to Washington, explaining IRS was reinstating TWC’s contract. When TWC arrived, Rothwell and contracting manager John T. Smith presented the reinstatement offer to Sanders verbally. When Sanders returned to St. Louis, she reiterated in writing¹ the discussions that had taken place during her visit. She then forwarded the document to Contracting Officer Sharon Warren to confirm TWC properly understood reinstatement terms. (IRS officials would often lie in correspondence and state Sanders had agreed to terms she had not.) In response, IRS drafted its own document outlining reinstatement terms.² Sanders drafted a counterproposal.³ IRS responded to TWC’s counterproposal and ceased reinstatement talks.⁴ When fashioning the reinstatement offer, termination was clearly top of mind: Rothwell offered to reinstate TWC’s contract <i>only if</i> TWC agreed to forego (allow IRS to terminate) 90 percent of the work TWC was originally contracted to perform. IRS undoubtedly wanted to reserve the work for its vendor of choice—Kleimann Communications Group (KCG)—which began working on IRS Notice Redesign in 1999. Rothwell’s proposal to terminate 90 percent of TWC’s work via a modification (the <i>Changes</i> clause) is in violation of federal contracting guidelines:</p> <p>The Termination for Convenience of the Government clause must be used when major portions of the work are deleted and no additional work is substituted. Otherwise, either clause [changes or termination] may be used, <i>Nager Elec. Co. v. United States</i>.⁴</p> <p>Note: IRS executives Gregory Rothwell and James T. Williams and TIGTA head David Williams continued lying to congressional leaders about the reason for contract termination. They have <i>never</i> disclosed that IRS awarded TWC’s scope of work to Kleimann Communications Group.</p>	<p> Acrobat Document</p> <p>ABOUT 20/30² NOTICES ONLY SCOPE OF WORK</p> <p> Acrobat Document</p> <p>TWC COUNTER³ OFFER</p> <p> Acrobat Document</p> <p>IRS’S⁴ RESPONSE</p> <p> Acrobat Document</p> <p>DELETING⁴ WORK VIA CHANGES CLAUSE</p>
22	<p>IRS terminated (cancelled) the IRS Notice Redesign Request for Proposal (RFQ) when TWC submitted what it believes was the winning proposal. On August 24, 2000, IRS advised it was terminating the RFQ “due to the realignment of functions within the restructured IRS, and the need to ensure the goals and objectives of the newly organized business units are met.” The Federal Acquisition Regulation (FAR) published in March 1998 prohibits bid cancellation¹ after bids are opened, except when extraordinary circumstances exist. The goal is to ensure integrity in the federal procurement system. IRS cancelled the Notice Redesign RFQ when it learned TWC submitted a winning proposal: TWC and one large business responded.² IRS’s purported reason for terminating the RFQ did not fall within the special exceptions outlined in FAR:</p> <p>14.404-1: Cancellation of invitations after opening:³</p> <p>(a)(1) Preservation of the integrity of the competitive bid system dictates that, after bids have been opened, award must be made to that responsible bidder who submitted the lowest responsive bid, unless there is a compelling reason to reject all bids and cancel the invitation.</p> <p>(2) Every effort shall be made to anticipate changes in a requirement before the date of opening and to notify all prospective bidders of any resulting modification or cancellation. This will permit bidders to change their bids and prevent unnecessary exposure of bid prices. (3) As a general rule, after the opening of bids, an invitation should not be cancelled and re-solicited due solely to increased requirements for the items being acquired. Award should be made on the initial invitation for bids and the additional quantity should be treated as a new acquisition. (B) When it is determined before award</p>	<p> Acrobat Document</p> <p>IRS¹ TERMINATES RFQ</p> <p> Acrobat Document</p> <p>TWC RESP² PGs 2-3</p> <p> Acrobat Document</p> <p>FAR³ CANCEL RFQ</p>





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	<p>but after opening that the requirements of 11.201 (<i>relating to the availability and identification of specifications</i>) have not been met, the invitation shall be cancelled. (c) Invitations may be cancelled and all bids rejected before award but after opening when, consistent with sub-paragraph (a) (1) of this section, the agency head determines in writing that—(1) Inadequate or ambiguous <i>specifications were cited in the invitation</i></p>	
	Refused To Mitigate Sabotage And Project Disruptions	
23	<p>Active interference is a breach of contract. (<i>See section of this binder labeled Governing Law & Policies, Step E.</i>) TWC's numerous complaints of project sabotage and intentional disruptions were completely ignored. IRS and Treasury repeatedly interfered in TWC's contract and inserted other vendors in the heart of TWC's contract with the intent of causing TWC to fail. Their acts violated the "good faith" contracting requirement.</p> <p>Unjustified Government interference results in a breach of implied duty not to hinder or interfere can occur in various ways during performance, including restricting the manner of performance, <i>Heritage Co.</i>, VABCA 3004, 91-1 BCA ¶ 23,482; directing the contractor to perform in a specific way, rejecting work without a reason . . . and impeding the contractor's opportunity to render services and reap profits, <i>W&S Equip.</i>, ASBCA 36681, 89-1 BCA ¶ 21,469</p>	
24	<p><i>IRS management never expressed an interest in mitigating the sabotage that plagued TWC's Notice Redesign Contract.</i> In fact, IRS executives enabled the sabotage:</p>	
25	<ul style="list-style-type: none"> ▪ <i>Marilyn Soulsberg left the COTR in place even though contracting officers Beverly Cox and Pamela Kitchens asked Marilyn Soulsberg to remove COTR Delvison, who was sabotaging the project.</i> Cox sought to limit the COTR's interactions with TWC because the COTR's actions were so disruptive.¹⁻² Marilyn Soulsberg, who worked closely with Treasury on the Notice Redesign Contract, left Delvison in place to continue wreaking havoc. IRS was obligated to remove Delvison: <p>Duty of Mutual Confidence and Respect. While the first goal of good contract administration is to avoid destructive relationships, if it does occur, the personnel exhibiting this confrontational attitude should be removed from the contract administration process. <i>Ben Levine Timber.</i> . .</p> <p style="text-align: right;">—Cibinic & Nash, Page 7³</p>	<div>  Acrobat Document CONT¹ OFFCR & COTR </div> <div>  Acrobat Document CONT² OFFCR CLARIFIES </div> <div>  Acrobat Document CIBINIC³ & NASH </div>
26	<ul style="list-style-type: none"> ▪ <i>IRS did not seem to care that COTR Delvison ruined a multimillion dollar product.</i> For months, the COTR would not permit TWC to see changes she made to the six prototype notices (11 versions) and other documents TWC delivered on September 21, 1998, for inspection. When TWC was afforded an opportunity to review <i>changes</i> the COTR and others made to TWC's products, TWC complained to contracting manager John T. Smith, stating the COTR corrupted TWC's redesigned notices. Smith labeled TWC's allegations that Delvison corrupted a multimillion dollar product, "moot."¹ Smith wrote: <p>This letter is in response to your correspondence of June 22, 1999, regarding the Inspection Report prepared by the COTR for the September 21, 1998, deliverables. We consider the issues raised regarding the Inspection Report to be moot.</p>	<div>  Acrobat Document COTR'S¹ ACTS OF SABOTAGE MOOT </div>
















No.	Narrative	
	Violated Contract Provisions	
27	<p>IRS and Treasury intentionally breached TWC's contract with the intent of causing TWC harm.</p> <p>'Both the tort of interference with contract relations and the tort of interference with prospective contract or business relations involve basically the same conduct on the part of the tortfeasor. In one case the interference takes place when a contract is already in existence, in the other, when a contract would, with certainty, have been consummated but for the conduct of the tortfeasor. . . . In discussing the related tort of inducing breach of contract, the Supreme Court has stated: 'The act of inducing the breach must be an intentional one. If the actor had no knowledge of the existence of the contract or his actions were not intended to induce a breach, he cannot be held liable though an actual breach results from his lawful and proper acts.' <i>Imperial Ice Co. v. Rossier</i> (1941) 18 Cal.2d 33, 37.) The Restatement of Torts explained it this way, 'The essential thing is the purpose to cause the result. IRS and Treasury violated the contract at will with the intent of causing TWC to fail so Treasury and IRS could divert the contract to their entities of choice—National Partnership for Reinventing Government and Kleimann Communications Group.</p>	
	IRS violated the Request for Information Services (RIS) and Systems Acceptance Testing (SAT) clauses:	
28	<ul style="list-style-type: none"> <i>COTR and IS representatives planned to, and did, violate the Request for Information Services (RIS) clause of the Notice Redesign Contract.</i>¹ The RIS (inspection) clause called for TWC to make any and all corrections required as a result of the inspection. Task 12 (RIS) in TWC's Notice Redesign Contract reads: <p>Task 12—Request for Information Systems (Inspection):¹ Upon receipt of Tier 4 approval, the Contractor shall prepare a Request for Information Services (RIS) to request programming from the Information Systems (IS) Organization. The Contractor shall submit to the COTR the RIS, the Document Clearance (DOC) Form (see Attachment B), a source file containing each revised CP notice (all versions as verified by the parties within 10 days of date of contract) reference on the RIS, and five (5) hard copies of the rewritten notices. Within 15 working days from the date the RIS is transmitted, the COTR will notify the Contractor of RIS approval or specific changes to be made. Within seven (7) working days of COTR notification, the Contractor shall make the required changes and resubmit the RIS to the Government.</p> 	 INSPECT ¹ CLAUSE (RIS) and SAT
29	<ul style="list-style-type: none"> <i>COTR and IS representatives planned to breach the Notice Redesign Contract.</i> An email from information systems (IS) representative Delores Johnson directed to Joe Harwood—her supervisor, who, like Johnson, was extremely hostile to TWC—revealed Johnson and COTR Delvison planned to breach the contract by excluding TWC from the inspection (RIS) process.¹ Johnson writes: <p>"I called V'Nell DeCosta and requested that she include Janet Newsom and me in the Notice Clarity/notice owner review process next week. Our objective is to facilitate the process by working through the technical issues with the customers prior to their finalizing IS requirements. We have proposed that all corrections we made to ensure the technical accuracy of the prototype notices be documented and a courtesy copy of any notice revisions be sent to TWC through Janet D."</p> <p>The contract did not call for TWC to receive a courtesy copy. It called for TWC to make any and all changes required.</p> 	 PLANNED ¹ TO VIOLATE CONTRACT







No.	Narrative	
30	<ul style="list-style-type: none"> IS and COTR also planned to exclude TWC from systems acceptance testing (SAT). When Cox initially issued the contract,¹ she listed SAT as an option. On September 9, 1998, she issued a modification exercising the option for Task 14 (SAT):² <p>Task 14. Participate in Systems Acceptance Testing (SAT): The Contractor shall participate in Systems Acceptance Testing (SAT) for every CP notice to ensure accuracy and adherence to technical standards. . . .</p> <p>(During SAT, programmers and analysts work together to create test scenarios. The scenarios represent the types of circumstances that cause a particular notice to generate. Persons participating in SAT examine output to confirm notices look the way they should, read the way they should, and contain required information. Information systems personnel planned to, and did, exclude TWC’s project manager from systems acceptance testing (SAT), although Sanders had a wealth of experience managing systems testing for major projects at a Fortune 500 Company. TWC and personnel in output media developed a test plan³ for the notice template, which output media significantly controlled; IS refused to cooperate. Throughout the contract, TWC asked IS and COTR Delvison for information about SAT. TWC also asked the contracting officer about SAT, since TWC needed the information for project planning.⁴ When IS responded to Sanders’ inquiries about SAT via the contracting officer, it provided what amounted to useless information, such as stating programming had to occur before testing could commence.⁴) The Year 2000 Taxpayer Advocate’s Report reveals the problems information systems (IS) encountered when it implemented TWC’s notices without TWC’s involvement. IS’s actions came at an enormous cost to taxpayers:</p> <p>Despite extensive testing, some of the first notices sent out were missing information. The IRS has since corrected errors in the programming of these notices and mailed explanations to taxpayers as appropriate. Year 2000 Taxpayer Advocate’s Report.</p> 	 CONTRACT ¹ TIRNO-98-  SAT MOD ²  TEST ³ PLAN  REQST ⁴ FOR SAT INFO
31	<ul style="list-style-type: none"> The bad faith nature of the COTR’s and assistant COTR’s actions shone through. Contracting Officer Beverly Cox reminded COTR Delvison she needed to comply with the RIS (inspection) clause of the contract.¹ COTR Delvison did not. Months later, Contracting Officer Beverly Cox directed the COTR to share feedback from the inspection of the September 21, 1998, deliverables, with TWC.² The contract required the COTR to provide feedback to the contractor (TWC) within 15 days of receiving the contractor’s deliverables. If any deficiencies were detected, the contract called for the contractor, not the COTR or IS, to make required changes. In addition to revealing the “cat and mouse game” the COTR and assistant COTR were playing with the contractor, documentation reveals IRS had not provided the contractor with inspection results as of December 22, 1998—more than three months after TWC delivered the prototype notices on September 21, 1998. The COTR’s acts were a blatant violation of the RIS clause in TWC’s Notice Redesign Contract: <p>Contracting Officer writes the following on 10/23/98.¹</p> <p>Rick, I think we should officially give TWC feedback on the prototype notices. Since the contract says the prototypes will serve as the standard, TWC must have the changes to maintain consistency and alleviate making the same corrections over and over, not to mention contract compliance. . .</p>	 CONTRACT ¹ OFFICER  PLAY CAT ² & MOUSE WITH TWC








No.	Narrative	
	<p>V'Nell A DeCosta, Assistant COTR , writes on 11/06/98: ² Hi Janet,</p> <p>Thanks. As long as she doesn't share it with Jerroll we are find (sic). But as you know if it is shared we must be prepared.</p> <p>Take care.</p> <p>COTR Janet Delvison writes on 11/06/98: ² V'Nell,</p> <p>You are such a poet. Yes, you are 100% correct. I will follow up with Sharon [hostile contracting officer] via CCMAIL to remind here that what she received was a DRAFT which we do not wish shared with TWC until it is final.</p> <p>(Keynote: TWC acquired the entire inspection report via a Freedom of Information Act (FOIA) request, submitted month after contract termination.)</p>	 Acrobat Document PLAY CAT ² & MOUSE WITH TWC
	IRS violated the Prompt Payment Act:	
32	<ul style="list-style-type: none"> ▪ <i>COTR Delvison routinely withheld TWC's invoice payments to create duress. TWC was under the Prompt Payment provision,¹ which required payment of TWC's invoices within 15 days of submission. The COTR routinely rejected² TWC's invoices for pennies due to rounding. As TWC learned upon acquiring project documentation following termination, COTR Delvison routinely claimed TWC was engaging in wage fraud. TWC provided very detailed invoices³ that could be cross-checked to payroll reports and employee-signed timesheets in order to confirm proper billing. The COTR was not interested in the truth; her only interest was maligning TWC and its owner.</i> <p>Keynote: IRS conducted several reviews and audits of TWC's books and financial records. Every audit and review revealed TWC operated with complete integrity.</p>	 Acrobat Document PROMPT ¹ PAY  Acrobat Document BUS. MGR ² COMPLINS  Acrobat Document WTHHLD ² PYMTS  Acrobat Document INVOICES ³
	IRS violated the Contract Disputes Act (CDA):	
33	<ul style="list-style-type: none"> ▪ <i>IRS violated the Contract Disputes Act (CDA) by refusing to provide TWC with a contracting officer's final decision, as mandated by CDA—41 U.S.C.¹. When IRS refused to pay invoices submitted by TWC after contract termination, TWC asked IRS to issue a contracting officer's final decision so TWC could seek redress through the courts. The final decision confers jurisdiction upon the courts to adjudicate contract disputes. Desiring to starve TWC financially and complicate TWC's efforts to obtain much needed financial redress through the courts, IRS refused to issue TWC a final decision in violation of the Contract Disputes Act (CDA), U.S.C. 41. The following language from CDA reveals IRS was obligated to issue TWC a final decision when negotiations reached an <i>impasse</i>:</i> <p>33.211—Contracting Officer's Final Decision (a) When a claim by or against a contractor cannot be satisfied or settled by mutual agreement and a decision on the claim is necessary, the contracting officer shall— (1) Review the facts pertinent to the claim;</p>	 Acrobat Document CDA ¹



