

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1987

SEPTEMBER 17 (legislative day, SEPTEMBER 15), 1986.—Ordered to be printed

Mr. STEVENS, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 1827]

The Committee on Appropriations reports the bill (S. 1827) making appropriations for the Department of Defense for the fiscal year ending September 30, 1987, and for other purposes, and submits the following explanation of its recommendations. Information is herewith presented relative to changes made:

COMMITTEE ADJUSTMENTS

Small business MRE Program.—To increase the number of Defense Industrial Preparedness Program (IPP) assemblers for the Meals-Ready-To-Eat (MRE) Program, the Army encouraged businesses to bid on MRE contracts. IPP assemblers are those who have the capability to assemble cases of MRE's rapidly during wartime. There are currently four such IPP assemblers. Over the past 3 years, two small businesses have been brought into the MRE Program. After having brought the first small business into the MRE Program, a year later another small business was allowed in. After only one contract, the Defense Department has decided to reduce the number of assemblers from four to three. This will have the effect of forcing one of the two small businesses out of the program with a large loss of jobs and skills. The Committee directs the Department of Defense to award contracts for MRE VII to those industrial prepared assemblers currently in the program.



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100

FILE MRE

IN REPLY
REFER TO DLA-CR

25 November 1986

Honorable Ted Stevens
Chairman, Subcommittee on Defense
Senate Appropriations Committee
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

The Appropriations Conference Committee, in its Department of Defense Fiscal Year 1987 Report, discussed the Meals-Ready-to-Eat (MRE) Program (page 456). The Report states that the Department of Defense "shall consider the impact on the existing MRE industrial prepared assemblers in its determination of future MRE acquisition plans."

We are approaching the award of a contract for assembly of MRE VII. Because of the interest expressed by the Committee, I have reviewed the impact of our upcoming award on the existing assemblers. The purpose of this letter is to provide you with the results of my review.

We have never contracted with more than three assemblers per year. However, one of the 1984 contractors has not yet completed delivery of its assembled MREs. Thus, there are currently four contractors in the MRE assembly program.

Three factors influence the number of sources to be utilized for a fiscal year program. First, we consider the number of contractors that can be supported by peacetime requirements. Then, we consider the number of contractors needed to meet mobilization requirements. The third consideration is the total cost to the government.

We currently have a requirement for the assembly of 4.3 million cases of MREs. This is the maximum amount needed to meet the anticipated demands of the Military Services, as well as to maintain the mobilization base. The assembly of 4.3 million cases will not support the total minimum sustaining rate (MSR) for four contractors. The total MSR for the four contractors is 6.6 million cases. The additional 1.3 million cases would constitute an unnecessary excess.

There is a mobilization requirement of 5.8 million cases per month. Three contractors can provide 4.9 million to 5.4 million cases per month, depending on which three are selected. This is within the 85 to 100 percent range of mobilization requirements which is considered sufficient coverage. We have, therefore, concluded that three suppliers can meet mobilization requirements.

DLA-CR PAGE 2
Senator Ted Stevens

25 November 1986

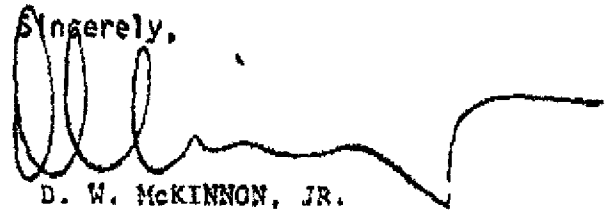
A decision to spread our current MRE requirements to four suppliers would have the practical effect of moving approximately 600,000 cases from three low cost suppliers to a fourth supplier. The minimum excess cost of contracting with fourth supplier at the higher prices would be approximately \$4.4 million. Additional excess cost would be incurred due to the inefficiencies associated with lowering the rate of production of the three lowest cost producers. There would also be an adverse impact on competition.

Achieving a fourth source by increasing the quantity of this solicitation would not be consistent with the department's needs. The quantity being solicited is the maximum that should be acquired at this time based on the demands of the Military Services. Furthermore, the Army is performing additional acceptance tests that may result in changes to the menus included in the ration.

Based on these considerations, I have concluded that we can only support the contractors with our upcoming contract awards. We expect to make these awards before December 31st. I am confident you will agree with me that in the current fiscal climate we cannot afford to incur the additional cost of approximately \$5 million associated with a fourth contract.

An identical letter has been sent to the Chairman of the Subcommittee on Defense, House Appropriations Committee.

Sincerely,



D. W. McKINNON, JR.
RADM, SC, USN
Deputy Director
(Acquisition Management)



DEFENSE LOGISTICS AGENCY
DEFENSE PERSONNEL SUPPORT CENTER
2000 SOUTH 20TH STREET
PO BOX 0410
PHILADELPHIA, PENNSYLVANIA 19101-0410



REF ID: A61111

DPSC-HPPR (Bob Krajci/215-737-4477/rmk)

JAN 16 1991

Freedom Industries
ATTN: Henry Thomas
243 California Rd.
Mount Vernon, NY 10552

WHY IS THERE A
SHORTFALL - ?

Dear Mr. Thomas,

Operation Desert Shield (ODS) has created significant increases in the monthly requirements for the Meal, Ready-to-Eat (MRE) operational ration, far exceeding the production capacities of our existing assemblers. In order to address ODS shortfalls and potential shortfalls resulting from changes in the current assembly base, the Defense Personnel Support Center is looking for contractors interested in assembling the MRE.

