

Mr. Walter M. Shaub, Jr.
Director
U.S. Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005



May 9, 2013

Dear Mr. Straub:

On April 20, 2013, we wrote you a letter to alert you to a very serious situation involving the unethical conduct of federal employees at the Department of Health and Human Services (HHS) and the Food and Drug Administration (FDA). You have not responded to our letter requesting that your office conduct an oversight review to assure that HHS and FDA are implementing policies as they relate to conflict of interest and procurement integrity.

As you will recall from our letter of April 20, 2013, we are a small business that is being unfairly competed against by the Food and Drug Administration (FDA). In December 2012, we discovered that the Food and Drug Administration (FDA) was using, without permission, our intellectual property and duplicating our products under a multi-million dollar contract with Battelle Memorial Institute.

In March 2013, we filed a complaint with the National Ombudsman for Small Business of the Small Business Administration (SBA). Since that time the matter has seriously escalated. In response to our complaint, the Department of Health and Human Services (HHS) and the FDA mounted a legal defense of their own wrongful actions instead of engaging in a thoughtful dialogue to fairly resolve the matter and a serious cover-up ensued.

Enclosed please find a case study entitled, *Unfair Competition by the Federal Government with Small Business: The Food and Drug Administration versus FoodQuestTQ LLC*. We wanted to share this document with the Office of Government Ethics because of the serious consequences a situation like this can have on the confidence of the American people in the federal government to conduct the public's business in a fair and impartial manner. The case study demonstrates that there are severe problems within both HHS and FDA that involve the ethics of federal employees and procurement integrity.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Hnatio".

John H. Hnatio
Chief Science Officer