No.	Narrative	
	<p>(2) Secure assistance from legal and other advisors; (3) Coordinate with the contract administration office or contracting office, as appropriate; and (4) Prepare a written decision that shall include a— (i) Description of the claim or dispute; (ii) Reference to the pertinent contract terms; (iii) Statement of the factual areas of agreement and disagreement; (iv) Statement of the contracting officer's decision, with supporting rationale; (v) Paragraph substantially as follows: This is the final decision of the Contracting Officer. . . .</p>	
	MULTIPLE REQUESTS FOR CONTRACTING OFFICER'S FINAL DECISION; IRS REFUSES	
	<div>  01/28/99 LETTER  TWC REQ 5/19/99  IRS REFUSES 5/20/99  IRS REFUSES 5/21/99  TWC REQ 7/28/99  REFUSES 8/31/99 </div>	
	IRS breached "Deliverables" clause of the contract:	
34	<ul style="list-style-type: none"> IRS breached the government deliverables (Task 4—Rewrite & Redesign) clause in TWC's contract.¹ The contract called for the government to supply TWC with certain documents, including sanitized notices, Individual Masterfile (IMF) and Business Masterfile (IMF) Program Requirements Packages (PRPs), and certain other documents. On each status report, TWC listed documents it needed. The COTR made little effort to provide TWC documents IRS was contractually-obligated to provide. TWC was forced to do the COTR's work: TWC compiled a listing of notice owners, located a number of documents needed for rewrite activities, and secured other information the COTR should have furnished. <p>(3) The Government will provide the Program Requirement Package (PRP) documentation and copies of the current CP notices to the Contractor for the purpose of notice revision within seven (7) days of contract award. The parties recognize that all notices may not be available within 30 days of the contract award date. For any notice not provided by the 30th day following contract award, the Contractor reserves the right to adjust the delivery date for those notices to a date mutually agreeable to the Contractor and the Government, at no change in the hourly rate reflected in Section B.</p>	 REWRITE & ¹ REDESIGN
	IRS failed to provide SBA advance notice of its intent to terminate TWC's contract:	
35	<ul style="list-style-type: none"> IRS terminated TWC's contract in surprise fashion without cause. IRS procurement officials invited Sanders and her attorney to Washington and told Sanders, in surprise fashion, IRS was terminating TWC's contract for convenience of the government (T4C). IRS manager John T. Smith tied John Johnson into the meeting via speakerphone. Johnson was the SBA Officer in St. Louis who was helping manage the 8(a) Notice Redesign Contract. John Johnson sent Smith a letter¹ under Hugh Wright's signature days after the termination. He stated that IRS violated FAR 52.219-17 SECTION 8(A) AWARD (DEC 1996) when it terminated TWC's contract without prior discussion with SBA. When it came to TWC, neither IRS nor Treasury cared about procurement policies, laws, or guidelines. Their sole interest was ridding IRS of TWC. 	 LTR HUGH ¹ WRIGHT




No.	Narrative	
	Other Evidence of “Bad Faith”	
36	IRS and Treasury violated every contract clause, law, policy and provision set forth in the section of this binder labeled <i>Governing Law & Policies</i> section of this binder.	
	IRS violated other “good faith” tenets of paramount importance:	
37	<ul style="list-style-type: none"> ▪ <i>Treasury and IRS completely disregarded the Federal Acquisition Regulation (FAR) and contract provisions governing contract administration, termination, and settlement. Nothing constrained IRS or Treasury. They routinely lied on TWC in audits and other reports, withheld TWC’s funds, denied TWC invoice payments without justification, misrepresented TWC’s performance, embedded other firms in the heart of TWC’s contract, derided and slandered TWC, openly disrespected and mocked TWC, sabotaged TWC’s efforts at every turn, blatantly ignored contract provisions, and even cancelled the IRS Notice Redesign reprourement when it became evident TWC had a winning bid (response). IRS declared war on TWC:</i> <i>In Apex Int’l Management Servs., Inc., by Trustee in Bankruptcy, ASBCA 38087, 94-2 BCA ¶ 26,842, the board It found that the Government’s actions satisfied all the requirements of bad faith. The Government employees, unhappy with the contracting-out involved attempted to block the award, and then “declared war” on the contractor, making false statements and committing numerous acts designed to harass and injure the contractor.</i> <i>—Cibinic and Nash, Page 1088¹</i> 	CIBINIC ¹ PAGE 1088
38	<ul style="list-style-type: none"> ▪ <i>IRS violated the duty to avoid subterfuges and evasions. Jerroll Sanders was project manager on the entire Notice Redesign Contract effort. She was intentionally excluded from project-related¹ meetings by Treasury, the COTR, and the COTR’s co-conspirators—all of whom desired to oust TWC. Without Sanders present, those hostile to TWC were free to assail the firm’s performance without challenge. The acts violated the <i>duty to show good faith</i>:²</i> <i>Subterfuges and evasions violate the obligation of good faith in performance even though the actor believes his conduct to be justified. But the obligation goes further; bad faith may be overt or may consist of inaction, and fair dealing may require more than honesty. A complete catalogue of types of bad faith is impossible, but the following types are among those which have been recognized in judicial decisions: evasion of the spirit of the bargain, lack of diligence and slacking off, willful rendering of imperfect performance, abuse of a power to specify terms and interference with or failure to cooperate in the other party’s performance.</i> <i>—Cibinic & Nash, Pages 295–296</i> 	 Acrobat Document SCRT MTG ¹  Acrobat Document CYBINIC ² NASH
39	<ul style="list-style-type: none"> ▪ <i>IRS violated the duty to cooperate and not hinder performance. Forcing TWC to give its “in process” notices to competitors¹ (National Partnership for Reinventing Government (NPR)²—an intergovernmental agency that operated under the auspices of Vice President Gore—and to Emmerling Post, Treasury’s vendor of choice), violated a host of laws and federal contracting policies, including:</i> <i>Duty to Cooperate and Not Hinder Performance.</i> A contractor’s performance is often affected by the Government’s action or inaction. The Government may actively interfere with the contractor, thereby making performance more costly or difficult. If the Government’s action is wrongful, it will be held to have breached its implied duty not to hinder or interfere with the contractor’s performance. 	 Acrobat Document INSERT EP AND NPR  Acrobat Document NPR PLIN ² LANGUAGE TEAM/PS




No.	Narrative		
40	<ul style="list-style-type: none">IRS violated the duty to show confidence and mutual respect and committed tortious interference with contract performance when it added TWC's competitors (NPR's Melodee Mercer and Annetta Cheek) to the list of Tier 4 reviewers and then treated them with deference with regard to evaluating TWC's work. Treasury's and IRS's actions violated numerous tenets of "good faith" contracting and amounted to tortious interference with TWC's contract performance:		
	<p>In discussing the related tort of inducing breach of contract, the Supreme Court has stated: 'The act of inducing the breach must be an intentional one. If the <u>actor</u> had no knowledge of the existence of the contract or his actions were not intended to induce a breach, he cannot be held liable though an actual breach results from his lawful and proper acts.' <i>Imperial Ice Co. v. Rossier</i> (1941) 18 Cal.2d 33, 37.) The Restatement of Torts explained it this way, 'The essential thing is the purpose to cause the result. If the actor does not have this purpose, his conduct does not subject him to liability under this rule even if it has the unintended effect of deterring the third person from dealing with the other.' (Rest., Torts, section 766, com. D, emphasis added.) It is not enough that the actor intended to perform the acts which caused the result – he or she must have intended to cause the result itself. . . .</p> <p>—The Lectric Law Library: http://www.lectlaw.com/def/i084.htm</p>	<div> Acrobat Document 5/11-5/12, 1998</div>	<div> Acrobat Document 5/12/98</div>
		<div> Acrobat Document 7/30/98</div>	<div> Acrobat Document 7/31/98</div>
		<div> Acrobat Document 8/27/98</div>	<div> Acrobat Document 8/19/98</div>
		<div> Acrobat Document 8/31/98</div>	<div> Acrobat Document 9/16/98</div>
41	<ul style="list-style-type: none">IRS permanently changed TWC's entire process without any input from Jerroll M. Sanders—the IRS Notice Redesign project manager. IRS unilaterally changed TWC's scope of work to include a team writing process—the process preferred by NPR/PSC.¹ IRS changed the process in response to complaints levied in secret meetings—complaints to which TWC was not allowed to respond. One of the changes called for NPR—TWC's competitor—to participate in the review of each and every notice TWC revamped.² The act implied that NPR's expertise was superior to that of TWC's, even though TWC's notices were judged superior to NPR's in a series of nationwide focus groups commissioned by Treasury. Treasury and certain IRS representatives sought to undermine TWC's project management authority by embedding NPR in the heart of TWC's process.		<div> Acrobat Document NPR TEAM¹ PROCESS</div> <div> Acrobat Document NPR TO² REVIEW EVERY NOTICE</div>
42	<ul style="list-style-type: none">IRS routinely changed the project timeline¹ to accommodate Treasury's and NPR's interventions. When TWC began the project, it developed a project plan¹ that included a timeline identifying when TWC would release redesigned notices to notice owners and legal counsel for review.² TWC strictly adhered to the timeline, which was repeatedly changed by IRS at the direction of Treasury. <i>See timeline changes that below.</i>³		<div> Acrobat Document TWC'S¹ TIMELINE</div> <div> Acrobat Document NOTICE² REL.</div>
	SOME OF THE IRS-DIRECTED TIMELINE CHANGES ³		
	<div> Acrobat Document WILKERSON 5/5/98</div>	<div> Acrobat Document TIMELINE CHG 8/14/98</div>	<div> Acrobat Document TIMELINE CHG 9/16/98</div>
43	<ul style="list-style-type: none">IRS threatened to terminate TWC's contract if TWC did not give its focus group task (work) to another vendor—MACRO International. Given the mayhem that resulted from Treasury's continuous interventions and timeline changes, TWC considered		








No.	Narrative	
	<p>subcontracting its focus group task to MACRO International—the firm that conducted focus groups for Treasury to determine which redesigned notices—EP’s, NPR’s, or TWC’s—taxpayers liked most. TWC’s contract called for TWC to focus group test TWC’s redesigned notices in the four regions of the United States. TWC contacted MACRO to discuss the possibility of subcontracting TWC’s focus group task to MACRO. MACRO was familiar with the notices, since it had already conducted Treasury’s focus groups. TWC was somewhat concerned, however, that MACRO had been unable to complete one its focus groups when taxpayer participants reportedly became uncontrollably irate. MACRO’s inability to complete the final focus group did not seem a significant concern to IRS and Treasury—which said MACRO could complete the focus group at a later time.¹ TWC was concerned IRS’s response might be different if MACRO failed to complete a focus group while performing on behalf of TWC. In the meantime, Lisa Ross got wind of TWC’s discussions with MACRO. She began telling MACRO how she wanted TWC’s focus groups structured. TWC told MACRO TWC would perform its own focus groups. IRS contracting officer Pamela Kitchens contacted Sanders, who happened to be visiting with SBA Officer John Johnson. Kitchens, hoping to prevent contract termination, urged Sanders to allow MACRO to perform TWC’s focus groups, cautioning her that IRS was discussing terminating TWC’s contract if she did not.¹ Note: Kleimann Communications Group, which now has the Notice Redesign Contract, conducts usability testing on notices it develops.²</p>	<div data-bbox="1425 184 1539 426">  Acrobat Document CONCERN¹ ABOUT TWC CONDUCT FOCUS GROUPS </div> <div data-bbox="1425 457 1539 688">  Acrobat Document KLEIMNN² USABILITY TESTING OF CP2000 NOTICE </div>
44	<ul style="list-style-type: none"> Someone at IRS or Treasury sabotaged TWC’s focus group effort. When TWC sought to finalize its plans for focus group testing, the Office of Management and Budget (OMB), which is under the U.S. Department of Treasury, refused to allow TWC the same honorarium it allowed MACRO International just a few weeks earlier for essentially the same focus groups. No one could understand it.¹ Ann Gelineau made calls to OMB to secure for TWC the same \$75 honorarium MACRO International had been allowed. OMB would not budge. TWC’s focus group facilities cancelled TWC’s focus groups only weeks before TWC’s deadline, complaining the honorariums (\$25-\$35) were below market. The sabotage jeopardized TWC’s ability to complete the project on time. TWC recovered and successfully completed the eight nationwide focus groups in accordance with the contract. 	<div data-bbox="1425 993 1539 1119">  Acrobat Document OMB¹ HONRIUM </div>
45	<ul style="list-style-type: none"> TWC was left to shoulder debts that arose from the sabotage. Contracting Officer Sharon Warren refused to compensate TWC for funds TWC lost when someone at IRS/Treasury sabotaged TWC’s focus groups.¹ (TWC learned about the debt following contract termination.) 	<div data-bbox="1263 1444 1393 1581">  Acrobat Document FOCUS¹ GROUP DEBT </div>
46	<ul style="list-style-type: none"> IRS sought to make TWC incorporate components of NPR’s and EP’s notices into TWC’s redesigned notices (July 30, 1998).¹ NPR’s and EP’s components were not compatible with TWC’s system-compliant notices. In every instance, Treasury ignored the accomplishments of TWC and extolled the accomplishments of NPR and EP. TWC’s notices already contained the items taxpayers liked about EP’s and NPR’s notices. Many of the components were derived from TWC’s notices. Note: Treasury’s and NPR’s directives relative to MACRO’s focus group feedback necessitated yet another timeline change.¹ 	<div data-bbox="1263 1623 1393 1749">  Acrobat Document EP & NPR¹ </div> <div data-bbox="1425 1623 1539 1749">  Acrobat Document ROB¹ WILKERSN </div>











