



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

May 19, 2003

The Honorable Lane Evans
Ranking Democratic Member
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Evans:

This is in response to your letter requesting that the Department of Veterans Affairs (VA) cancel the tentative award of a contract to Ocwen Financial Corporations (Ocwen) for the Veterans Benefits Administration Property Management Services (Request for Proposals No. 101-09-01). I apologize for the delay in responding.

VA provided a 30-day period for appeal or protest of the tentative award. On May 7, VA's Protest Official made a final decision to deny the protests. VA intends to award the contract to Ocwen by June 16, 2003, based on the facts below.

VA contacted Ocwen regarding outsourcing to India. Ocwen provided a written response indicating that they have no intentions of outsourcing property management services under this contract to offshore workers. Ocwen stated that if they are awarded this contract, they would sign a bilateral agreement declaring that they will not outsource labor for VA property management services to India.

As stated in their proposal, Ocwen will offer employment opportunities in accordance with Federal Acquisition Regulation clause 52.207-3, Right of First Refusal of Employment, to VA employees who apply for employment.

Your letter also mentions the filing of a class action lawsuit, Hanson v. Ocwen Federal Bank, No. 02-CV-960 (D. CT (New Haven), filed June 5, 2002). VA's Office of General Counsel has reviewed the court docket and has spoken to Ocwen's counsel in Connecticut. VA's General Counsel finds no legal reason related to this case to halt this potential award to Ocwen. They have demonstrated satisfactory past performance in property management services.

If you have any questions, please have a member of your staff contact Mr. Charlie Likel, Director, Congressional Operations, at 202-273-5615.

Sincerely yours,

A handwritten signature in black ink that reads "Anthony J. Principi". The signature is written in a cursive style.

Anthony J. Principi