Enclosed is the MRE menu, the MRE assembly specification, the cracker assembly specification and Section H of a sample assembly solicitation. After you finish reading the enclosed information, please complete the attached questionnaire. Your answers will help the Industrial Preparedness Planning (IPP) team evaluate your capability to package the MRE. This information will also help determine what kind of assistance your company will need from the Government to become an assembler. The objective of this market survey is to determine the cost to the Government of bringing on new assemblers.

Please return the completed questionnaire to Bob Krajci, ATTN: HPPR, by 31 January 1991. If you have any questions concerning this matter please call Bob Krajci on 215-737-4477.

Encls

P.J. Carr

P.J. Carr
Chief, Operational Rations Section
General Products Branch
Contracting & Production Division
Directorate of Subsistence

AL

GET DLA

Letter to the Senate in 1986 saying

~~DEED~~
30PARO
RAFCO
&
LINPAR

Could MEET ^{MRE} the Mobilization NEEDS
of our NATIONS

WITHOUT FREEDOM

M55

FOR



FREEDOM, NY, INC.



(212) 822-7500

1600 BRONXDALE AVENUE

BRONX, NY 10462

TWX 510 100 1911
FREEDOM UD

September 4, 1987

File
MRES

Senator Alfonse D'Amato
United States Senate
520 Hart Building
Washington, D.C. 20510

Congressman Robert Garcia
House of Representatives
2338 Rayburn House Office Building
Washington, D.C. 20515

Re: Contract #DLA13H-85-C-0591

Dear Senator D'Amato and Congressman Garcia:

As you know, Freedom's Meals, Ready-To-Eat (MRE) combat ration production contract has been breached and totally mismanaged by the Department of Defense (DOD) since contract award on November 15, 1984. As a result, Four Hundred and Forty-Two (442) direct labor employees from the South Bronx have now lost their jobs.

Enclosed please find an unfortunate and devastating document from the Defense Logistics Agency. This "Termination for Default" is a down right slap in the face of Congress. As you also know, the Senate and House conferees directed the Department of Defense to award 4 contracts to the existing planned producers, and not put a small business out of business, with the loss of jobs and skills when our production was needed in the interest of National Defense under 10 USC 2304(c)(3). (See attached Senate Bill and Conferees Reports.)

We request that a full procedural, programmatic and operational investigation with a written report by the General Accounting Office (GAO), to also include "Civil Rights" violations, be started immediately.

This investigation should include but not be limited to:

1. the pre contract award process
2. the negotiation process with Government financing of 95% of all incurred costs
3. the contract administration process
4. the Government negotiating using duress tactics.

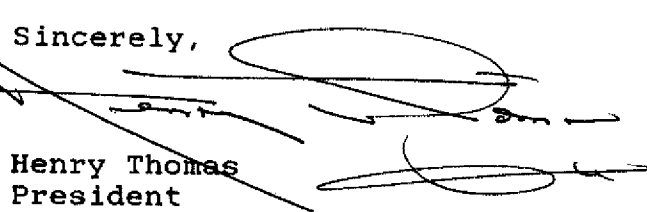
FREEDOM, NY, INC.

I am sure that Congress will be shocked by the way in which the Department of Defense breached our contract and then mistreated Freedom, a known Black, socially and economically disadvantaged small business. The GAO report will also confirm that Freedom was "lynched" by the Department of Defense and was replaced by "Cinpac of Ohio," who has been determined to be "unqualified" for the award of the DOD contract according to the U.S. Department of Labor under the Walsh-Healey Public Contracts Act in 1985 and now in 1987 the DOD awarded the contract to them for over \$3 million above Freedom's price. (See attached Dept. of Labor Report).

Without your help in uncovering the gross abuse received by our Black owned business from DOD, Black businesses will always fail because of the Government's constant breach of contract and violations of their own procurement system, policies and directives.

As soon as you receive a report from the GAO, we would like the opportunity to comment on its findings.

Sincerely,



Henry Thomas
President

Enclosures



FREEDOM, NY, INC.



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BRONX, NY 10462

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FREEDOM UD

COPY

March 3, 1988

Lt. General Vincent Russo
Director
Defense Logistics Agency
Cameron Station
Alexandria, Virginia 22304-6100

Dear General Russo:

One year ago on March 3, 1987, you responded to my letters of February 5th and 11th, 1987 which requested your intervention to prevent the DLA "administrative lynching" of our Black owned business which was performing under a \$17 million contract with your agency.

This contract was awarded to Freedom after three years of being discriminated against in DLA's MRE procurement process. Dr. James P. Wade, Under Secretary of Defense (OSD), corrected this DLA procurement discrimination by signing a Determination and Finding (D&F) on 7 February 1984 ordering DLA to award a contract to Freedom with a "reasonable price differential," thus settling Freedom's Federal lawsuit against DOD. This D&F as ordered, caused rebellion in the ranks of DLA. Ten months later, on 15 November 1984, the contract was awarded to Freedom by DLA after heavy pressure from OSD to implement the true intent of 10 U.S.C. 2304 (a)(16). After award, the contract was transferred to DCASMA New York for administration and financing. There was an immediate refusal by DCASMA New York's ACO to provide Freedom with the required production start up funds on the schedule which Freedom had previously negotiated with the PCO.

Freedom's request to you was a plead for help in remedying DCASMA New York's breach of contract financing. This contract breach caused the stop and start of production and Freedom's performance record to appear up and down. It also denied Freedom an equal opportunity to perform its contract in the same manner in which DLA has allowed white contractors to use Government funds in the performance of their contracts.

Freedom and its 400 Black employees became the victims of DLA's racial discrimination and internal squabbling over Freedom's contract financing while DLA, at the same time, properly paid "white owned" prime contractors in the same program.

FREEDOM, NY, INC.