No.	Narrative	
	Treated TWC Differently Than Other Contractors	
47	<p><i>IRS violated the duty to show the same cooperative attitude to all contractors:</i></p> <p>The same cooperative attitude should be displayed to all contractors. G.S. Galloway Co., ASBCA 16656, 73-2 BCA § 10,521, the board observed: . . . “The contrast tends to show that [the contractor] was not afforded the degree of cooperation and assistance by CDAS [Defense Contract Administration Service] normally afforded most other Government contractors.”¹</p>	 CIBINIC & ¹
	<p>At every stage of the process, IRS did to TWC what it would <i>never</i> dream of doing to other contractors, including:</p> <ul style="list-style-type: none"> Giving TWC’s “in process” notices to competitors so they could attempt to produce notices that surpassed TWC’s in graphic look and readability. (See June 15 items.)¹ Delivering TWC’s deliverables (notices) to TWC’s competitor, NPR, and then affording the competitor two weeks to change TWC’s product.² Delores Johnson (9/18/98—Three Days Before Deadline Date of 9/21/98): “Joe, I spoke to Janet Delvison this morning. She told me The Writing Company (TWC) is scheduled to deliver the final versions of the 11 prototype notices on Tuesday morning (Sept. 22 at 8 a.m.). Notice owners and Notice Clarity analysts will then simultaneously review these notices. This review has top-priority status, so they hope to complete it within a few days. In addition, the NPR group in Philadelphia will evaluate the notices for the taxpayer burden aspect, technical accuracy, etc. Janet wants us to be aware that the NPR group may take a few weeks to issue their findings, and a result may be changes to the notice language. Excluding Project Manager Jerroll M. Sanders from vital meetings. Operating with reckless disregard for contract provisions. Attempting to force TWC to give its focus group work to MACRO International. Forcing TWC to operate six months without a modification extending the contract. At the same time, IRS was looking for a reason to terminate the contract. Engaging in persistent efforts to terminate TWC’s contract, despite quality performance: TWC could do nothing to retain its contract; majority vendors could do nothing to lose their contracts: <ul style="list-style-type: none"> <i>Computer Sciences Corporation (CSC³ experienced a plethora of performance deficiencies and cost overruns in the tens of millions; 4 CSC retained its contract.</i> <i>MACRO International failed to complete one of its focus groups. Despite sabotage, TWC completed its focus groups according to schedule.⁵</i> <p>One of the factors in the timeline is the last focus group from Macro International. Something happened and they did not conduct the second small business focus group. Due to other scheduled workload, Lynn has told them that she could do it either July 23 or August 31. . . . When I spoke with Lynn (Macro), she told me that they were only going to charge “costs” of conducting the small business focus group. I just said “okay” ‘cause I didn’t want to get into it.</p> 	 TIMELINE ¹ TO INSERT EP & NPR
		 PLANNED ² CONTRACT VIOLATION
		 CSC ³
		 CSC COST ⁴ OVERUNS
		 MACRO ⁵
48	<p>▪ <i>IRS allowed the contract to spiral out of control. A statement made by Contracting officer Pamela Kitchens testifies to the difficulty TWC encountered at every turn. Every innovation TWC sought to introduce seemed a problem, prompting contracting officer Pamela Kitchens to remark, “I am constantly amazed at the BS!!”¹</i></p>	 AMAZED ¹ AT BS






No.	Narrative	
	Violated A Host of Criminal and Civil Laws	
49	<p>IRS and Treasury violated federal criminal statutes when carrying out various acts of concealment and retaliation. They falsified documents, violated the criminal false statement acts by lying to senators and in official documents, and they carried out a wide-spread scheme of retaliation to punish Sanders for attempting to make their illegal acts public. They even enlisted federal judges in their acts of concealment. See <i>section of this binder labeled Judicial Malfeasance</i>.</p>	
50	<ul style="list-style-type: none"> ▪ <i>COTR Delvison, IS representatives, and other co-conspirators violated the Criminal False Statements Act when they lied and intentionally misrepresented TWC's performance, verbally and in writing:</i> <p>U.S.C. 18 § 1001.</p> <p>(a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully—</p> <ol style="list-style-type: none"> (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both. <p>Example 1:</p> <p>Inspection Report Prepared by COTR Janet Delvison.¹ In the report, Delvison wrote: "The contract required delivery of 203 notices with a Request for Information Systems (RIS) by July 31, 1998. Due to delays caused by the Contractor and the Government, the delivery date was extended to September 15, 1998 and then to September 18, 1998. The government received 11 prototypes and their version on September 21, 1998."</p> <p>Delores Johnson (9/18/98—Three Days Before Deadline Date of 9/21/98).² In the email, Johnson wrote: "Joe, I spoke to Janet Delvison this morning. She told me The Writing Company (TWC) is scheduled to deliver the final versions of the 11 prototype notices on Tuesday morning (Sept. 22 at 8 a.m.). Notice owners and Notice Clarity analysts will then simultaneously review these notices. This review has top-priority status, so they hope to complete it within a few days. In addition, the NPR group in Philadelphia will evaluate the notices for the taxpayer burden aspect, technical accuracy, etc. Janet wants us to be aware that the NPR group may take a few weeks to issue their findings, and a result may be changes to the notice language.</p> <p>With respect to the above language in the inspection report, the COTR lied on several fronts:</p> <ul style="list-style-type: none"> ▪ <i>About TWC's delivery date.</i> TWC was required to deliver notices on September 21, 1998, not on September 18, 1998, as the COTR states in the inspection report. <p>¹ By stating TWC delivered notices on September 21, 1998, and stating deliverables were due on September 18, 1998, the reader concludes TWC's delivery was late. The aforementioned email written by IS representative Delores Johnson confirms the COTR knew September 21, 1998, was TWC's delivery date. (Johnson said the COTR told her TWC was <i>scheduled</i> to deliver notices at</p>	<div data-bbox="1425 464 1523 510">  Acrobat Document </div> <div data-bbox="1425 531 1523 590"> COTR's¹ INSPECTN </div> <div data-bbox="1425 611 1523 657">  Acrobat Document </div> <div data-bbox="1425 678 1523 791"> PLANNED² TO VIOLATE CONTRACT </div>








No.	Narrative	
	<ul style="list-style-type: none"> 8:00 A.M. on September 22, 1998.)² About the number of notices TWC was required to deliver. TWC was required to deliver six prototype notices (11 versions) on September 21, 1998. COTR Delvison told Delores Johnson that TWC would deliver six prototypes notices (11 versions) on September 22 at 8:00 A.M. Yet in the Inspection Report, Delvison writes: “The contract required delivery of 203 notices with a Request for Information Systems (RIS) by July 31, 1998.”² About TWC causing delays. TWC did not cause even one delay during the project. TWC did invoke the Changes clause in response to IRS’ reckless disregard for deadlines. The Changes clause affords the contractor compensatory time and/or financial compensation in response to government-originated changes. <p>Example 2:</p> <p>Legal counsel representatives violated the Criminal False Statements Act when they intentionally misrepresented TWC’s performance³ and then widely disseminated the letter. TWC’s response to legal counsel’s letter highlights the intentional inaccuracies meant to impugn TWC’s performance.⁴</p>	<div>  COUNSL’S³ SLANDER </div> <div>  RESP TO⁴ COUNSEL </div>
	Termination For Convenience (T4C) Was Meant To Conceal A Wrongful Contract Termination	
51	IRS and Treasury officials violated numerous federal statutes and laws when they misrepresented their reasons for terminating TWC’s contract. IRS concealed that it terminated TWC’s contract so it could divert the contract to a majority contractor.	
52	<p>▪ <i>IRS used a termination for convenience to conceal a wrongful contract termination.</i> A wrongful termination can be concealed easier with a <i>termination for convenience</i> (T4C) than with a <i>termination for default</i>. IRS continued to require notice redesign services, as evidenced by its continued procurement of notice redesign services from Kleimann Communications Group—the vendor that walked into IRS’s doors in 1999 when Sanders was put out. If IRS had used a termination for default, IRS would have been forced to prove TWC failed to perform. A termination for convenience (T4C), however, shifts the burden of proof to the contractor (TWC). To prove a T4C constitutes a contract breach, the contractor must provide irrefragable proof—a near impossible standard TWC is prepared to meet—confirming government officials acted in “bad faith”:¹</p> <p>A contracting officer is not permitted to exercise rights under the Termination for Convenience clause if such exercise demonstrates bad faith. The contractor’s burden of proving Governmental bad faith, however, is quite heavy, <i>Kalvar Corp. v. United States</i>, 211 Ct. Cl. 192,543 F.2d 1298 (1976), cert. denied, 434 U.S. 830 (1977). There, the court indicated that “specific intent to injure” the contractor must be demonstrated. In <i>Allied Materials & Equip. Co. v. United States</i>, 215 Ct. Cl. 902 (1977), the court stated that the contractor “should harbor no illusions that the task of overcoming the presumption that Government officials perform their duty in good faith is less than burdensome.” Nevertheless, despite the difficulty of proof, the contractor is entitled to present evidence of bad faith as indicated in <i>Allied</i> and in <i>National Factors, Inc. v. United States</i>, 204 Ct. Cl. 98,492 F.2d 1383 (1974).</p> <p style="text-align: right;">—Cibinic and Nash, Page 1078</p>	<div>  T4C/BAD¹ FAITH </div>




No.	Narrative	
53	<p>▪ <i>IRS would have terminated TWC's contract for default if TWC had failed to perform.</i> IRS could have easily ended TWC's contract using a termination for default if, in fact, TWC had failed to perform. IRS would have issued TWC a cure notice and then terminated TWC's contract for default when the firm failed to cure the defect. By so doing, IRS could have dispensed with the contract reviews, site inspections, secret meetings, and other activities IRS pursued in its quest for contract termination. When TWC continued to perform in the face of sabotage and ever-changing timelines, those hostile to TWC engaged in a host of practices designed to undermine TWC:</p> <ul style="list-style-type: none"> · <i>Treasury attempted to demonstrate that others could perform notice redesign better than TWC.</i> That effort failed when TWC's system-compliant notices outperformed EP's and NPR's notices. · <i>Legal counsel representatives and others at IRS contrived performance failures.</i> Each time someone confronted TWC directly,¹ TWC immediately responded, pointing out the misrepresentative nature of the conduct/comments.² · <i>IRS attempted to mischaracterize TWC's performance in the second contract review.</i> (See <i>Three Contract Reviews</i> below.) The first and third contract reviews revealed IRS, not TWC, breached the Notice Redesign Contract. 	<div data-bbox="1430 222 1528 275">  Acrobat Document </div> <div data-bbox="1430 296 1528 380"> HOSTILE¹ COUNSEL LETTER </div> <div data-bbox="1430 401 1528 453">  Acrobat Document </div> <div data-bbox="1430 474 1528 527"> TWC'S² RESPONSE </div>
	Three Contract Reviews—	
54	<p>The <i>first contract review</i> (Bruce Witty)¹ occurred around the end of December 1998—approximately two months before IRS terminated TWC's contract. The purpose of the review was to determine where IRS would stand if it terminated TWC's contract and diverted the work to another vendor. The preparer of the report wrote:</p> <p>The contract does not have documentation to reflect dissatisfaction of their performance by the government, or documentation that the writing company has breached any of the contract terms and conditions.</p> <p>There has been a violation of implied authority on the part of the government as it relates to the contract performance period. As stated earlier, to date contracting has been unable to substantiate a modification that extended the performance period past July 31, 1998.</p> <p>The Government accepted the 11 prototypes from The Writing Company in September 21, 1998 and to date has not provided evidence to the Contractor that they could have not have accomplished these changes. A Review & Analysis Report of the 11 Prototpes (sic), has been requested from COTR, this is in lieu of an Inspection & Acception (sic) Report.</p> <p>It is our opinion that the following will occur if this contract is allowed to end on December 31, 1998:</p> <ul style="list-style-type: none"> · The Writing Company will file a claim against the Government, · The Writing Company will notify their Congressman and a Congressional Inquiry will follow, · The Writing Company will protest award to another contractor for the accomplishment of these services. <p>THIS OFFICE STANDS READY TO SUPPORT THE DECISION THAT IS MADE AS TO THE FUTURE OF CONTRACT NO TIRNO-98-C-00041.</p>	<div data-bbox="1430 1010 1528 1062">  Acrobat Document </div> <div data-bbox="1430 1083 1528 1157"> FIRST¹ REVIEW </div>





No.	Narrative	
55	<ul style="list-style-type: none"> ▪ The <i>second contract review</i>¹ occurred about March 1999—one month after IRS terminated TWC’s contract. The review is replete with misrepresentations and substantially contradicts the findings of the first contract review. To identify all the misrepresentations and discuss them here would be unduly burdensome. The following statements in the contract review convey the extent to which this report misrepresents fact: <ul style="list-style-type: none"> · “On April 14, IRS was put on notice this was a problem contract.”¹ Actually, on April 14, the contracting officer was stating exactly the opposite:² she wanted to know why IRS was considering terminating the contract when there were no performance deficiencies. · “The number of notices developed have [sic] not been accounted for.” TWC included a listing of notices it revised and released for tier review on each status report. During the site inspection, IRS copied every notice TWC redesigned. (The scope document IRS prepared detailing inspection tasks stated Assistant COTR V’Nell DeCosta and IS representative Roman Poremski would “validate and copy data files for 104 notices.”³ Also, immediately following contract termination, TWC sent IRS a complete listing of all notices it revised and a copy of each notice.⁴ TWC revamped 116 notices; three of the notices were deleted (determined to be obsolete by IRS). · The reviewer also stated the “Contract is a losery contract.” If TWC’s contract was a <i>losery</i> contract, why did TWC produce notices the IRS Commissioner cited as among IRS’s significant achievements in his report to Congress?⁵ 	 REVIEWR ¹ UNKNOWN 03/31/1999  04/14/98 ² PAMELA KITCHENS  INSPECTN ³  # NOTICS ⁴ REDSGNED  ROSSOTTI ⁵ REPORT
56	<ul style="list-style-type: none"> ▪ The <i>third contract review occurred in September 1999—seven months after IRS terminated TWC’s contract.</i> Like the second contract review, the 3rd contract review was commissioned by Treasury. (TWC does not know who commissioned the first contract review.) The review was conducted by Ronne A. Rogin—procurement analyst from Treasury. TWC filed a protest with General Services Administration (GSA) to protest IRS’s action removing the IRS Notice Redesign requirement from the 8(a) Program. “Per Ronne, Treasury wanted someone outside IRS to review the contract to ascertain what position we are in.” In the contract review write-up, Rogin conceded, “[T]here is a clear audit trail where IRS didn’t do a good job making progress.” He excuses the contract breach, stating, “[H]owever, we did bend over backwards to give The Writing Company a piece of the pie when we attempted to reinstate the contract.” (Sanders asks, why should TWC be content with a piece of the pie when it had the whole pie? The statement wreaks of racial discrimination.) 	 RONNE A. ¹ ROGIN
57	<ul style="list-style-type: none"> ▪ The third contract review also states, “IRS wanted a contractor to write down every step to transfer knowledge.” TWC was fully equipped to “write down every step”—a service it had provided to customers since its inception.¹ IRS never discussed this requirement with TWC. Furthermore, TWC’s contract already called for TWC to deliver a methodology to IRS when the Notice Redesign Contract concluded. TWC’s contract contained the following: 	 BROCHRE ¹ See PROCESS DOC.




