

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220



**Acquisition
Bulletin (AB)**
No. 03-04
REVISION A
Jan. 12, 2004

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Eileen McGlinn /s/
Acting Director
Office of the Procurement Executive

SUBJECT: Cancellation of AB 03-04, related to MCI/WorldCom

Purpose: Cancellation of AB No. 03-04. This AB Revision cancels the AB 03-04 requirement to route all procurement actions with MCI/WorldCom through the Treasury Chief Information Officer.

Effective Date: Immediately

Expiration Date: Not applicable

Background: On January 7, 2004 GSA removed MCI/WorldCom from the Excluded Parties List. MCI/WorldCom is now eligible to compete for government contracts. The OPE Procurement Policy and Regulations web page (<http://www.treas.gov/offices/management/dcfo/procurement/policy/index.html>) is being updated to reflect cancellation of AB 03-04. GSA news release is attached.

Action: AB 03-04 is cancelled.

Attachment

News Releases

Worldcom Agrees To Stringent Reporting Requirements

GSA # 10059

January 7, 2004

Contact: Mary Alice Johnson, (202) 501-1231

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WASHINGTON, D.C. - A U.S. General Services Administration Suspension and Debarment Official today removed WorldCom from the Excluded Parties Listing System (EPLS) after finding that the telecommunications company had made sufficient management and oversight changes.

Today's decision comes after an exhaustive review conducted by GSA that included input from the WorldCom's court-appointed Corporate Monitor, WorldCom's auditors, Deloitte & Touche and other outside experts. The review also included input, both supporting and opposing debarment, from Members of Congress including Senator Susan Collins, Congressman Tom Davis and Congressman John Sweeney.

The decision to remove the company from the excluded parties list is based on the fact that MCI WorldCom has remedied the two key problems raised in the July 31, 2003, Notice of Proposed Debarment: accounting controls and business ethics.

The decision to terminate the debarment proceedings reflects WorldCom's improved system controls, a strong corporate financial organization, enhanced authority and staff as well as tangible positive results and improved business ethics.

Joseph A. Neurauter, GSA's Suspension and Debarment Official, determined that MCI had changed sufficiently to warrant treatment as a responsible federal contractor and can again compete for government contracts while adhering to stringent GSA reporting requirements for the next three years.

"I have concluded that the protection of the government's interest does not require the debarment of WorldCom. Accordingly, I have terminated the debarment proceedings against WorldCom. The termination is effective immediately," Neurauter said in a January 7, 2004, letter to Michael D. Capellas, CEO for WorldCom, Inc.

The Administrative Agreement detailing the reporting requirements runs for a term of three years and requires WorldCom to report to GSA regularly during this period and to report any changes in senior personnel, violations of ethics standards or other divergences from the company's action plans. Today's decision allows WorldCom to again compete for government contracts, but violation of the agreement's provisions would constitute a cause for WorldCom's debarment.

GSA initially proposed MCI WorldCom for debarment on July 31, 2003, based on information provided by GSA's Office of Inspector General and MCI WorldCom, citing "significant weaknesses" in MCI WorldCom's internal controls and corporate governance structure.

GSA is a centralized federal procurement, property management, and policy agency created by Congress to improve government efficiency and help federal agencies better serve the public. It acquires, on behalf of federal agencies, office space, equipment, telecommunications, information technology, supplies and services. It also plays a key role in developing and implementing government wide policies. GSA, comprised of 13,000 associates, provides services and solutions for the office operations of over 1 million federal workers located in more than 8,000 government-owned and leased buildings in 2,000 U.S. communities.