Freedom tried to overcome this racial financing discrimination and internal DLA squabbling by borrowing the Government's portion of money from our bank and others only to be left holding the financing bag of over 5 million dollars when you ordered the Commander, DPSC, to proceed with MRE 7 contract award without the participation of Freedom. Your order not only ignored a U.S. Senate directive not to put Freedom out of the MRE program but it also created a segregated "white's only" MRE program.

It is without reservation that I contend that this was DLA's intent because you:

- (1) denied Freedom's request of 5 February 1987 for your intervention to prevent the administrative lynching of our Black owned business (copy attached);
- (2) that you ignored the U.S. Senate directive to keep Freedom in the MRE program, (copy attached) and
- (3) that you have not even attempted to at least correct the DLA caused financial mess of Freedom's contract.

The real fact is you have allowed DLA's mismanagement of this contract to be swept under the rug.

Even after one year, as I write this letter, I am still shocked and cannot believe that Freedom who had a 6 million dollar bank line of credit; a 400,000 sq. ft. on line MRE facility and had produced over 512,000 cases of MRE's would be deserted by the U.S. Military.

Your order to the Commander, DPSC, to proceed and abandon Freedom, a small and disadvantaged black business, was worse than the racial discrimination we were being subjected to, it left Freedom and its 400 black employees of the South Bronx, N.Y. broke, busted, penniless and out of business. In other words YOU LYNCHED US.

An appropriate response to DLA's racial discrimination actions and your lynching is being formulated.

Sincerely,


Henry Thomas
President



FREEDOM, N.Y., INC.



(212) 622-7500

1600 BRONXDALE AVENUE

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243 California Road
Mount Vernon, New York 10550
(914) 664-0900

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FREEDOM UD

July 7, 1988

Vice President George Bush
The White House
Washington, D.C. 20510

Dear Vice President Bush:

Freedom, N.Y., Inc., a Black owned and operated manufacturing firm located in the South Bronx, New York, received a defense contract in the interest of national defense. This contract was negotiated under the Industrial Preparedness Program, 10 USC 2304(a)(16) for \$17.1 million. Freedom was to be developed and maintained so that it would be available to respond and accelerate its production of Meal, Ready-To-Eat (MRE) Combat Rations in the event that war or mobilization was declared by our President or Congress.

Instead, Freedom has been the victim of the Department of Defense's mismanagement, breach of contract, double standards, targeted elimination and outright fraud.

Below we have summarized the Department of Defense's actions against Freedom, N.Y., Inc. under Contract #DLA13H-85-C-0591.

In 1984, the Department of Defense negotiated and awarded a contract to Freedom under 10 USC 2304 (a)(16) to produce Meals, Ready-To-Eat Rations. Contract negotiations included 95% Government financing.

After the award, the Government's ACO and PCO began disputing over the way in which the contract was negotiated. The ACO refused to honor the contract's financing terms as negotiated by the PCO, therefore breaching the contract.

In order to get into production, in addition to borrowing its 5% share of the contract costs, Freedom was forced to borrow or go without the Government's negotiated 95% of the costs.

The Government's mismanagement and resultant delays were used against Freedom at the time of new contract awards. Freedom's follow-on contract was fraudulently awarded to Cinpac of Ohio. The Department of Labor ruled that Cinpac of Ohio did not qualify as a Walsh Healy manufacturer and was not eligible for contract award pursuant to the Walsh Healy Public Contracts Act.

Freedom sued the Government for illegally awarding the contract to Cinpac. The Government then manipulated Freedom by using duress tactics to squeeze and pressure Freedom. The Government choked Freedom's cash flow by withholding over 6 million dollars in progress payments. Freedom was then offered an ultimatum whereby if Freedom agreed to sign away its rights to claim monetary damages against the Government for mismanaging the existing contract and drop the pending lawsuit against the Government for illegally awarding the follow-on contract to Cinpac, then Freedom would be rewarded with a follow-on contract, payment for disputed capital equipment, a guaranteed loan, the release of progress payments and a modified delivery schedule on its existing contract to remedy the Government caused delays.

After Freedom signed a release of claims and dropped the pending lawsuit, then the Government reneged on its promises of follow-on contracts and abandoned the existing contract.

Freedom's written request to President Reagan for a full investigation of the Department of Defense's actions was ignored.

The Senate, after hearing of these gross atrocities, directed the Department of Defense to maintain Freedom in the program (See Attached). The Department of Defense totally ignored this Senate directive.

By November of 1986, the Government still owed over 6 million dollars in progress payments which forced Freedom to lay off 400 Black and Hispanic workers in the economically depressed South Bronx. Freedom was left broke, busted, penniless and out of business. Seven months later in June 1987, the Government defaulted the contract based on Freedom not having a facility or a work force to complete the contract.

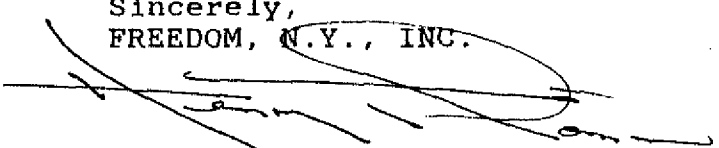
The Government is now using a "Motion to Dismiss" in the legal process at the Armed Services Board of Contract Appeals (ASBCA) to complete the cover up and to forever seal the real facts of how they mismanaged the financing of Freedom's contract, used double standards and allowed an unqualified contractor, Cinpac of Ohio, to replace and eliminate Freedom as competition.

The Department of Defense should not be allowed to blame it's victims, cover up its actions, and hide the fraud they allowed to be perpetrated on the procurement system of the United States.

