

**Social Security Administration Contracts Awarded to
MicroTechnologies, LLC and Affiliated Contractors
A-15-14-34094**



September 2015

Office of Audit Report Summary

Objective

To ensure the Social Security Administration (SSA) complied with applicable acquisition regulations in making awards to MicroTechnologies, LLC (MicroTech) and its founder, Anthony R. Jimenez, as well as any affiliated contractors.

Background

In 2013, several news articles were published about MicroTech as well as its owner, Anthony R. Jimenez. The articles examined how MicroTech received over \$1 billion in Federal contracts over 9 years while claiming to be a small business concern.

On December 20, 2013, the Small Business Administration (SBA) suspended MicroTech and its founder, Anthony R. Jimenez, from receiving new Federal work. SBA stated it had information showing that MicroTech and its founder submitted “false and misleading statements” to receive preferential treatment.

On January 28, 2014, SBA lifted the contracting ban on MicroTech after the firm’s chief executive officer (CEO) agreed to give up day-to-day control.

On March 31, 2014, Mr. Jimenez signed an agreement with SBA that will allow him to return as CEO in May 2014. Currently, Mr. Jimenez is the CEO of MicroTech.

Findings

We determined that SSA did not comply with applicable acquisition regulations in making awards to MicroTech during the SBA suspension. Specifically, we determined that SSA inappropriately awarded two awards to MicroTech.

Recommendations

We recommend SSA implement policies and procedures to ensure Contracting Officers:

1. Review the System for Award Management “immediately” before making an award to confirm SSA does not make awards to suspended or debarred contractors in accordance with 48 Code of Federal Regulations (C.F.R.) § 9.405(d)(4).
2. Obtain the Deputy Commissioner for Budget, Finance, Quality, and Management’s written determination of the compelling reasons for adding new work, exercising options, or otherwise extending the duration of current contracts or orders to a suspended contractor in accordance with 48 C.F.R. § 9.405-1(b)(3).

SSA agreed with our recommendations.