No.	Narrative	
	<p>Task 2—Develop Notice Revision Standards:² The contractor is required to develop notice revision standards that will govern revision during the Notice Redesign Project and revisions subsequent to project completion. Using data collected during the initial phase from Government conducted taxpayer focus groups, written surveys, telephone surveys, and data garnered during stakeholder interviews, the Contractor shall develop standards that provide guidelines for notice revision. The revision standards, in addition to ensuring a 7th to 10th grade reading level, must ensure notices comply with the following. . . .</p> <p>Task 13—Final Report: ² The Contractor shall provide a final report which summarizes notice revision standards, as well as the internal and external data which determined standards developed. This document will be furnished during the Contractor's exit meeting with the COTR and other cognizant representatives at a date agreed to by the parties.</p>	 Acrobat Document TIRNO-98 ² W-00001
	IRS Offered Changing Reasons For Contract Termination:	
58	<ul style="list-style-type: none"> John Gunner stated the following when he prepared the letter requesting contract termination: ¹ <p>We feel that this vendor can't fulfill our revised requirements for provision of a redesign methodology and transference of this methodology to our employees through training and consultation, and project management oversight.</p> <p>TWC possessed all the capabilities IRS stated it was looking for in a new contractor. TWC made available to IRS a number of documents that reiterated TWC's capabilities, including the handout² provided when TWC first met with Dalrymple, TWC's brochure,³ the kickoff meeting packet,⁴ and narrative in the <i>Tier 4 Review Executive Report</i>.⁵ (The termination letter Gunner wrote was an internal document not meant for external eyes. IRS never discussed revised needs with TWC prior to contract termination. Also, the contract called for TWC to include a methodology as part of its final report. (See Task 13 in the contract).⁶ Note: The Federal Acquisition Regulation (FAR) states the cognizant contracting officer must make the decision to terminate a contract. IRS violated FAR when it terminated TWC's contract at the request of John Gunner.</p> <p>FAR 49.101: Authorities and Responsibilities (a) Termination of contracts is the responsibility of the contracting officer (see FAR 49.101(b)). Contracts shall only be terminated when in the best interest of the Government.</p> 	 Acrobat Document TERM ¹  Acrobat Document HANDOUT ²  Acrobat Document BROCHUR ³  Acrobat Document KICKOFF ⁴  Acrobat Document TIER 4 ⁵  Acrobat Document TIRNO-98 ⁶ W-00001
59	<ul style="list-style-type: none"> IRS contrived new reasons for contract termination. Recognizing reasons in the termination letter could not withstand scrutiny, since TWC did possess capabilities referenced in Gunner's termination letter, IRS officials began contriving new reasons for contract termination. By so doing, they violated the Criminal False Statements Act: <ul style="list-style-type: none"> At the time of termination, John T. Smith stated "IRS wanted to do something different." When Sanders met with John T. Smith and other IRS representatives to discover why IRS terminated TWC's contract, John T. Smith stated IRS "did not want too much knowledge vested in one vendor." 	 Acrobat Document RONNE A. ¹ ROGIN  Acrobat Document WILLIAMS ²  Acrobat Document ROTHWLL ²



No.	Narrative	
	<ul style="list-style-type: none"> During reinstatement talks, IRS said “TWC was working too fast, burdening internal resources.” Ronne Rogin, who conducted the third contract review, stated “IRS wanted a contractor to write down every step to transfer knowledge.”¹ TWC had developed countless user manuals and could have met the need, if asked. Assistant Commissioner of Procurement Gregory Rothwell and Director of Procurement James Williams stated the “contract was unmanageable.”² John T. Smith, who previously stated IRS terminated TWC’s contract because the agency “wanted to do something different,” and subsequently stated, “IRS did not want too much knowledge vested in one vendor,” joined Williams and Rothwell by claiming IRS terminated the contract because it was “unmanageable.”³ The third contract review stated TWC’s Notice Redesign Contract was a “losery” contract.⁴ IRS told Hugh Wright, an SBA manager in St. Louis, “the scope of work changed.”⁵ Note: While TWC was performing on the IRS Notice Redesign Contract, the scope of work changed numerous times. (IRS added work, changed to a “team process,” and made other <i>unilateral</i> changes without canceling the contract.) In a letter dated May 18, 1999, Barry Sparks, who reported to James Williams and Gregory Rothwell, requested Defense Contract Audit Agency (DCAA) audit TWC. In the Background section of the request, under <i>Deliverables</i>, Sparks states that notices TWC delivered on September 21, 1998, “were not deemed to be a useable product.”⁶ 	 Acrobat Document J.T. SMITH ³  Acrobat Document CONTRCT ⁴ REVIEW  Acrobat Document HUGH ⁵  Acrobat Document ADIT REQ ⁶
	TIGTA report misrepresented TWC's performance:	
60	<p>▪ <i>In addition to overseeing DCAA audits of TWC, TIGTA’s auditor conspired to create audit reports that were designed to deceive and perfect the conspiracy.</i> Pamela Gardiner—Chief TIGTA Auditor—published a report entitled <i>Increased Management Attention Is Needed to Ensure the Success of Future Notice Redesign Efforts</i>, dated 12/30/02.¹ While the report does not specifically name TWC, it names TWC by implication, stating: “[W]e identified some issues that, in our opinion, may have hampered the IRS’s past notice redesign efforts.” This report states:</p> <p style="padding-left: 40px;">IRS realized only incremental progress.</p> <p>Congressional leaders and others were led to believe TWC only revamped six notices (11 versions). The report failed to acknowledge TWC revamped hundreds of math error codes, penalty codes, unallowable codes, and 116 notices within six months. The report also misleads the reader by stating that Effective Management Systems Are Needed to Enhance the Chances of Success of Future Notice Redesign Efforts. The report claims there is “no evidence that project management techniques were used.” TWC was the project manager; TIGTA never asked TWC about its project</p>	 Acrobat Document INCRSD ¹ MGMT (TIGTA RPT)








No.	Narrative	
	<p>management approach or arsenal. TWC used a cadre of project management techniques and tools, which included the full deployment of Microsoft Project, a comprehensive project plan,² quality systems developed by TWC specifically for Notice Redesign,³ time-tracking systems that recorded time spent redesigning each notice to the second,⁴ the Escalation clause, usability testing, and a host of internal and external controls that allowed TWC to continue meeting deadlines in the face of widespread sabotage.</p>	 Acrobat Document PROJECT² PLAN
	QUALITY SYSTEMS DEVELOPED BY TWC³	
	<div>  Acrobat Document CHCKLST³ </div> <div>  Acrobat Document 1ST PAGE WRTNG GUIDE³ </div> <div>  Acrobat Document REVIEW³ PCKT </div> <div>  Acrobat Document SETUP³ </div> <div>  Acrobat Document TIME⁴ TRCKG </div>	
	Keynote: TWC believes IRS laid claim to some of TWC's intellectual property and internal processes, which it obtained without TWC's permission during the 1999 site inspection.	
	TWC's tax debts began to soar:	
61	<ul style="list-style-type: none"> With the weight of the termination bearing down on TWC, the firm began amassing mounting tax debts. TWC planned to use remaining contract payments (settlement payments) to extinguish TWC's rising tax debts.¹ TWC's owner, Jerroll M. Sanders, advised IRS Collections Officer Sheila Jenkins of her plan for resolving TWC's tax debts. It was a major error on Sanders' part; when Jenkins contacted Williams, she and Williams entered into an illegal agreement (conspiracy) to silence TWC. 	 Acrobat Document TWC¹ NOTIFIES OF INTENT
	Retaliation	
62	<p>IRS and Treasury violated Sanders' and TWC's constitutional rights as outlined in the Bill of Rights: Treasury Inspector General for Tax Administration peered into Sanders', TWC's, and Sanders' parents' bank accounts without cause (illegal search), seized Sanders' and TWC's intellectual property without due process and diverted it to Kleimann Communications Group, and retaliated against Sanders and TWC, ultimately destroying TWC and Sanders financially. IRS and Treasury's also violated the Federal Acquisition Regulation good faith provision and the U.S. Small Business Act:</p> <p>(Public Law 85-536, as amended)</p> <p>2.(a) It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government (including but not limited to contracts or subcontracts for maintenance, repair, and construction) be placed with small business enterprises, to insure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strengthen the overall economy of the Nation.</p>	






No.	Narrative	
	IRS procurement withheld payments to punish TWC:	
63	<ul style="list-style-type: none"> IRS contracting officials sought to punish TWC by withholding <i>invoice payments</i>. When IRS terminated TWC’s contract, there were contract-related expenses TWC had incurred, but had not billed (invoiced). When TWC made known its intent to challenge the wrongful contract termination, IRS officials refused to pay even routine invoice costs it had paid throughout the contract. TWC was forced to file claims before the General Services Board of Contract Appeals (GSBCA) to secure payment. IRS officials’ actions violated the Prompt Payment clause¹ in TWC’s contract and tenets of “good faith” contracting. TWC prevailed on direct material costs of \$6,645.00² when it appeared before GSBCA in 1999. (TWC was also seeking payment of overtime premiums TWC felt it was due, pursuant to the Federal Acquisition Regulation (FAR)). 	 Acrobat Document PROMPT ¹ PAY MOD  Acrobat Document GSBCA ² DECISION \$6645.00
64	<ul style="list-style-type: none"> IRS sought to punish TWC by withholding TWC’s <i>general and administrative settlement payment</i> for over a year. When a government agency terminates a contract for convenience of the government (T4C), a settlement process ensues. The settlement process is the government’s way of making the contractor whole, since a termination for convenience (T4C) does not imply fault on the part of the contractor. TWC submitted a termination for convenience settlement proposal in accordance with the Federal Acquisition Regulation (FAR). TWC anticipated working with IRS for years, based upon its scope of work; TWC’s projection of a long-term relationship was not overly presumptuous, considering the vendor IRS hired in 1999—the year IRS terminated TWC’s contract—has continued to provide services to IRS for over nine years. As required by FAR, TWC took on expenses required to successfully perform the Notice Redesign Contract. The firm hired writers, purchased equipment, moved to larger facilities, and purchased software. The Notice Redesign Contract accounted for almost 90 percent of TWC’s revenue. (When preparing its settlement proposal, TWC considered its lease obligation and other costs TWC could not immediately terminate.) When engaging in the settlement process, agency officials are encouraged to consider costs and to use good business practices; they are afforded <i>substantial latitude</i> in their decision-making when determining the appropriate settlement amount.) The Writing Company submitted a settlement proposal in the amount of \$526,802.07. <i>TWC’s also included a multi-million dollar breach of contract claim for a wrongful contract termination in the proposal.</i> 	 Acrobat Document CIBINIC & ¹ NASH, PG 1090
65	<ul style="list-style-type: none"> The Writing Company (TWC) met with IRS to discuss TWC’s settlement proposal. TWC prepared its settlement proposal without any assistance from IRS. (IRS was obligated by FAR to assist TWC with settlement proposal preparation. In correspondence, Williams falsely stated IRS helped TWC prepare its settlement proposal.) When IRS learned Sanders would attend the pre-bid meeting in Washington, D.C., for the Notice Redesign RFQ, Contracting Officer Sharon Warren contacted Sanders in St. Louis, MO, and arranged to meet with her to discuss the settlement proposal following the pre-bid meeting. The settlement meeting took place in a conference room at L’Enfant Plaza. When Sanders arrived at the meeting, she was surprised to discover Director of Procurement James Williams, Attorney Ed Ramras, contracting officer Ethel Carter, a price analyst, and several other IRS 	





No.	Narrative	
	<p>representatives. During the meeting, Williams attempted to coerce Sanders into entering into a settlement agreement on the spot. He said Attorney Ramras would go upstairs and prepare the agreement, which called for TWC to sign a general liability release in exchange for a \$393,000 settlement.¹ Sanders told Williams she needed to have her attorney review the agreement, adding she had no interest in extinguishing all her claims, particularly her breach of contract claims, which Sanders had previously arranged for her office to fax to Contracting Officer Sharon Warren that day. Sanders asked Williams to provide his offer in writing and forward it to her.</p> <p>Keynote: Unbeknown to TWC, Kleimann Communications Group, which was handed the Notice Redesign Contract in 1999 via back door means, was well entrenched in notice redesign.</p>	
66	<ul style="list-style-type: none"> Williams threatened to conduct a second DCAA audit of TWC when Sanders refused to sign a general liability release exonerating IRS of all claims. Federal procurement statutes obligated IRS to award TWC settlement funds (See Cibinic & Nash—Page 1090)¹, since IRS terminated TWC’s contract for convenience of the government. IRS audited TWC in 1999 as part of contract settlement. IRS paid TWC \$189,350 of the \$526,000 TWC requested in its settlement proposal. On several occasions, James Williams, Director of Procurement at IRS, offered to pay TWC a total settlement amount of \$393,000 if TWC agreed to sign a general liability release shielding IRS from future claims that might be brought by TWC.² Williams first made the offer on February 25, 2000. He told Sanders IRS would audit TWC’s general and administrative expenses (G&A) if TWC did not sign the release. Implicit in Williams’ statement was a threat (a promise) to reduce G&A if TWC persisted in seeking redress for the wrongful termination. 	<div data-bbox="1430 638 1533 695">  Acrobat Document </div> <div data-bbox="1430 716 1533 800"> CIBINIC &¹ NASH, PG 1090 </div> <div data-bbox="1430 831 1533 888">  Acrobat Document </div> <div data-bbox="1430 909 1533 940"> RELEASE² </div>
67	<ul style="list-style-type: none"> Williams repeated his threat in a letter to Della Ford of SBA, dated April 28, 2000.¹ Ford sought to help TWC until she was visited by Williams; after William’s visit, Ford decided not to protest IRS’s decision removing Notice Redesign from the 8(a) Program. Williams drafted a letter to Ford reiterating the offer he made to TWC. The letter from Williams confirms: <ul style="list-style-type: none"> SBA reversed its decision to appeal IRS’s decision removing Notice Redesign from the 8(a) Program after meeting with Williams: “Although the record shows that SBA initially stated an intention to file an administrator’s appeal of the solicitation, it later informed IRS that it had decided against such an appeal.”² Williams threatened to audit TWC if Sanders did not accept his offer and sign the release. “In summary, our original offer of \$393,000, minus the \$189,350.00 already paid, remains on the table provided that The Writing Company agrees to accept the bottom line negotiated figure. In addition, she must drop all complaints and claims against the Service related to the subject contract. This offer will remain open until the audit report is received by the Service. <p>In the event that The Writing Company does not accept the offer that is currently on the table, the Service will make a final payment determination based upon the audit described above.”</p> 	<div data-bbox="1430 1142 1533 1199">  Acrobat Document </div> <div data-bbox="1430 1220 1533 1283"> DELLA’s¹ LETTER </div> <div data-bbox="1430 1293 1533 1350">  Acrobat Document </div> <div data-bbox="1430 1371 1533 1455"> GAO² PROTEST, 8(A) </div>