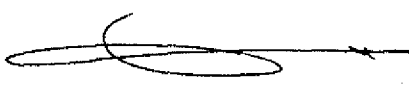
We request that you intervene in this matter and request that Congress suspend the proceedings at the ASBCA, Case #35671 and direct the U.S. Department of Justice and the Department of Defense Inspectors General Office to jointly perform a full operational and programmatic investigation of Freedom's relationship with the Department of Defense and contracts awarded "in the interest of National defense. under 10 USC 2304 (a)(16) covering MRE 1, 2, 3, 4, 5, 6 and 7 from 1979 to 1987.

If we cannot trust the U.S. Government negotiators to keep their end of the bargain, then who can we trust?"

Sincerely,
FREEDOM, N.Y., INC.



Henry Thomas
President





DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



1 REPLY
REFER TO

25 JUL 1988

DLA-G

Henry Thomas
President
Freedom, NY, Inc.
243 California Road
Mount Vernon, NY 10550

Dear Mr. Thomas:

Your letter of 7 July 88 to Vice President Bush has been referred to the Defense Logistics Agency (DLA) for response.

You have asked for a Department of Defense Inspector General (IG) investigation of the contractual relationship between Freedom, NY, Inc. (Freedom) and the Department of Defense. Recently, you had an opportunity to meet with the Deputy IG, who has agreed to review some of the issues you raised.

Your letter also refers to a contract dispute between Freedom and the Defense Personnel Support Center (DPSC), a DLA primary level field activity. The contract in dispute, DLA13H-85-C-0591, was awarded under the Meals-Ready-To-Eat Program but was terminated for default by DPSC. As you are aware, the case is pending before the Armed Services Board of Contract Appeals (ASBCA). The ASBCA provides an independent, impartial forum for resolving contract disputes, and as such, it is the appropriate place to direct your concerns about the contract.

Sincerely,

Karl Kabeiseman

KARL KABEISEMAN
General Counsel, DLA



FREEDOM, ITY, INC.



1600 BRONXDALE AVENUE

BRONX, NY 10462

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Mount Vernon, New York 10550

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FREEDOM UD

COPY

July 25, 1988

Mr. Derek J. Vander Schaaf
Deputy Inspector General
400 Army Navy Drive, 10th Floor
Arlington, Virginia 22202

Dear Mr. Vander Schaaf:

After our meeting at your office on July 14, 1988, the White House requested that I put together a chronological history of what happened to Freedom. Enclosed is a revised history of what happened and still is happening under this contract.

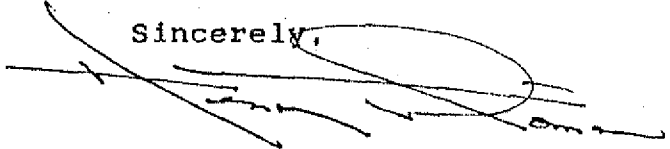
I have all the supporting detail for your review. I have also discussed our meeting with Neil A. Ruttenberg, Esq. who knows of and has lived this story. He could tell you how U.S. Government officials lied while under oath in Federal Court in order to cover up their mistakes and to block the relief and justice Freedom was seeking.

Mr. Ruttenberg can be reached at (703) 876-6505 (office)

Mr. Vander Schaaf, you are my last hope for any justice or relief in this matter.

I wish to again thank you for your time in this matter.

Sincerely,


Henry Thomas
President

cc: Neil Ruttenberg, Esq.



FREEDOM, NY, INC.



243 California Road
Mount Vernon, New York 10550
(914) 664-0900

August 22, 1988

COPY

Mr. Derek J. Vander Schaaf
Deputy Inspector General
400 Army Navy Drive, 10th Floor
Arlington, Virginia 22202

Re: Wedtech

Dear Mr. Vander Schaaf:

As a follow up to my recent telephone conversation with Dominick Wasielewski of your staff, as promised, enclosed please find a revised copy of the detailed history of our Department of Defense Contract #DLA13H-85-C-0591. The Wedtech scandal, in which members of the law firm of Biaggi & Ehrlich and the regional administrator of the New York Office of the Small Business Administration were convicted, had a direct impact on Freedom.

Unlike Wedtech, Freedom refused to give 10% of its stock to the law firm of Biaggi and Ehrlich in return for representation before the SBA. Since the investigation and convictions established a direct relationship between the law firm of Biaggi & Ehrlich and the SBA, it is our contention that Freedom experienced repercussions from the SBA for its denial to issue stock to the law firm of Biaggi & Ehrlich.

After you have read this document, I would very much appreciate your forwarding it to Mr. Wasielewski to be used in his investigation of our contract with the Department of Defense.

At your convenience, I am available to discuss the history with you or Mr. Wasielewski. I can be reached at the above address or telephone number.

Sincerely,


Henry Thomas
President

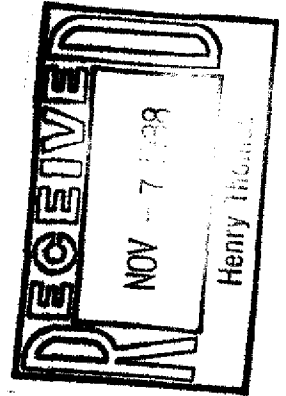
Enclosure



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202

NOV 2 1988

Mr. Henry Thomas
President
Freedom, New York, Incorporated
243 California Road
Mount Vernon, New York 10552



Dear Mr. Thomas:


During your visit to my office on July 14, 1988, I mentioned that I would ask my staff to take another look at the issues discussed regarding the Meals-Ready-to-Eat (MRE V) contract.

