



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

DEC 0 2014

Supreme Foodservice FZE
Room 807 Le Solarium Building
Dubai Silicon Oasis
Dubai, United Arab Emirates

Re: Notice of Proposed Debarment

Ladies & Gentlemen:

You are hereby notified that the Defense Logistics Agency (DLA) has proposed to debar Supreme Foodservice FZE from federal government contracting and from directly or indirectly receiving the benefits of federal assistance programs or from purchasing surplus government property under the Federal Property Management Regulations (FPMR). This action is initiated pursuant to the authority of, and the procedures contained in, the Federal Acquisition Regulation (FAR) Subpart 9.4 and the Defense FAR Supplement (DFARS) Subpart 209.4.

The Defense Department's implementation of the Nonprocurement Common Rule referenced in FAR 9.401 is 2 Code of Federal Regulations (C.F.R.) Part 1125. The Internet links for FAR Subpart 9.4, DFARS Subpart 209.4, 2 C.F.R. Part 1125 and FPMR 101-45.6 may be located at: <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>; <http://www.arnet.gov/far/>; <http://www.gpo.gov/fdsys/granule/CFR-2012-title2-vol1/CFR-2012-title2-vol1-part1125>; and <http://www.gpo.gov/fdsys/pkg/CFR-2001-title41-vol2/pdf/CFR-2001-title41-vol2-part101-id1312-subpart101-id1395.pdf>.

On December 8, 2014, in the United States District Court for the Eastern District of Pennsylvania, Supreme Foodservice FZE was convicted for violations of 18 U.S.C. § 1031 (Major Fraud Against the United States), 18 U.S.C. § 371 (Conspiracy to Commit Major Fraud Against the United States), and 18 U.S.C. § 1343 (Fraud by Wire). The conviction was related to the submission of invoices under contracts awarded by DLA Troop Support.

The basis for the proposed debarment is FAR 9.406-2(a)(1), FAR 9.406-2(a)(5) and FAR 9.406-2(c). FAR 9.406-2(a)(1) provides that the debarring official may debar a company for a commission of fraud in connection with obtaining, attempting to obtain or performing a public contract or subcontract. FAR 9.406-2(a)(5) provides that the debarring official may debar a company for any offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contractor. Lastly, FAR 9.406-2(c) provides that the debarring official may debar a company based on any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor or subcontractor.

Effective throughout the executive branch of the federal government, the proposed debarment applies to both procurement and sales contracting and has the following consequences:

1. The company's name, Supreme Foodservice FZE, will be entered in the System for Award Management (SAM) Exclusions as Ineligible (Proceedings Pending). The General Services Administration (GSA) operates the web-based SAM Exclusions that contains the names and addresses of all contractors debarred, suspended, proposed for debarment, declared ineligible, or excluded or disqualified under the nonprocurement common rule. The SAM is available at <https://www.sam.gov> or <https://www.acquisition.gov>.

2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring government approval will not be approved for the company by any agency in the executive branch of the federal government unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between the company and the agency.

3. The company may not conduct business with the federal government as an agent or representative of other contractors, nor may you act as an individual surety for other contractors.

4. No government contractor may award a subcontract equal to or in excess of \$30,000 to the company, unless there is a compelling reason to do so and the company first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which the company is either a participant or principal, unless the head of the agency grants an exception in writing. Covered transactions are defined at 2 C.F.R. Part 1125.

6. The company may not act as an agent or representative of other participants in federal assistance programs.

7. The company's affiliation with or relationship to any organization doing business with the government will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a government contractor or subcontractor.

Within 30 days after receipt of this notice, the company or a representative on its behalf may submit, either in person or in writing, or both, information and argument in opposition to the proposed debarment. To encourage the company to furnish useful and reliable information voluntarily and to be candid with our office, the company may mark any portion of its submission, including attachments, with an appropriate legend identifying information the company customarily withholds from release to the public. In the event our office receives a Freedom of Information Act request concerning your submission, we will afford the company an opportunity to opine on the releasability of the marked materials. If the company provides a written response, an original and one hard copy must be submitted and an electronic copy is appreciated. The company is encouraged to Bates number its submission, including attachments thereto.

If the company designates a representative to respond on its behalf, please notify my counsel in writing of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

The submission, if any, should include any specific information that may raise a genuine dispute over facts material to the proposed debarment. If it is found that the information submitted raises a genuine dispute over material facts, fact-finding may be conducted to determine the disputed facts. Facts proved by conviction or civil judgment, however, are not subject to dispute in this debarment proceeding.

This proceeding has been initiated on the basis of an administrative record. A copy of the record will be furnished upon request. Any written information submitted by the company will become part of the administrative record. Information or argument presented orally will be considered as part of the administrative record only to the extent such information and argument is submitted in written form.

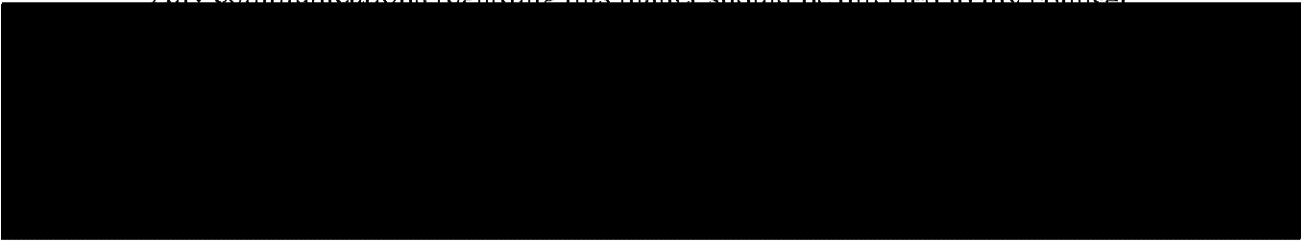
If the company receives a contract award from any government agency after the date of this letter, it was likely issued in error and is not a valid award. Accordingly, the company is directed to contact the awarding contracting officer to determine if the head of the agency made a written compelling reason determination to authorize award to the company that has been proposed for debarment. If the contracting officer confirms that a compelling reason determination has been made pursuant to FAR 9.405(a), the company may proceed with contract performance.

The determination whether or not to debar the company is discretionary and will be made on the basis of the administrative record, together with any written materials submitted for the record by the government or the company during the period of proposed debarment.

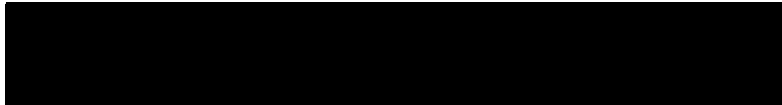
If a debarment is imposed, the limitations on contracting and subcontracting described in Paragraphs 1 through 7 above will apply and the company's status in SAM Exclusions will be changed to reflect that it is Ineligible (Proceedings Complete).

Any material information submitted in response to this action will be considered a statement or representation to a government official concerning a matter within the jurisdiction of the executive branch of the government. To that end, please note that the making of any materially false, fictitious, or fraudulent statement or representation to a government official may subject the maker to prosecution under 18 U.S.C. § 1001 (False Statements).

Any communications regarding this matter should be directed to my counsel



Sincerely,



Fred T. Pribble
Special Assistant for
Contracting Integrity