No.	Narrative	
	<p>Courts have concluded the following:</p> <p>When the Government uses coercion or threats to force the contractor to agree to terms without any alternative, the Government is not negotiating in good faith and therefore is in breach. Courts have described such economic duress as included in breaches of good faith and therefore is in breach.</p> <p>To render an agreement voidable on grounds of duress it must be shown that the party's manifestation of assent was induced by an improper threat which left the recipient with no reasonable alternative save to agree Such forms of economic duress . . . include threats that would breach a duty of good faith and fair dealing under a contract as well as threats which, though lawful in themselves, are enhanced in their effectiveness in inducing assent to unfair terms because they exploit prior unfair dealing on the part of the party making the threat.³</p> <p style="text-align: right;">—Cibinic & Nash—Page 310.</p> <p>Keynote: Federal contractors <i>routinely</i> sign a general liability release upon successful conclusion of settlement negotiations. IRS did not act <i>inappropriately</i> by asking TWC to sign such a release. IRS did act <i>inappropriately</i> when it withheld TWC's payments to coerce the firm into signing a general liability release in order to conceal a wrongful contract termination.</p>	 Acrobat Document CYBINIC & NASH ³
68	<ul style="list-style-type: none"> When TWC did not accept what James Williams coined "IRS's generous settlement offer,"¹ he and his co-conspirators unleashed the full weight of the U.S. Government to destroy TWC and ruin Sanders. By so doing, they violated the U.S. Small Business Act and federal laws prohibiting acts of conspiracy in the commission of criminal acts. Public Law 85-536, as amended states: <p>This Act may be cited as the "Small Business Act."</p> <p>2.(a) The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation. Such security and well-being cannot be realized unless the actual and potential capacity of small business is encouraged and developed. It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government (including but not limited to contracts or subcontracts for maintenance, repair, and construction) be placed with small business enterprises, to insure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strengthen the overall economy of the Nation.</p> <p>Conspiracy Under 18 U.S.C. [sections] 371:</p> <p>[I]t is a crime for "two or more persons [to] conspire ... to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose."(1) Conspiracy is distinct from the substantive crime contemplated by the conspiracy and is charged as a separate offense.(2) Acquittal on a conspiracy charge does not bar prosecution of the substantive offense.(3) Likewise, acquittal of the substantive offense does not bar conviction on the conspiracy count.(4) Conspiracy, coined the prosecutor's "darling,"(5) is one of the most commonly charged federal crimes.(6) The offense of conspiracy has great breadth, and prosecutors have applied it to a variety of situations.(7) Commentators have noted that "it is clear</p> 	 Acrobat Document WILLIAMS ¹ WITHDRWS OFFER  Acrobat Document IRS WITHHOLD FUNDS FOR DOL 12/14/2000 ²







No.	Narrative	
	<p>that a conspiracy charge gives the prosecution certain unique advantages and that one who must defend against such a charge bears a particularly heavy burden."(8)</p> <p>The Supreme Court has described the gravity of the conspiracy offense:</p> <p>For two or more to confederate and combine together to commit or cause to be committed a breach of the criminal laws, is an offense of the gravest character, sometimes quite outweighing, injury to the public, the mere commission of the contemplated crime. <i>It involves deliberate plotting to subvert the laws, educating and preparing the conspirators for further and habitual criminal practices. And it is characterized by secrecy, rendering it difficult of detection, requiring more time for its discovery, and adding to the importance of punishing it when discovered.</i>(9) . . .</p> <p>II. ELEMENTS OF THE OFFENSE</p> <p>There are four elements of criminal conspiracy, each of which the prosecution must prove beyond a reasonable doubt.(15) A conspiracy exists where there is: (1) an agreement between at least two parties (2) to achieve an illegal goal (3) with knowledge of the conspiracy and with actual participation in the conspiracy, and (4) at least one conspirator commits an overt act in furtherance of the conspiracy.(16)</p>	
69	<ul style="list-style-type: none"> ▪ <i>TWC continued to request its general and administrative (G&A) settlement payment. Williams and his cohorts continued to starve TWC financially.¹ Gregory Rothwell, James Williams, and David Grant withheld TWC's G&A payment to place TWC under financial duress.</i> 	 Acrobat Document 03/31/2000 ¹ PYMT REQ.
70	<ul style="list-style-type: none"> ▪ <i>IRS violated the Contract Disputes Act (CDA) when its agents refused to explain, in writing, why IRS was denying various settlement claims. On March 16, 2000, TWC sent James Williams a letter asking IRS to outline, in writing, IRS's position on each settlement claim. Williams refused,¹ stating he provided the explanation to TWC verbally during the February 24, 2000, meeting:</i> <p><i>This correspondence is provided as a response to your letter dated March 16, 2000 requesting an explanation defining why each claim listed on your settlement proposal was denied in part or in full. In the settlement negotiation held on February 24, 2000, each cost element on your proposal was discussed at length with you and James A. Franklin. The rationale for accepting costs items, reducing cost items, and denying cost items was a part of the negotiation. . . . Based on the February 24, 2000, negotiation you know our position on the costs that were discussed during the negotiation.</i></p> <p><i>Williams violated the Contract Disputes Act when he refused to explain why IRS was denying each settlement claim IRS denied or reduced. The Contract Disputes Act (U.S.C. 41) required Williams to do the following when negotiations reached an impasse:</i></p>	 Acrobat Document IRS ¹ REFUSED TO COMPLY WITH CDA
	<p>33.211—Contracting Officer's Final Decision</p> <p><i>(a) When a claim by or against a contractor cannot be satisfied or settled by mutual agreement and a decision on the claim is necessary, the contracting officer shall—</i> (1) Review the facts pertinent to the claim; (2) Secure assistance from legal and other advisors; (3) Coordinate with the contract administration office or contracting office, as appropriate; and (4) Prepare <i>a written decision</i> that shall include a—</p> <ul style="list-style-type: none"> (i) Description of the claim or dispute; (ii) Reference to the pertinent contract terms; (iii) <i>Statement of the factual areas of agreement and disagreement;</i> (iv) <i>Statement of the contracting officer's decision, with supporting rationale</i> 	









No.	Narrative	
71	<ul style="list-style-type: none"> When TWC refused to sign a general liability release dropping all complaints and claims against IRS, James Williams, Director of Procurement, withdrew his offer¹ and requested Defense Contract Audit Agency (DCAA)² audit TWC's general and administrative expenses. In his letter to Della Ford, ³ Williams said the DCAA audit would determine the G&A amount TWC would receive. In keeping with Williams' threat, TIGTA (Regina Dougherty) requested DCAA audit the G&A amount TWC included in its post-termination settlement proposal. (The pending audit would be the second DCAA audit TWC had undergone since contract termination.) While TWC knew Williams would attempt to find a way to reduce G&A, TWC never expected Williams and TIGTA would dispense with DCAA audit standards and reduce TWC's G&A by over \$113,829. 	 WILLIAMS ¹ WITHDRWS OFFER  ABOUT ² DCAA  DELLA's ³ LETTER
72	<ul style="list-style-type: none"> By June 30, 2000, IRS provided TWC the first G&A audit report¹ for review. Page 2 of the audit report revealed that DCAA, working with TIGTA, reduced TWC's proposed G&A of \$170,416 to 90,111: Contractor's Proposal (\$170,416) minus Questioned Costs (80,305) = G&A Compensation (\$90,111). <p>Keynote: By the time DCAA conducted the G&A settlement audit, TWC was without a business manager. TWC's business manager participated substantially in the preparation of TWC's settlement proposal. IRS knew James Franklin was no longer with TWC.</p>	 1st G&A ¹ AUDIT RPT
73	<ul style="list-style-type: none"> DCAA used unorthodox auditing procedures to reduce TWC's G&A. TIGTA, which oversaw the DCAA audit and intervened every step of the way, directed the auditor to follow procedures that would net TWC the minimum G&A compensation. While TWC's owner was not fully equipped to evaluate DCAA audit procedures, Sanders did detect impropriety.¹ DCAA based TWC's G&A determination on "Agreed Upon Procedures" rather than DCAA audit standards. (Note: Sanders read DCAA audit programs online.) When calculating TWC's G&A, the DCAA auditor omitted accrued salary expense of \$185,826 from the calculation. DCAA claimed accrued salary could not be expensed until it was actually paid. Sanders knew better. She contacted IRS via email to secure written confirmation that accrued salary was a valid current period expense. The division of IRS Sanders emailed was not aware of TWC's encounter with IRS. The email response from IRS confirmed DCAA should have included accrued salary when calculating G&A.² 	 IMPRPRT ¹ JULY 13, 2000  IRS RLNG ²
74	<ul style="list-style-type: none"> Jerrold Sanders wrote James Williams a letter pleading for TWC's G&A settlement.¹ Sanders complained about unorthodox procedures DCAA used to reduce TWC's G&A settlement amount. When Sanders complained to Williams in writing and via telephone about the deviation from standard audit procedures, Williams angrily agreed to adjust the report. 	 COMPLINT ¹ ABOUT G&A








No.	Narrative	
	<p>Keynote: It is customary for a contractor and federal agency to agree upon procedures for certain aspects of a contract settlement audit. TWC and IRS <i>did not</i> arrive at any agreed-upon procedures. TWC expected DCAA to abide by the DCAA audit program when auditing the G&A amount TWC proposed. That is what Williams promised IRS would do in his letter to SBA official Della Ford: “In the event that The Writing Company does not accept the offer that is currently on the table,” Williams stated, “the Service will make a final payment determination based upon the audit described above.”</p>	
75	<ul style="list-style-type: none"> TWC requested a copy of the revised audit report with accrued salary added to the G&A pool. Williams ignored Sanders’ repeated requests, thereby denying TWC the opportunity to review and comment on audit revisions. TWC did not receive a revised audit report until December 2000. Years later, TWC acquired a 2nd iteration of the G&A audit report. It was provided with other documents in response to one of TWC’s Freedom of Information Act (FOIA) requests.² If DCAA had added the \$185,826 accrued salary expense to the G&A pool, TWC’s G&A compensation would have substantially exceeded the \$90,111 amount show in the first audit report. IRS was not about to allow that to happen. To avoid increasing TWC’s G&A, midstream, DCAA and TIGTA adopted a new approach to calculating TWC’s G&A. The method reduced TWC’s G&A from \$90,111 to \$71,844 as follows: Contractor’s Proposed G&A (\$170,416) minus Questioned Costs (\$98,572) = G&A Settlement (\$71,844). See Page 2 of the 2nd iteration of the G&A audit report.² 	<div data-bbox="1433 552 1534 716">  Acrobat Document 1st G&A¹ AUDIT RPT 6/30/2000 </div> <div data-bbox="1433 747 1534 911">  Acrobat Document 2ND G&A² AUDIT RPT 7/25/2000 </div>
76	<ul style="list-style-type: none"> DCAA and TIGTA reduced G&A even further when preparing the 3rd iteration of the G&A audit report, which shows G&A compensation as \$54,832: Proposed G&A (\$170,416) minus Questioned Costs (115,493) = G&A Settlement (\$54,823).¹ A simultaneous examination of all three reports shows constant finagling designed to reduce TWC’s G&A compensation to the lowest possible amount. The reports also contain a plethora of false statements that are designed to give credence to DCAA’s unorthodox approach to calculating TWC’s G&A. The 1st DCAA G&A audit report—the only one that is decipherable—provides glaring examples of malfeasance. The report confirms DCAA and TIGTA conspired to deny TWC settlement funds. A recent conversation with a senior DCAA auditor confirmed the following: <ul style="list-style-type: none"> DCAA should have included the \$185,826.64 accrued salary in TWC’s G&A calculation, since TWC journalized the transaction on its general ledger. The DCAA senior auditor, who was also a manager, said accrued salary expense was deemed incurred when TWC recorded the expense on its general ledger. Therefore, DCAA should have included it in G&A. The senior auditor’s statement was consistent with a ruling TWC obtained from IRS years earlier.² The DCAA manager referred Sanders to several FAR clauses: FAR 31.201.1 (Composition of Total Cost),³ FAR 31.201.3 (Indirect Costs),³ and FAR 31.201.2 (Allowability).³ 	<div data-bbox="1433 1062 1534 1226">  Acrobat Document 3rd G&A¹ AUDIT RPT 7/25/2000 </div> <div data-bbox="1433 1257 1534 1350">  Acrobat Document IRS RLNG² </div> <div data-bbox="1433 1381 1534 1474">  Acrobat Document FAR 31³ </div>



No.	Narrative	
77	<p>· DCAA incorrectly labeled accrued salary as deferred compensation to justify excluding \$185,826 from the G&A calculation. FAR 52.216-7 states, “The proposed rates [for G&A] shall be based on the Contract’s actual experience for that period.” The auditor who prepared the 1st G&A audit report sought to minimize TWC’s G&A compensation by excluding accrued salary from the G&A computation, explaining the following:</p> <p style="padding-left: 40px;">The contractor accrued salary and fringes for Mr. and Mrs. Sanders in the amount of \$185,826.64 for calendar year 1999. These costs were not paid to the individuals by the company prior to the 15th day of the third calendar month after the end of the employer’s tax year in which the related services were rendered. Per Code Section 404(a)(5),(b)(1), the deferred compensation is not deductible as expense until it is included in the gross income of the recipient.</p> <p>· The DCAA auditor, under the direction of TIGTA, intentionally mischaracterized accrued salary expense as deferred compensation to deny TWC G&A compensation it was due. Deferred compensation refers to:</p> <p style="padding-left: 40px;">[A]n employee benefit plan, authorized by various Internal Revenue Code Sections, under which employees may contribute a percentage of wages to tax deferred savings plans rather than receive the amounts as current compensation. The most commonly used deferred compensation plan is the 401(k) plan.</p> <p style="text-align: right;">—definitions.uslegal.com/d/deferred-compensation-plan</p>	 Acrobat Document FAR ⁴ 52.216-7
78	<p>▪ IRS and TIGTA violated their duty to exhibit good faith when settling TWC’s contract when they used unorthodox procedures to reduce TWC’s settlement to the lowest possible amount:¹</p> <p style="padding-left: 40px;">The obligation of good faith and fair dealing extends to the assertion, settlement and litigation of contract claims and defenses The obligation is violated by dishonest conduct such as taking advantage of the necessitous circumstances of the other party to extort a modification of a contract for the sale of goods without legitimate commercial reason Other types of violation have been recognized in judicial decisions: harassing demands for assurances of performance, rejection of performance for unstated reasons, willful failure to mitigate damages, and abuse of power to determine compliance or to terminate the contract. The duty has also been incorporated into the rules on economic duress. Page 296. Section 175(1) states: A threat is improper if . . . (d) the threat is a breach of the duty of good faith and fair dealing under a contract with the recipient.</p> <p style="text-align: right;">—Cibinic & Nash, Page 296</p>	 Acrobat Document CIBINIC & ¹ NASH
79	<p>▪ On August 17, 2000, TWC again requested payment of the firm’s G&A settlement claims.¹ Williams said the delay was caused by a review being conducted by DCAA.²</p>	 Acrobat Document 07/13/00 ¹ PYMT REQ  Acrobat Document PMT RPLY ²