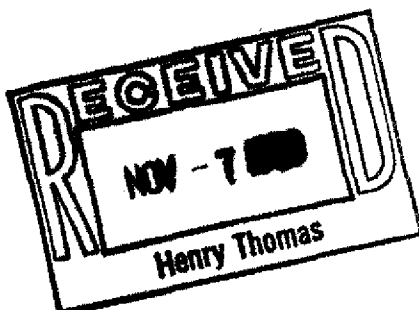
Our inquiry did not reveal any documented evidence of discussions or agreements pertaining to advance payments, or any agreement between the contracting officer and any representative of Freedom, NY, other than the standard progress payment clause in effect at the time. We contacted the original Procurement Contracting Officer who related that he did not recall any discussions or agreements on unusual progress payments. The Administrative Contracting Officer (ACO) administered the contract in accordance with the contract provisions and his responsibility to protect the interests of the Government. We found the delay in payment of your progress payment requests to be supported by legitimate concerns of the ACO and his financial advisers, and not the result of any personal bias by the ACO.

Inasmuch as there is an appeal pending with the Armed Services Board of Contract Appeals pertaining to the termination of the MRE V contract, you will have another opportunity to present your case. You have taken the proper course of action regarding your dispute on the MRE V. I applaud your energy, enthusiasm and determination and wish you well in your efforts. Unfortunately, we cannot find conclusive proof that you were given unfair treatment.

If I can be of further assistance, please contact me or Mr. Edward Offerman, Office of the Director of Special Programs, at (202) 697-6591.

Sincerely,


Derek J. Vander Schaaf
Deputy Inspector General





FREEDOM, N.Y., INC.



243 California Road
Mount Vernon, New York 10552
(914) 664-0900

COPY

August 22, 1988

Senator Carl Levin
United States Senate
Subcommittee on Oversight of
Government Management
Washington, D.C.

Re: Wedtech

Dear Senator Levin:

Freedom, N.Y., Inc. is a Black owned Department of Defense prime contractor.

We wish to share with you, the history of our Department of Defense Contract #DLA13H-85-C-0591. The Wedtech scandal in which members of the law firm of Biaggi & Ehrlich and the regional administrator of the New York Office of the Small Business Administration were convicted, had a direct impact on Freedom.

Unlike Wedtech, Freedom refused to give 10% of its stock to the law firm of Biaggi and Ehrlich in return for representation before the SBA. Since the investigation and convictions established a relationship between the law firm of Biaggi & Ehrlich and the SBA, it is our contention that Freedom experienced repercussions from the SBA for its denial to issue stock to the law firm of Biaggi & Ehrlich.

We are requesting your assistance in the resolution of the Freedom-SBA dilemma.

I am available to discuss the history with you at your convenience. I can be reached at the above address or telephone number.

Very truly yours,

Henry Thomas
President

Enclosure



FREEDOM, N.Y., INC.



243 California Road
Mount Vernon, New York 10552
(914) 664-0900

COPY

August 22, 1988

Congressman Jack Brooks
House of Representatives
Committee on Government Operations
Washington, D.C.

Re: Wedtech

Dear Congressman Brooks:

Freedom, N.Y., Inc. is a Black owned Department of Defense prime contractor.

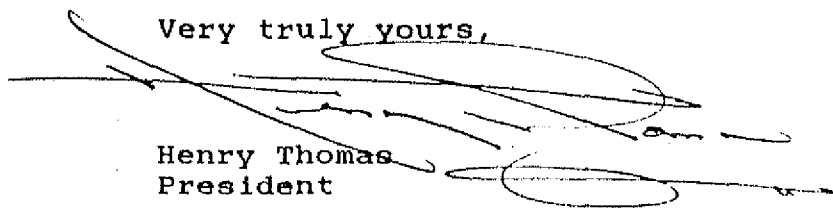
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Very truly yours,


Henry Thomas
President

Enclosure



FREEDOM, NY, INC.



243 California Road
Mount Vernon, New York 10552
(914) 664-0900

July 27, 1988

Ms. Kim Weaver
Office of Senator David Pryor
Sub-Committee on Federal Services
601 Hart Bldg
Washington, D.C. 20510

Dear Ms. Weaver:

As a follow up to our telephone conversation on July 11, 1988, as promised, enclosed please find a complete detailed history of what has happened to my economically disadvantaged small business and its 400 Black and Hispanic employees as we attempted to perform under contract with the Department of Defense.

I have been so overwhelmed by all that has happened. I cannot, however, leave a stone unturned until this matter is remedied.

At this point, I have exhausted all resources and do not know where to turn for help. It is impossible for me to go up against the Government, with its unlimited resources and powerful legal staff.

The Defense Logistics Agency has allowed its underlings to cloud the real issues of my case. Now, my company's problems are being ignored and DLA has joined in the cover up mainly because they merely perused the surface and never addressed the underlying real issues.

After you have read this document, I would very much appreciate your reaction and your opinion as to how to address this injustice.

Whatever assistance you are able to expend will be greatly appreciated.

Sincerely,

Henry Thomas
President



FREEDOM, NY, INC.



243 California Road
Mount Vernon, New York 10552
(914) 664-0900

COPY

August 22, 1988

Mr. Charles Gillum
Inspector General
Small Business Administration
1441 L Street, N.W.
Room 1018
Washington, D.C. 20416

Re: Wedtech

Dear Mr. Gillum:

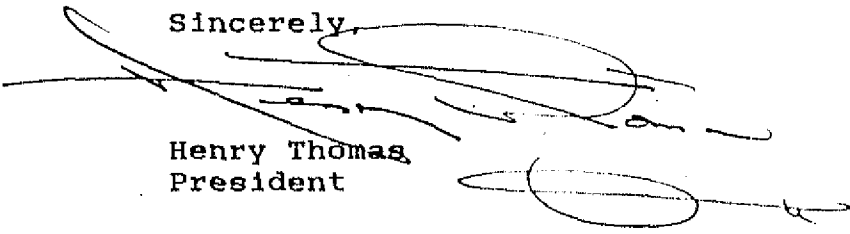
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Whatever assistance you are able to expend will be greatly appreciated.