No.	Narrative	
80	<ul style="list-style-type: none"> IRS prompted a Department of Labor (DOL) wage investigation, hoping to force TWC to pay hundreds of thousands of dollars in back wages. After DCAA concluded its audit, IRS continued to withhold TWC's G&A settlement payment and the \$6445 GSBCA ordered IRS to pay TWC. At that time, TWC was unaware of TIGTA's ongoing investigation of TWC and Sanders based upon contrived charges of wrongdoing. When TIGTA's investigators concluded their investigation with a finding of no wrongdoing on TWC's part, Williams and his team sought to initiate yet another investigation—this time with the Department of Labor (DOL). IRS contacted DOL and raised the same wage issue TIGTA had investigated—this time with a different twist; IRS was now alleging TWC violated the Contract Services Act (CSA) by not paying employees a high enough wage.¹ As a result of the investigation, DOL could have required TWC to pay hundreds of thousands of dollars to employees in the form of back wages for what was essentially an incomplete contracting issue, as IRS Contracting Officer Beverly Cox had already confirmed via teleconference while TIGTA agents Randy Gregory and Tim Marcum were present. (Note: If TWC had paid employees higher hourly wages, IRS would have been forced to pay TWC higher hourly billing rates. Higher billing rates would have netted TWC greater profits. TWC invoiced IRS as follows: Each employee's base hourly rate, plus a percentage of the employee's rate, equaled total amount billed IRS for each hour worked by the employee.) 	<div>  Acrobat Document DOL¹ INV 8/30/2000 </div> <div>  Acrobat Document 09/06/00¹ DOL IRS </div>
81	<ul style="list-style-type: none"> Sharon Warren and James Williams lied when they claimed IRS did not prompt the U.S. Department of Labor (DOL) Investigation of TWC. In an internal email, Sharon Warren writes, “contact was made with . . . Mr. Frank Taylor (202-693-0101) of the Enforcement Branch of DOL this morning.”¹ The email confirms Warren contacted DOL. Yet she denied IRS prompted the DOL investigation in the letter she wrote to TWC on behalf of James Williams: TWC wrote to James Williams:² We talked to the local IRS collection representatives and advised them that you owe us funds. They contacted you to discuss the matter. One of the local representatives said you acknowledged owing my firm funds. He also said you advised them that the Department of Labor is investigating The Writing Company for violating the Contract Services Act—an investigation that you initiated. Warren wrote on behalf of James Williams:³ The IRS did not initiate the compliance review with the DOL. We previously reported your non-compliance with the wage determination to you. We are required to pass this information to DOL. It was at their discretion that the review of your compliance with the Service Contract Act was initiated. 	<div>  Acrobat Document PROMPTS¹ INV 8/30/2000 </div> <div>  Acrobat Document TWC² 11/09/00 </div> <div>  Acrobat Document 12/14/2000³ (DOL) WILLIAMS </div>
82	<ul style="list-style-type: none"> IRS issued TWC a settlement by determination that contained a plethora of false representations. The settlement summary on Page 9 details IRS's final settlement offer. (The G&A compensation in the settlement by determination differs from the compensation shown on the third G&A audit report. TWC disagreed vehemently with most of IRS's decisions, including the decision to compensate TWC only \$56,500 for rent expense. For years, TWC occupied an office with an excellent rent rate. When TWC hired additional employees to work the IRS contract, TWC was forced to move into larger quarters. TWC moved into new quarters on the first of October 1998; IRS terminated TWC's contract on February 24, 1999. Unbeknown to 	<div>  Acrobat Document SETTLMNT </div>







No.	Narrative					
	TWC at the time, IRS was continuously discussing contract termination. If TWC had known of IRS’s goal, TWC would not have taken on a new lease to accommodate a contract the customer was hell bent on terminating!					
83	<ul style="list-style-type: none"><i>IRS collections officers transferred TWC’s corporate tax debts to Sanders’ personal tax account in accordance with trust fund recovery procedures.</i> The weight of the contract termination and withholding of funds took its toll on TWC, which had mounting tax debts. In accordance with trust fund recovery procedures, IRS transferred part of TWC’s corporate tax debts to TWC’s president and CEO’s personal tax account. Sanders planned to use TWC’s G&A settlement payment to extinguish the trust fund recovery debt IRS applied to her personal tax account. Sanders communicated her intent to Collections Officer Sheila Jenkins and John Head—Jenkins’ Manager.					
84	<ul style="list-style-type: none"><i>DOL representatives David Bollman and Etta Johnson in the St. Louis DOL office conducted the wage investigation.</i> They interviewed Sanders, TWC’s former employees, reviewed TWC’s work processes, and conducted other activities designed to determine the wage rate TWC <i>should have paid</i> employees working on IRS Notice Redesign. After several months, DOL concluded TWC should have paid employees at least 10.63 hourly; TWC paid most employees over \$14.00 an hour. (<i>DOL conformed TWC’s wage rate to \$10.63.</i>) DOL also concluded TWC did not notify employees that \$1.16 of their hourly salary was paid in accordance with the Contract Services Act (CSA).¹ DOL therefore directed TWC to pay employees the \$1.16 per hour again, advising them it was being paid in accordance with CSA. The amount TWC was required to pay in accordance with CSA totaled \$4655.24.² DOL also required TWC to pay eight employees back holiday pay and overtime totaling \$334.34³. <p>Keynote: The hourly rate TWC billed IRS⁴ was substantially less than the rate Kleimann Communications Group (KCG)⁵ now bills IRS for the same services.</p>					
	 Acrobat Document \$1.16 Hr ¹	 Acrobat Document CSA WAG ² RESULTS \$4655.24	 Acrobat Document HOLIDY ³ & OVRTME \$334.34	 Acrobat Document TWC’S ⁴ RATE	 Acrobat Document KCG RATE ⁵	
85	<ul style="list-style-type: none"><i>IRS collections officers managing TWC’s account joined the conspiracy to destroy TWC.</i> Sanders communicated her plan for extinguishing tax debts to Collections Officer Sheila Jenkins and John Head—Jenkins’ Manager. Jenkins contacted James Williams at Sanders’ request to confirm TWC was due settlement funds. Later, Head told Sanders he had talked with James Williams and an IRS attorney in Washington, D.C. According to Head, the attorney on the line with Williams told Head it was his job to put TWC out of business.¹ Sanders drafted a letter reiterating the discussion she had with Head, including his statement about putting TWC out of business.¹ Several weeks later, Head received a new assignment and was replaced with Christopher Rothweiler, who worked in concert with Jenkins to close TWC’s doors. Head seemingly wanted nothing to do with the matter.					 Acrobat Document 4/24/01 ¹ LETTER HEAD








No.	Narrative	
86	<ul style="list-style-type: none"> James Williams, Director of IRS Procurement, and David Grant who is currently Assistant Commissioner of Procurement at IRS continued withholding TWC's funds to starve the firm financially. Etta Johnson—the Manager overseeing TWC's DOL wage investigation—told Sanders she never asked Williams to withhold the firm's G&A payment. (Williams said his attorneys told him to withhold TWC's payment.)¹ In November 2000, Etta Johnson of DOL told Sanders she expected to make a ruling on TWC's wage investigation about the first of December. An email from IRS Attorney Ed Ramras entitled "Who Gets The Money" confirms DOL told IRS it would provide the results of the wage investigation in either late November or early December.² Etta Johnson of DOL told Sanders how much TWC would owe in early December. She also told IRS procurement, which continued to withhold TWC's \$77,000 payment (settlement owed plus \$6445 GSBICA judgment) to cover a \$4700 wage debt. Grant and Williams withheld TWC's funds until April 2001.³ In the meantime, penalty and interest continued to accrue on the trust fund recovery debt Jenkins had applied to Sanders personal tax account. Sanders' rising personal tax debt paved the way for IRS to begin assaulting her and her family <i>personally and directly</i>. 	 ATTRNY ¹ WITHHOLD FUNDS  DOL ² DEC. NOV. 2000  STTLMNT ³  GSBICA ⁴ \$6445
87	<ul style="list-style-type: none"> IRS collections officers Sheila Jenkins and Christopher Rothweiler worked vigorously to put TWC out of business. Jenkins and her supervisor, Chris Rothweiler, maintained contact with IRS procurement. Jenkins and Rothweiler harassed Sanders non-stop: They repeatedly visited her office unannounced to alarm her staff and convey the impression of pending doom, visited her home unannounced, worked vigorously to seize TWC's office furniture and other business assets, notified TWC's customers of the firm's tax predicament, and even lied in open court to a federal judge (committed perjury) about a matter related to TWC. Their goal was not resolution of a tax debt; it was to put Sanders out of business. Their aggression subsided when TWC folded. Every time Sanders attempts to make IRS's illegal acts known, Jenkins and Rothweiler increase the scope and intensity of their collections efforts. They will undoubtedly seek to finish Sanders off when they become aware of this packet. 	
88	<ul style="list-style-type: none"> IRS Collections Officer Sheila Jenkins violated IRS code when she intentionally misapplied TWC's settlement payment to leave Sanders with rising tax debts on her personal account. Sanders wrote Williams and Jenkins a letter on November 2000 and on April 2001 invoking IRS voluntary election procedure, which permits taxpayers to designate where they want a voluntary payment applied.¹⁻² Sanders asked Williams and Jenkins to apply TWC's contract settlement payments to Sanders' personal tax account to extinguish the massive trust fund recovery debt 	 VLNTARY ¹ ELECTION  VLNTARY ² ELECTION 11/9/2000
89	<ul style="list-style-type: none"> Jenkins had transferred to Sanders personal account. Jenkins expressed her unwillingness to comply with IRS code.³ On May 1, 2001, Jenkins faxed a document to IRS procurement placing a lien on the settlement funds procurement was about to release. (See <i>last page of the Settlement by Termination, which is the lien.</i>)⁴ Jenkins ignored Sanders' voluntary payment election and applied settlement funds to TWC's tax debts rather than tax debts on Sanders' personal account. The <i>intentional</i> misapplication of TWC's settlement payment left Sanders with a personal tax debt of about \$80,000 and soaring penalty and interest charges. 	 JENKINS ³ REFUSES  LIEN ⁴









No.	Narrative	
90	<ul style="list-style-type: none"> <i>Sanders enlisted Senator Carnahan's office to help secure proper application of TWC's settlement payment to Sanders' personal account, pursuant to voluntary election procedures. Sonja Cureton, Senator Carnahan's representative, contacted IRS on TWC's and Sanders' behalf. IRS agreed to apply the payment as Sanders directed. Joseph Zelle in the Taxpayer Advocate's office wrote:</i>¹ IRS agreed to apply the settlement payment in the manner Sanders requested.¹ After reviewing the information Ms. Sanders provided, this office met with Collection personnel and District Counsel. It was agreed that the payments would be applied as Ms. Sanders has requested. 	 Acrobat Document IRS ¹ AGREES TO APPLY FUNDS
91	<ul style="list-style-type: none"> <i>TWC contacted Senator Carnahan's office for help securing abatement of penalty and interest that accrued on Sanders' personal account due to the misapplied settlement payment.</i>¹ When IRS reversed the misapplied settlement payment and applied it to Sanders' personal tax account, as Sanders had requested in accordance with voluntary election procedures, it left behind the penalty and interest that accrued due to the misapplied payment: <i>TWC wrote the following to Senator Carnahan:</i>² There was also substantial discussion about the penalties and interest applied to the Trust Fund Recovery amount during the period that followed my election to have funds due The Writing Company applied to Trust Fund Recovery. I noted it is not fair that I be required to pay additional penalties and interest because IRS caused delayed application of funds. Joseph R. Zelle, with the Taxpayer Advocate Service's office, stated he would investigate to determine if penalties and interest applied could be removed, since they occurred because of administrative delays. <i>IRS Representative Joseph Zelle responded:</i>³ We have investigated the issue of possible removal of interest, regarding the delays in processing payments to The Writing Company by IRS procurement. We have determined that the provision of Internal Revenue Code Section 6404(e)(1) do not apply to this situation and interest cannot be legally abated. Keynote: Certified Public Accountants (CPAs) and tax attorneys have told TWC IRS was obligated to remove penalties and interest that accrued on Sanders' personal tax account due to the misapplied payment. 	 Acrobat Document 09/31/01 ¹ TRST FUND REQST  Acrobat Document IRS TO ² RESEARCH ABATE  Acrobat Document IRS ³ REFUSES ABATE
92	<ul style="list-style-type: none"> <i>IRS Collections Officer Sheila Jenkins made a financial offer to TWC's owner on behalf of IRS procurement. The intent was to coerce Sanders' into signing a general liability release that would relieve IRS of all future claims that might be brought by TWC. During a meeting</i>¹ with IRS collections representatives Sheila Jenkins and Christopher Rothweiler and Victoria Galley, Jenkins' and Rothweiler's supervisor, St. Louis-based IRS attorneys, taxpayer advocate representative Joseph Zelle, and Sonja Cureton from Senator Carnahan's office, Sheila Jenkins, who was conspiring with IRS procurement to put TWC out of business, made a contract-related offer to Sanders on behalf of IRS Contracting Officer Sharon Warren. Warren reported to James Williams. In the presence of everyone, Jenkins told Sanders Warren said she would apply the \$6645 <i>TWC was due from GSBCA</i> to the trust fund recovery debt on Sanders' personal account <i>if</i> Sanders agreed to sign a general liability release. Sanders immediately noted in the presence of everyone that Jenkins made an offer on behalf of IRS procurement.² Both collections and procurement had long held they were not working in concert. In a letter dated November 11, 2001, addressed to Senator Carnahan, Fingerlin and Jenkins,³ Sanders reiterated the 	 Acrobat Document MTG WITH ¹ JENKINS AND OTHERS 11/01/2001  Acrobat Document TEST OF ² SONJA CURETON  Acrobat Document 11/19/01 ³ CNTRCT- OFFER



No.	Narrative	
	<p>offer Jenkins made on behalf of Warren:</p> <p>Letter written to Carnahan, Fingerlin, and Jenkins dated 11/19/01: Subsequently, Ms. Jenkins advised that IRS Procurement in Washington had contacted her the day before the November 1, 2001, meeting to advise that IRS Procurement officials had funds due my firm that could be applied to Trust Fund Recovery. IRS Procurement had told Jenkins that it would release the funds only if I would sign a letter extinguishing all claims. I refused, saying I had no interest in extinguishing future claims.</p> <p>The \$6645 payment Jenkins was referring to should have been applied to TWC's trust fund recovery debt, as directed by TWC in letters dated November 9, 2000, and April 30, 2001. In the letters, TWC requested IRS <i>apply all funds due TWC</i> to Sanders' trust fund recovery debt. IRS withheld the \$6645 from November 16, 2000—the date of the GSBICA decision—to after November 1, 2001—in violation of the Prompt Payment Act. The intent was to cause TWC financial duress.</p> <p>TWC wrote a letter to David Grant and Sheila Jenkins dated April 30, 2001, stating: Additionally, IRS is withholding funds resulting from a claim The Writing Company brought before the General Services Administration Board of Contract Appeals in 1999. . . . Please apply the funds to the Trust Fund Recovery of The Writing Company's tax liabilities for quarters noted⁴</p> <p>Keynote: Warren violated IRS code when failed to apply the \$6445 GSBICA payment to Sanders' account in accordance with voluntary election procedures.</p>	<div data-bbox="1430 222 1528 380">  Acrobat Document VLNTARY⁴ ELECTION 11/9/2000 </div> <div data-bbox="1430 422 1528 600">  Acrobat Document VLNTARY⁴ ELECTION 4/30/2001 </div>
	TIGTA At Center of Cover-up	
93	<p>TIGTA, IRS, and Treasury officials engaged in the illegal act of a federal conspiracy when they conspired to conceal a wrongful contract termination and to destroy TWC:</p> <p>Title 18, Part 1, Chapter 19, Section 371: Conspiracy to commit offense or to defraud U.S.</p> <p>If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both.</p> <p>If, however, the offense, the commission of which is the object of the conspiracy, is a misdemeanor only, the punishment for such conspiracy shall not exceed the maximum punishment provided for such misdemeanor.</p>	
94	<ul style="list-style-type: none"> ▪ <i>TIGTA launched a year-long investigation of TWC on contrived charges, alleging TWC had engaged in wage fraud.</i> Unbeknown to Sanders, TIGTA Agents Tim Marcum and Randy Gregory were investigating Sanders and TWC on charges of wage fraud. According to TWC's Business Manager James Franklin, whom TIGTA visited at his home the night before agents staged a surprise visit to TWC's site, TIGTA secretly interviewed TWC's employees, peered into Sanders' and her parents' bank accounts, interviewed people in Sanders' community, and spoke to Sanders' customers. TIGTA's actions gave the impression TWC had engaged in illegal activities. Franklin also told Sanders agents Gregory and Marcum asked him about a harmless exchange of money between Sanders and her parents. The transaction was an invasion of Sanders' and her parents' privacy; it had nothing to do with IRS. 	









No.	Narrative	
95	<p>▪ <i>TIGTA's investigation concluded that neither TWC nor Sanders engaged in wrongdoing.</i> On August 23, 2000, TIGTA agents Randy Gregory and Tim Marcum staged a surprise visit to TWC's offices at One Metropolitan Square in St. Louis, Missouri. The investigators entered TWC's reception area, walked into Sanders' office, and handed her a subpoena to appear before a grand jury.¹ The subpoena requested documents TWC had provided to IRS numerous times—during audits, during the site inspection, and with invoices. After agents explained to Sanders the purpose of their visit, Sanders told agents Gregory and Marcum they were being used to harass her for attempting to make IRS's illegal contracting activities known. Sanders then added Contracting Officer Beverly Cox on speakerphone. Cox explained to federal investigators that she and Sanders were in discussions about the wage rate² before IRS ended Cox's involvement on the Notice Redesign Contract. Cox said she requested information from Sanders about the wage rate and Sanders provided information requested. (Sanders explained she was awaiting a response from IRS on the wage issue.)</p> <p>Keynote: IRS requested DCAA closely scrutinize all TWC's financial transactions for irregularities (<i>See AUD. REQ—Areas of Concern</i>).³ TWC utilized a timekeeping system that captured, to the second, time worked on each notice.⁴ Employees signed weekly timesheets, confirming hours worked.⁵ The DCAA auditor cross-checked TWC's time capture records and signed employee timesheets against payroll records generated by TWC's payroll service. The auditor found no irregularities or improprieties.</p>	 SUBPOEN ¹  WAGE ISSUE ²  AUD. REQ ³  INVOICE ⁴  TIMESHTS ⁵
96	<p>▪ <i>TIGTA agents determined TWC was not required to pay insurance for an ex-employee.</i> Agent Gregory asked Sanders about allegations made by former TWC employee James P. Bagby. Bagby alleged TWC cashed his check and then failed to forward his COBRA payment to TWC's insurance company. After reviewing a letter from Bagby and examining Bagby's uncashed check, TIGTA agents concluded TWC was not obligated to make COBRA payments on behalf of an ex-employee who did not make payments to TWC. After spending two hours with Sanders, agents Gregory and Marcum advised they were going to rescind the subpoena. The next day Federal Attorney Mike Fagan faxed TWC a letter withdrawing the subpoena.¹</p>	 SBPOENA ¹ WTHDRWN
97	<p>▪ <i>The Writing Company, a small, minority-owned firm, commanded the attention of top government executives.</i>¹ Why? Because the executives had something to hide and they knew Sanders had compelling evidence of a wrongful contract termination and their involvement in concealing the matter. Correspondence reveals James (Jim) Williams, former Director of Procurement at IRS, who now heads the Visit Program at U.S. Department of Homeland Security, David Grant, Chief of Procurement at IRS, and David (Dave) Williams, former Inspector General for Tax Administration (TIGTA), who is currently the Inspector General for U.S. Postal Service, planned to converge to discuss TWC.</p>	 08/14/00 ¹ TOP OFFICIALS DISCUSS TWC






No.	Narrative	
	The Cover-up	
98	<ul style="list-style-type: none"> ▪ <i>TIGTA was front and center to the cover-up.</i> ¹ Treasury Inspector General for Tax Administration (TIGTA) is charged with investigating waste and abuse at IRS. TWC contacted numerous agencies and alleged IRS and Treasury officials were guilty of malfeasance. Every agency referred TWC back to TIGTA, ² which sought to help IRS and Treasury officials silence Sanders. 	 ACCUSES ¹  TIGTA INV ²
99	<ul style="list-style-type: none"> ▪ <i>TIGTA pretended not to receive TWC's first investigative request.</i> In 1999, TWC sent an investigative request to David Williams, Inspector General for TIGTA. ¹ Jerroll Sanders, the firm's president and CEO, followed up to confirm TIGTA received the package. She talked to Tom Blatchford who stated TIGTA had not yet received the request. Sanders provided Blatchford with the FedEx tracking information, including the name of the person in TIGTA's mailroom who signed for TWC's FedEx package. When Sanders followed up with Blatchford, he told Sanders he had located the package, and it was on route to his office. Several days later, Sanders called Blatchford again; he stated the package he received was from someone whose name rhymed with Sanders. 	 INV REQ. ¹
100	<ul style="list-style-type: none"> ▪ <i>TIGTA Inspector General David Williams lied to Senator Carnahan's office, accusing Sanders of wrongdoing.</i> Inspector General David Williams, who headed TIGTA (Inspector General for Tax Administration), telephoned ¹ Sonja Cureton in response to inquiries she directed to TIGTA pertaining TWC. Cureton was requesting an investigation of TWC's allegations. Williams, who had been helping to conceal wrongdoing related to the Notice Redesign Contract, attempted to disinterest Cureton in TWC's allegations. When Cureton persisted, Williams flew to St. Louis and met with Cureton ² (See Pages 2-4). During the meeting with Cureton, Williams: <ul style="list-style-type: none"> · Accused Sanders of wrongdoing, after which he immediately told Cureton Sanders and her mother exchanged \$20,000; Williams implied a private matter between Sanders and her mother was related to wrongdoing when, in fact, it was a harmless exchange of funds between family members. ³ When Cureton asked Sanders about Williams' allegations, Sanders offered to sign a release authorizing TIGTA to share with Senator Carnahan's office any evidence it might have on Sanders or TWC. Sanders knew TIGTA did not have any evidence of wrongdoing, since neither Sanders nor TWC had engaged in wrongdoing. · Asked Cureton not to get involved in Sanders' matter. · Refused to tell Cureton who, if anyone, was performing the Notice Redesign Contract. After Cureton persisted, TIGTA finally acknowledged the contract was awarded to another firm. He would not provide the firm's name. 	 SONJA ¹ TELEPHON  VERY IMPT ² TIGTA DOCUMNT  TEST OF ³ SONJA CURETON
101	<ul style="list-style-type: none"> ▪ <i>At the repeated insistence of Sonja Cureton, David Williams of TIGTA agreed to send TIGTA agents to meet with Sanders and review evidence.</i> ¹ TWC anticipated the investigation would be disingenuous, so Sanders asked Sonja Cureton to attend the meeting with TIGTA agents. 	









No.	Narrative	
102	<p>▪ <i>TIGTA conducted a disingenuous investigation of TWC's claims to placate Carnahan.</i> When TWC and Sonja Cureton met with TIGTA agents at TWC's offices in St. Louis to discuss TWC's allegations against IRS and Treasury, lead investigator Douglas S. Luzier repeatedly diminished the voracity of TWC's allegations and significance of the evidence Sanders presented. Finally, Luzier stated, if high-level officials were found guilty of acts TWC alleged, the most they receive are slaps on their wrists. Sanders vowed not to abandon her pursuit of a legitimate investigation of officials who had ruined her company and devastated her life. After spending only two hours with Sanders and exhibiting little interest in the mounds of information Sanders had assembled, TIGTA investigators departed, evidencing no intentions of returning. The purpose of the investigation was clearly to appease Senator Carnahan's office and further perfect the cover-up. Before leaving, Agent Luzier suggested Sanders send evidence to him in Washington, D.C., if she wanted the investigation to continue. Sanders told him that sending documentation to Washington, D.C., would place an enormous burden on her failing firm. She asked why couldn't agents come to her office and view the extensive evidence she had amassed from IRS files; she added, TIGTA agents spent more than a year investigation her and TWC throughout their community on contrived charges. It was evident TIGTA agents were not going to conduct a legitimate investigation of the high officials Sanders impugned. Weeks later, lead agent Luzier contacted Sanders for additional documentation.² TWC declined, having concluded David Williams and TIGTA were front and center to the cover-up.³</p> <p>Keynote: During the meeting with TIGTA agents, Doug Luzier confirmed TIGTA received TWC's investigative request years earlier, but had not acted upon it. He said Williams insisted he open a new file for the current investigation.</p>	<div data-bbox="1430 184 1528 243">  Acrobat Document TWC¹ FAILING; 6/6/2001 </div> <div data-bbox="1430 365 1528 533">  Acrobat Document REQ FOR² DOCUM 7/26/2001 </div> <div data-bbox="1430 550 1528 751">  Acrobat Document LTR TO³ DAVID WILLIAMS 8/13/2001 </div> <div data-bbox="1430 768 1528 957">  Acrobat Document TIGTA³ PARTY TO COVERUP 8/22/2001 </div>
103	<p>▪ <i>TIGTA lied to perfect the cover-up.</i> During the meeting with TIGTA investigators at TWC's offices, Sanders made several allegations and provided supporting documents that included a slanderous letter from Charles Zavalianos¹ and a letter from Russell Marsden—a former employee of IRS.² On November 14, 2001, TIGTA sent Senator Carnahan a letter outlining its findings.³ In the letter, TIGTA stated:</p> <p>Our review found no evidence to support Ms. Sanders' allegations that the IRS improperly terminated its contract based on racial discrimination or preferential treatment; that IRS employees conspired to slander The Writing Company's name or hinder its performance on the contract; that IRS and TIGTA employees made false statements concerning the firm; and that an IRS employee unlawfully disclosed information to a third party concerning the firm's performance on the contract.</p> <p>Countless documents impeach findings outlined in TIGTA's November 14, 2001, letter, including the following:</p> <ul style="list-style-type: none"> ▪ Letter from IRS employee Charles Zavalianos,¹ which is but one of many letters confirming that IRS slandered TWC. <p>Letter from retired IRS employee Russell Marsden.² Marsden's letter confirmed an IRS employee unlawfully disclosed <i>misrepresentative information about TWC's performance to a third party.</i> (Note: The deadline change in response to Treasury's and IRS's continuous changes and interventions.)</p>	<div data-bbox="1430 1150 1528 1247">  Acrobat Document ZAVALINIS¹ </div> <div data-bbox="1430 1264 1528 1394">  Acrobat Document RUSSELL² MARDEN </div> <div data-bbox="1430 1411 1528 1558">  Acrobat Document LTR³ FRM TIGTA 11/14/01 </div>












No.	Narrative	
104	<p><i>President's Council on Integrity and Efficiency (PCIE) conducted a flawed investigation. The mission of PCIE is to "increase the professionalism and effectiveness of IG personnel throughout the Government."</i>¹ On May 21, 2001, TWC's President and CEO Jerroll M. Sanders forwarded Mr. Rueben Garcia, Jr., Assistant Director of PCIE, a request to investigate David Williams,² TIGTA Treasury Inspector for Tax Administration) Inspector General. Williams was charged with investigating waste and abuse at IRS. Sanders levied a complaint against Williams, claiming he abdicated his responsibilities and became a party to a cross-agency conspiracy designed to put TWC out of business and harm Sanders personally. Sanders also alleged Williams flew to St. Louis and made slanderous remarks to Senator Carnahan about Sanders and her parents. Garcia exonerated Williams³ without conducting a legitimate investigation: He did not talk to Cureton, and he did not talk to Sanders—the person who filed the complaint against IG Williams. Garcia's actions helped perfect the cover-up.</p>	 PCIE ¹  PCIE REQ ²  PCIE INV ³ RESULTS
105	<ul style="list-style-type: none"> <i>In 2005, TIGTA refused to respond to TWC's renewed request for an investigation of IRS. TWC contacted TIGTA in 2005 after David Williams departed. The new TIGTA administration refused to investigate.</i> 	 LETTER TO RODNEY DAVIS
106	<ul style="list-style-type: none"> <i>TIGTA characterized Sanders as a criminal. When Sanders was contending with IRS attorneys on tort actions that TWC and Sanders filed in the Circuit Court of St. Louis County, Missouri, against Lisa Ross McGonigle, David Williams, and others. (See section entitled <i>Judicial Malfeasance</i>), Department of Justice (DOJ) attorneys involved in the litigation inadvertently sent Sanders a multi-page document prepared by TIGTA. The attorneys asked Sanders to return the information.¹ The official document, on official TIGTA stationery falsely claimed TWC had been found guilty of inflating wages,¹ even though every investigation TIGTA or anyone else conducted exonerated TWC:</i> <ul style="list-style-type: none"> TIGTA launched two DCAA audits—a contract audit in May 1999 and a G&A settlement audit in 2000. DCAA found no improprieties during either audit. The first audit questioned the <i>allowability</i> of certain overtime premiums TWC sought pursuant to the Federal Acquisition Regulation (FAR). The auditor also listed previously denied costs of \$1345.05 in the Questioned column. TWC, unaware of the federal per diem, exceeded the allowed hotel expense at the beginning of the contract. The contracting officer disallowed the excess cost. Because the amount appeared on an IRS invoice, it was listed in the <i>Questioned</i> column on the 1999 DCAA audit report.² The one-and-a-half-year investigation conducted by TIGTA agents Tim Marcum and Randy Gregory concluded allegations against TWC were groundless.³ (TIGTA's internal reports mischaracterize Gregory's and Marcum's findings.) The U.S. Department of Labor (DOL) investigation also exonerated TWC.⁴ 	 TIGTA'S ¹ CRIMINAL ALLEGATN AGAINST TWC  DOL ² WAGE  TIGTA ³  DOL ⁴ WAGE INVEST. RESULTS