Sincerely,


Henry Thomas
President

Enclosure



FREEDOM, NY, INC.



(914) 664-0900

243 CALIFORNIA ROAD
MT. VERNON, N.Y. 10552



TWX 510 100 1911
FREEDOM UD

October 4, 1989

File MRES

Honorable Dick Cheney
Secretary of Defense
U.S. Department of Defense
The Pentagon, Room 3E-880
Washington, DC 20301-8000

RE: DLA13H-85-C-0591

Dear Mr. Cheney:

In 1983, Freedom sued the Department of Defense (DOD) in Federal Court. The problem was corrected by Dr. James P. Wade, Under Secretary of Defense - R&E, by including Freedom as a Prime Contractor in the Defense Logistic Agency's (DLA) Meals-Ready-to-Eat procurement process.

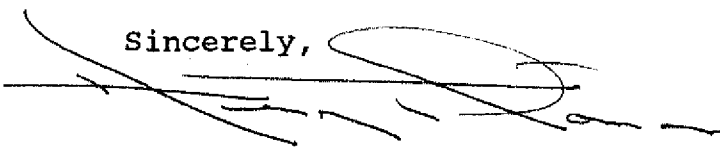
In 1986, Dr. Wade was once again trying to correct DLA's contract mismanagement. Unfortunately for us, he departed DOD before it was corrected.

We believe that after investing \$10,000,000 and 8 years, is enough of being **IGNORED, ABUSED and DISCRIMINATED** against by DLA, and for this to continue any longer would be a slap in the face of all Black owned businesses and a further endorsement for DLA to continue its **Racism, Discrimination and Double Standards** against Black Contractors. Enclosed please find the History of DLA13H-85-C-0591.

We request a meeting with you as soon as possible to find a solution to **finally correct** this unfortunate situation.

Thank you for your time in this matter.

Sincerely,


Henry Thomas
President

cc: Honorable Sam Nunn, Chairman, Senate Armed Services Committee
Honorable Les Aspin, Chairman, House Armed Services Committee
General Colin Powell, Chairman, Joint Chief of Staff
Dr. William Gibson, Chairman, N.A.A.C.P.
Dr. James P. Wade Jr., Chairman & CEO, Defense Group, Inc.
Mr. Maurice Gross, Chairman, Bankers Leasing Association, Inc.
Mr. Robert H. Steele, Chairman & CEO, Dollar Dry Dock Saving Bank



FREEDOM, NY, INC.



(914) 664-0900

243 CALIFORNIA ROAD
MT. VERNON, N.Y. 10552



TWX 510 100 1911
FREEDOM UD

September 26, 1989

File

MRES

General Colin Powell
Chairman, Joint Chiefs of Staff
The Pentagon
Washington, DC

Dear General Powell:

Congratulations!! Score a victory for the South Bronx.

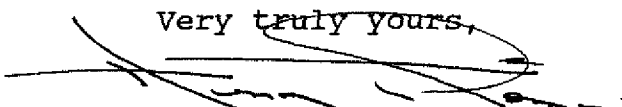
Enclosed is the story of a disaster for a Black Prime Contractor and its 442 Black and Hispanic employees from the South Bronx.

In short, the DLA breached this contract and is trying to cover it up.


This is for your information, No action is requested.

Once again, **Congratulations** and keep up the good work.

Very truly yours,

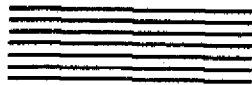

Henry Thomas
President

cc: Dr. William Gibson, Chairman NAACP
Lt. Gen. Arther Gregg, USA, Ret.

 — **FAX**



FREEDOM, NY, INC.



(914) 664-0900

243 CALIFORNIA ROAD
MT. VERNON, N.Y. 10552

TWX 510 100 1911
FREEDOM UD

September 26, 1989

COPY

Dr. William Gibson, Chairman
N.A.A.C.P.
239 E. Broad Street
Greenville, SC 29601

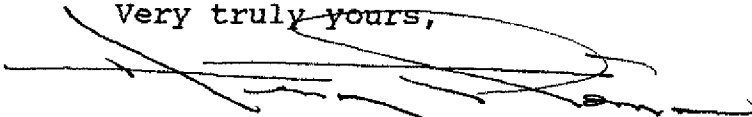
Dear Mr. Gibson:

Per the request of Larry Carter, National Board Member, NAACP, I am sending you an advance copy of a tragedy that has happened and is still happening today.

This is a first class cover up of an economic lynching of a Black Prime Contractor from the South Bronx, New York.

I request a meeting with you to personally discuss this issue and a possible strategy to correct it.

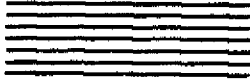
Very truly yours,


Henry Thomas
President

cc: Hon Parren J. Mitchell
Larry Carter, NAACP
Fred Rasheed, NAACP ✓



FREEDOM, NY, INC.



(914) 664-0900

243 CALIFORNIA ROAD
MT. VERNON, N.Y. 10552



TWX 510 100 1911
FREEDOM UD

September 29, 1989

FILE MRS

Mr William Lucas
U.S. Department of Justice
Room 4213
10th and Constitution Avenue
Washington D.C. 20530

COPY

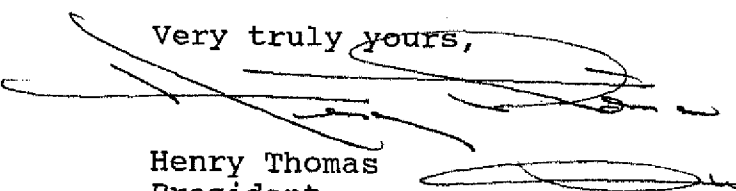
Dear Mr. Lucas:

I am sending you an advance copy of a tragedy that has happened and is still happening today.

This is a first class cover up of an economic lynching of a Black Prime Contractor from the South Bronx, New York.

I request a meeting with you to personally discuss this issue and a possible strategy to correct it.

Very truly yours,


Henry Thomas
President

cc: Dr. William Gibson, Chairman NAACP

HENRY THOMAS

243 CALIFORNIA ROAD
MOUNT VERNON, NEW YORK 10552
(914) 664-0900 699-9431

File MRES

January 8, 1990

Mr. William Lucas
Director of Liaison Services
U.S. Department of Justice
10th & Constitution Avenue N.W.
Washington, DC 20530

RE: Civil Rights Complaint

Dear Mr. Lucas:

Thank you for reviewing and expressing concern over the racism, **discrimination and double standards** contained in the Freedom, N.Y., Inc. report to the President.

The **lynching** of Freedom, N.Y., Inc. by the Defense Logistics Agency (DLA) is not the first, every other black owned business that has tried to participate in the Meals-Ready-to-Eat (MRE) Program **has been financially wiped out and not treated in the same manner as white owned businesses in the same MRE Program.**

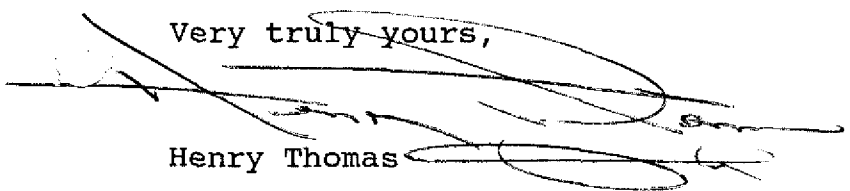
I honestly believe that my Civil Rights as a black man trying to participate and hold the same type of Department of Defense contract (job) as white men, has without a doubt been totally **violated, ignored and abused** by the Defense Logistic Agency.

Please consider this letter and the enclosed report as my **complaint** against the U.S. Department of Defense, Defense Logistic Agency and refer this complaint to the proper Department of Justice official who will take the appropriate action and do a full operational and programmatic audit review of the MRE Procurement Program on the way all the black owned businesses have been mistreated and denied their **entitled** U.S. Government resources while at the same time white owned businesses has been allowed to develop, grow and prosper financially when using the same U.S. Government resources (contracts & money). **There has been no equal opportunity for black people to develop and participate in the DLA MRE Program as white people who was in the same type of business.**

I will be available to personally discuss the history of my trying to gain a foot-hold in the MRE Program and then after \$10 million dollars (\$10,000,000) being left **broke, busted and penniless.**

Thank you for your time in this matter.

Very truly yours,


Henry Thomas

cc: Dr. William Gibson Chairman N A A C P



U.S. Department of Justice
Office of Liaison Services

Director

Washington, D.C. 20530

January 11, 1990

File
MRES

Mr. Henry Thomas
President
Freedom, NY, Inc.
243 California Road
Mt. Vernon, New York 10552

Dear Henry:

As we discussed on the phone, I have sent the information concerning your case to the Civil Rights Division of the Department of Justice. They will investigate the matter and get back to you.

I wish you success in getting this dispute resolved to your satisfaction.

Sincerely,

Bill Lucas

William Lucas



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

DLA-P

23 JAN 1990

File MRES

Mr. Henry Thomas
President
Freedom, NY, Inc.
243 California Road
Mt. Vernon, NY 10552

Dear Mr. Thomas:

The Secretary of Defense has asked me to respond to your letter of 4 October 1989. Your letter and enclosed report charges that the Defense Logistics Agency (DLA) discriminated against Freedom, NY, Inc. (Freedom) in the administration and termination for default of Contract DLA13H-85-C-0591 for Meals-Ready-To-Eat V.

Your allegations repeat charges previously made against DLA. When these charges were first lodged, the former Director, DLA, appointed an independent fact-finding group of procurement professionals to look into the matter. After thoroughly investigating your allegations, the fact-finding group concluded your allegations of discrimination were without foundation. It concluded that DLA had not acted improperly or with any improper motives toward Freedom. You were informed of the group's conclusions in a letter from the Director dated 3 March 1987.

Subsequently, your allegations were independently reviewed by the Department of Defense Inspector General (DoD IG). The DoD IG findings supported those of the DLA fact-finding group. By letter dated 2 November 1988, you were informed of the DoD IG's conclusions.

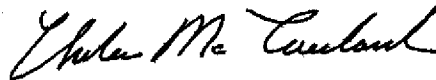
Freedom currently has an appeal pending before the Armed Services Board of Contract Appeals (ASBCA) stemming from DLA's termination for default of Contract DLA13H-85-C-0591. In addition, there are two other legal actions in which Freedom and one of its financial institutions are questioning, among other things, representations made by Freedom's then counsel. These collateral issues are being litigated in the United States District Court for the Northern District of Illinois (Bankers Leasing Association, Inc., v. David M. Lambert and Barnett & Alagia, Case No. 88 C 7623) and the United States District Court for the District of Columbia (Henry Thomas and Freedom, N.Y. Inc. v. Barnett & Alagia and David M. Lambert, Case No. 89-1531).