No.	Narrative	
	TIGTA refused to hold TWC's employees accountable for lying to federal officials:	
107	<ul style="list-style-type: none"> ▪ <i>TIGTA did nothing to hold Bagby or his cohorts accountable for violating the Criminal False Statements Act (knowingly lying to federal investigators). TWC's employees involved in the conspiracy were helping TIGTA and IRS accomplish their goal of destroying TWC. Consequently, TIGTA did nothing upon learning the employees lied to federal investigators. At the same time, TIGTA vigorously pursued Sanders, including subpoenaing her before a grand jury on contrived charges.</i> 	
108	<ul style="list-style-type: none"> ▪ <i>Employees harbored personal animus towards Sanders; wanted to stand her "before the firing squad." Sanders treated all employees with dignity and respect. She never spoke to employees in a disrespectful manner. She did, however, expect employees to come to work and to exhibit excellence when acting on behalf of TWC. About that, she was clear. Because writers have varied strengths and capabilities, TWC maintained strict quality processes. Some of TWC's new writers hired for Notice Redesign resented Sanders' editing their work. Christian (now Smith), in particular, took great offense to Sanders' edit markings, rather than embracing them as part of a comprehensive quality process. (Many new and long-standing TWC writers embraced TWC's process that involved one writer reviewing another writer's work.) Sanders also surmised that some of the writers particularly resented the marks coming from her—a minority president. On August 24, 1998, employee James P. Bagby provided TWC's owner a letter of resignation in the presence of Renee Hirshfield, TWC's communications manager. Bagby's letter gave notice of his future intent to resign; he added that he would stay long enough to help TWC meet its IRS Notice Redesign deadline. When Sanders declined Bagby's offer and suggested he leave immediately, he and cohorts Emily Christian-Smith, Mary Angert, Tracy Ray, and Jennifer Ruble entered into a secret agreement (conspiracy) to help Delvison harm TWC and Sanders.</i> 	
109	<ul style="list-style-type: none"> ▪ <i>Bagby and his cohorts became even more irate when TWC and Sanders met the IRS deadline despite Bagby's resignation. Bagby filed for unemployment and all of his co-conspirators, who had resigned by then, came to his defense. Bagby failed to prevail when the Division of Employment Security denied Bagby's claim, determining he voluntarily left TWC's employ.¹ While employed at TWC, Bagby and his co-conspirators had easy access to hostile COTR Delvison and IS representatives; they knew hostile COTR Delvison and others at IRS sought to get rid of TWC. Mary Angert, Tracy Ray, Emily Christian-Smith, James P. Bagby, and Jennifer Ruble entered into an illegal conspiracy with IRS to accomplish termination of TWC's contract. The intensity of their disdain for Sanders is evident in a letter Christian-Smith directed to Sanders more than four years after departing TWC.² Christian-Smith was unaware investigative outcomes had exonerated TWC. All she knew is TWC had to make back payments to former employees. In the venomous letter, Christian-Smith characterizes Sanders editing her work akin to treating educated employees "10-cents-per-hour factory workers" and to being stood in front of a firing squad. (If Christian-Smith had paid attention, she would have noticed that Sanders ascribed equal value to sanitation workers, 10-cents-per-hour factory workers, and</i> 	 Acrobat Document BAGBY ¹ DENIED
		 Acrobat Document HATRED ²

No.	Narrative	
	<p>“educated employees.”) Mary Angert, Tracy Ray, Emily Christian-Smith, James P. Bagby, and Jennifer Ruble violated the Criminal False Statements Act and committed a hate crime when they joined IRS and used federal investigative resources to injure TWC and take from Sanders things of great value, including her good reputation, her company, and a lucrative federal contract.²</p>	
110	<p>▪ <i>Employees committed a number of offenses, including slandering Sanders to Senator Carnahan’s representative.</i> James Bagby and Emily Christian-Smith left TWC’s employ in 1998. Somehow, they learned Senator Carnahan was assisting Sanders. In 2001, they contacted Senator Carnahan’s office and made false and damaging remarks about TWC and Sanders. Bagby was the first to call;¹ Christian-Smith called minutes later.² Sonja Cureton noted their remarks in TWC’s file. (Cureton’s <i>signed testimony</i> confirms phone calls were made to Carnahan’s office.) TWC surmises that Christian-Smith planned to harm Sanders and TWC before leaving TWC’s employ. In her letter of resignation, Christian-Smith sought to mislead Sanders into believing she was departing on amicable terms.³ All the time Christian-Smith harbored extreme malice and hatred for Sanders,⁴ as evidenced by the venomous letter she emailed to Sanders four years after her departure. (Smith sent the email to Sanders after Sanders appeared on the Greg Freeman Show to discuss her book. The views Sanders shared on race relations were well received by the multicultural audience. The manner in which the audience embraced Sanders apparently unraveled Smith, whose hatred for Sanders is palpable in her email. Sanders later learned Smith and Bagby defamed Sanders to new employees via contacts they maintained at TWC after their departure. Sanders was forced to release several employees to restore the positive culture TWC previously enjoyed. Additionally, the employees violated the Criminal False Statements Act when they:</p> <ul style="list-style-type: none"> ▪ <i>Knowingly lied to TIGTA investigators and accused TWC of billing irregularities.</i>⁶ Each employee tracked his or her own time. Employees activated an electronic time clock on their computer when they began working and deactivated the clock when they stopped working.⁷ TWC used a unique account to track each project, including IRS Notice Redesign. The employees contrived allegations of billing fraud to harm TWC and Sanders. Numerous investigations, audits, and reviews confirmed TWC operated with complete integrity. ▪ <i>Knowingly lied to TIGTA about TWC misusing Bagby’s COBRA payments. Upon reviewing evidence, Federal Agents Randy Gregory and Tim Marcum concluded TWC was not obligated to make COBRA payments on behalf of a former employee who failed to make his payments.</i> <p>Keynote: Emily Smith works for the Federal Reserve Bank. James Bagby is an employee at Enterprise Rent-A-Car. Sanders is currently seeking to determine the whereabouts of Ray, Ruble, and Angert.</p>	 BAGBY ¹ CALLED
		 EMILY ² CALLED
		 LTR OF ³ RESIGN
		 LTR OF ⁴ HATRED
		 BILLING ⁶ ALLEG
		 ELEC ⁷ BILLING
111	<p>▪ <i>Former employees of TWC offered contrasting perspective on Sanders and TWC.</i> Edith Meeks,¹ who is now the accounting manager at a mid-sized firm, and Renee Hirshfield, who served as TWC’s communications manager for most of TWC’s existence, shared their perspective on TWC.²</p>	 MEEEKS ¹  HIRSHFLD ²

No.	Narrative	
112	<ul style="list-style-type: none"> TIGTA could have discovered the truth if it was seeking the truth about the wage issue by simply walking over to IRS and discussing the wage matter with the contracting officer who managed the contract for over nine months (Beverly Cox). A conversation with Cox or a review of TWC's contract file at IRS would have confirmed the wage issue was nothing more than an incomplete contracting issue¹ that TWC and Cox had begun working to resolve. Instead of asking Cox about the wage issue, IRS and TIGTA launched a comprehensive, year-and-a-half investigation of TWC and Sanders at enormous expense to taxpayers. The purpose of the investigation was not to uncover the truth; it was to discover something negative to tell those who inquired about the wrongful contract termination. When TIGTA officials found nothing, they contrived allegations of wrongdoing. 	 Acrobat Document COX AND TWC ON WAGE ISSUE ¹
	Who Got The Contract?	
113	For nine years, IRS concealed from senators, the press, The Writing Company and anyone who inquired it had awarded the Notice Redesign Contract to Kleimann Communications Group, a close associate of NPR and Treasury.	
114	<ul style="list-style-type: none"> IRS terminated TWC's contract to make it available to Treasury's vendor of choice (a majority-owned firm). Treasury Acquisition Regulation (DTAR) subpart 1019.803(c) states:¹ <p>[O]nce a product or service has been acquired successfully by an acquisition office on the basis of an 8(a) set-aside, all future requirements of that office for that product or service shall be acquired using 8(a) set-aside procedures. If a [contracting officer] determines there is no longer a reasonable likelihood that an offer can be obtained from a qualified 8(a) concern and award can be made at fair market prices, the repetitive set-aside must be withdrawn, using the procedures at 1019.506, prior to proceeding with the procurement on another basis.</p> <p>IRS engaged in a two-step process to make the IRS Notice Redesign Contract available to its vendor of choice:</p> <ol style="list-style-type: none"> Contract termination. If TWC had been allowed to successfully complete the Notice Redesign Contract, subsequent Notice Redesign efforts would have been off limits to Treasury's vendor of choice, pursuant to DTAR subpart 1019.803. So the first action IRS took to pave the way for Treasury's vendor of choice was to ensure TWC did not complete the Notice Redesign Contract, hence, contract termination. At the time, TWC's was the first contract IRS terminated for convenience in 20 years.² Removal from the 8(a) Program.³ Once the contract was terminated, IRS needed to remove the requirement from the 8(a) Program so it would be available to majority vendors—an action IRS immediately commenced following TWC's contract termination. 	<div>  Acrobat Document DFAR¹ 1019.803 </div> <div>  Acrobat Document NOT² MANY T4Cs </div> <div>  Acrobat Document GAO³ PROTEST, 8(A) </div>
115	<ul style="list-style-type: none"> Who Secured the notice redesign work? Treasury ousted TWC to pave the way for personnel at National Partnership for Reinventing the Government (Cheek & Mercer)²⁻³ and their close associate—Susan Kleimann of Kleimann Communications Group⁴—to secure the high-profile, lucrative Notice Redesign Contract. Pages 12 and 	 Acrobat Document FY2000 ¹ TXPYR ADV. RPT

No.	Narrative	
	<p>18 of the <i>FY2000 National Taxpayer Advocate's Report</i>¹ reveal the following role NPR played on Notice Redesign after NPR/PSC (Mercer and Cheek)²⁻³ helped Treasury oust TWC. NPR representatives hijacked TWC's Notice Redesign Contract, imprinted it with their Plain Language methodology, and delivered it to their cohort,⁴ Susan Kleimann. The FY200 National Taxpayer Advocate's Report to Congress reveals on Page 12 the role NPR/PSC played on the Notice Redesign Contract after IRS terminated TWC's contract:</p> <ul style="list-style-type: none"> IRS Implemented the National Partnership for Reinventing Government and the vice president's plain language team's reader-focused writing approach for rewriting IRS notices. Trained employees in listening, speaking, and writing skills. Trained both national office and field employees in letter writing techniques. These individuals will act as resource and reference persons to ensure all correspondence meets Service guidelines. Established a Taxpayer Correspondence and Notice Improvement intranet web page to provide employees with access to writing and plain language tools. 	 MERCER ²  CHEEK ³  KLEIMANN ⁴ CHEEK  KLEIMANN ⁴ PAGE 1
116	<ul style="list-style-type: none"> <i>Kleimann Communications Group</i>¹ (KCG) is making millions from TWC's innovations. Many of the enhancements and approaches Kleimann claims it introduced were, in fact, introduced by TWC. TWC introduced the concept of "standard language," and layouts that largely account for the look and feel of redesigned notices. TWC also introduced the concept of a central repository into which standard language would be deposited² (Page 3). TWC's plan included making standard language housed in the <i>central repository</i> available to every notice owner developing notices at IRS. Kleimann also reports winning an award for the CP2000. Kleimann's notice is substantially based upon the CP2000 sample TWC developed in 1997 for John Dalrymple to demonstrate TWC's capabilities. IRS never paid TWC for the CP2000 rewrite. 	 KLEIMANN ¹ CLAIMS TWC'S INNOVAT.  TWC TIER ² 4 REPORT  CP2000 ³ RESULTS
	TWC has not relented in its efforts to obtain redress:	
117	<ul style="list-style-type: none"> <i>For the last nine years, TWC's owner has not relented in efforts to make IRS's illegal acts known.</i> Because the acts were concealed by a well-scripted conspiracy, making IRS's illegal acts known and securing redress has been extremely difficult for TWC and Sanders. The U.S. Supreme Court in <i>Pinkerton</i>¹ v. U.S., 328 U.S. 640 (1946) has characterized the gravity of the conspiracy offense as an act that: <p>[I]nvolves deliberate plotting to subvert the laws, educating and preparing the conspirators for further and habitual criminal practices. And it is characterized by secrecy, rendering it difficult of detection, requiring more time for its discovery, and adding to the importance of punishing it when discovered.</p> 	 PINKERTN ¹

No.	Narrative	
118	<ul style="list-style-type: none"> TIGTA and IRS devised a concealment strategy. TWC contacted every government agency imaginable in the pursuit of redress. IRS and TIGTA officials initially deflected inquiries by lying; they stated IRS terminated TWC's contract because it was <i>unmanageable</i>.¹⁻² (See Below). When TWC sought redress through the courts, federal officials changed their concealment strategy. In lieu of answering officials' questions about the wrongful termination and cover-up, those complicit in the conspiracy redirected the inquirer's attention to judicial rulings,³⁻⁷ rendered by less than ethical judges. (See section entitled <i>Judicial Malfeasance</i>.) Not once in nine years has any official disclosed to a senator or congressional leader that Kleimann Communications Group, politically connected to Treasury and NPR, secured the Notice Redesign Contract the same year IRS terminated TWC's contract. Kleimann continues to perform the Notice Redesign Contract at a rate⁸ that is almost THREE TIMES the rate taxpayers were paying TWC.⁹ 	 ASHCROFT ¹ 6/28/1999
		 WILLIAMS ² 3/31/2000
		 DOJ FOR ³ RENO 3/16/2000
	<div>  BOND⁴ 2/23/2001  CARNAHAN⁵ 11/6/2001  CLAY⁶ 12/3/2001  DOJ ⁷ FOR PRES 6/1/2002  KLEIMANN⁸ RATE  TWC INVOICES⁹ </div>	
	<p>TWC also wrote President Bush. Debra K. Hair, Special Assistant to the President, responded on behalf of The Bush White House. In the letter, she directed DOJ to conduct an investigation and respond directly to TWC.¹ DOJ never contacted TWC regarding an investigation. It forwarded TWC a letter stating it found no evidence to support TWC's claims of wrongdoing.²</p>	 LETTER FROM BUSH ADMIN ¹  LETTER FROM DOJ ²
	<p>Government officials have demonstrated extreme reluctance to publicly disclosed their acts:</p>	
119	<ul style="list-style-type: none"> IRS and Treasury had an obligation to act in good faith pursuant to the Federal Acquisition Regulation (FAR): <p>Federal Acquisition Regulation (FAR)--codified at Title 48 of the Code of Federal Regulations -- contains the uniform policies and procedures for acquisitions by all federal agencies. It implements or addresses nearly every procurement-related statute or executive policy. In doing so, the FAR reaches every stage of the acquisition process. The FAR's promulgation in 1984 reflected the Congress' efforts to create a uniform structure for Executive Branch federal contracting."</p>	

	<p>The FAR states every contracting official is expected to act in good faith:</p> <p>3.101 Standards of conduct.</p> <p>3.101-1 General.</p> <p>Government business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many Federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions.</p>	
	<p>When Gregory Rothwell, Assistant Commissioner of Procurement, James Williams, Director of Procurement, and James Williams, Inspector General for TIGTA, were responding to senators, reporters, congressional leaders, and Sanders, they refused to disclose that Kleimann Communications Group was awarded the Notice Redesign Contract the same year IRS terminated TWC's contract. Not once in nine years have they disclosed that fact.</p>	
	<p>TWC has persisted in efforts to secure an investigation. In 2008, TWC talked with and forwarded a package to Luis A. Velez at FBI Headquarters, Room 3973, Washington, DC. Velez stated he forwarded the information to the St. Louis Office of FBI for review and investigation. During a subsequent conversation, Velez stated that St. Louis FBI officials determined IRS, Treasury and other employees acted appropriately in matters related to the IRS Notice Redesign Contract. The documentation was provided via FedEx on 7/31/08. TWC can validate delivery.</p>	