DLA-P PAGE 2
Mr. Henry Thomas

23 JAN 1990

In view of the previous reviews, the current appeal and the other litigation, further review of the charges made in your 4 October 1989 letter is neither warranted nor proper.

Sincerely,

A handwritten signature in cursive script, reading "Charles McCausland".

CHARLES McCAUSLAND
Lieutenant General, USA
Director



U.S. Department of Justice

Civil Rights Division

JPT:JSA:MM:mb
DJ 144-51-0

Employment Litigation Section
P.O. Box 65968
Washington, D.C. 20035-5968

*File
MRES*

Mr. Henry Thomas
243 California Road
Mount Vernon, New York 10552

JAN 31 1990

Dear Mr. Thomas:

This letter is in response to your letter of January 8, 1990 and accompanying report to Mr. William Lucas, Director of Liaison Services, United States Department of Justice, concerning the Freedom, N.Y., Inc. contract with the Defense Logistics Agency and that agency's Meals-Ready-to-Eat Program. Mr. Lucas referred your letter to this Division.

We have reviewed all the material you provided Mr. Lucas. The Civil Rights Division has no authority to investigate complaints of discrimination in the course of contracts entered into with federal government agencies, or to conduct any review or audit of those contracts. For the Freedom, N.Y., Inc. contract, No. DLA13H-85-C-0591, the Defense Logistics Agency (DLA) is the appropriate agency to review the complaints contained in the letter and report you sent this Department.

The General Counsel's Office of the DLA informed me that in October, 1989 it had received copies of a report identical to the one you provided Mr. Lucas. That office also informed me that by letter to you of January 23, 1990, the agency responded to the complaints raised in your report.

While the Department of Justice can not be of assistance to you in this matter, you may wish to consult an attorney to consider what options, if any, are available to you.

Sincerely,

James P. Turner
Acting Assistant Attorney General
Civil Rights Division

By: *Marybeth Martin*

Marybeth Martin
Attorney
Employment Litigation Section

cc: Mr. William Lucas

Freedom N.Y., Inc.

243 California Road
Mt. Vernon, New York 10552
914 665 - 0098 - Tel
914 667 - 5185 - Fax

January 19, 1995

Mr. Derek J. Vander Schaaf
Deputy Inspector General
Department of Defense
400 Army Navy Drive, 10th Floor
Arlington, Virginia 22202

Re: DLA13H-85-C-0591

Dear Mr. Vander Schaaf:

It was a pleasure speaking to you yesterday. As we discussed, Freedom is still awaiting a decision by the Armed Services Board of Contracts Appeals (ASBCA).


As you know I had borrowed and invested over \$10 million in the **Meals Ready to Eat Program (MRE)**. It was in 1987 that I appealed to the Armed Services Board of Contracts Appeals for relief from the administrative contract lynching Freedom experienced and which the Defense Logistics Agency then conspired to cover-up as a contract default termination. Finally 6 years later in 1993, the Board heard our case of gross Government misconduct and their massive breach of our contract. It has been an additional 2 years since the hearing and still no decision. **Thus 8 years has passed with no financial relief, and to me the lynching continues because the Board has left us hanging all this time.**

Since the interest clock in FAR 33.208 is ticking on my \$22 million damages claim, my concern today is the length of time it is now taking for the ASBCA to render its decision. I do not want anyone to claim that I did not try to mitigate or bring attention to the huge financial damages to my company (which continues to accrue) or the large cost to the government which is still increasing.

My calculation of the interest alone on our damage claim of \$22 million is roughly \$6 million. **This extra \$6 million in interest could have been better used to hire more administrative Law Judges to help relieve the huge backlog of contract cases at the ASBCA.** The big question is how many more big ticket claims are pending and backlogged at the ASBCA with the interest clock still ticking ????

In any event, anything the Department of Defense can do to help relieve this administrative backlog and speed up relief for my company would be greatly appreciated.

Sincerely yours,



Henry Thomas
President

cc: Cicero Wilson

Freedom N.Y., Inc.

July 29, 1997

DLA13H-84-C-0591

Ms. Eleanor R. Spector
Director of Defense Procurement
P.D.U.S.D. (A&T)
The Pentagon 3E411 3060
Washington, D.C. 20301-3060

Dear Ms. Spector:

Yesterday I received your response to my letter of June 20, 1997.
The last sentence of your letter states "***I trust this addresses your concerns.***"

This letter is to advise you that your letter does not address the "cover-up" of the facts or the fraud and double standards used in the procurement system. It is as if you are ignoring these serious issues which impacted on us and destroyed our Black owned small business which was employing over 442 Black and Hispanic employees in the South Bronx, NY.

You were also requested to initiate the appropriate action to clean up this fraud and disparate treatment and launch a programmatic and operational audit of Freedom's contract. We continue to claim that the government acted in bad faith, premeditated a conspiracy to get rid of Freedom in order to cover up their fraud, breaches of contract, discriminatory actions and their abuse of the procurement process.

We await to hear from you and still stand ready to meet with you.

Sincerely yours,
Freedom N.Y., Inc.



Henry Thomas
President

cc: Hon. William J. Clinton, President
Hon. Janet Reno, Attorney General
Hon. William S. Cohen, Secretary of Defense
Hon. Kweizi Mfume, Executive Director, NAACP

420 East

Martin Luther King Boulevard

Suite 100

Mt. Vernon, New York 10550

914 235 4811 Tel.

914 738 0979 Tel.

914 235 4811 Fax

Sinbad99@AOL.COM