



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
901 NORTH STUART STREET
ARLINGTON, VA 22203-1837

JALS-CA-PF

4 March 2004

MEMORANDUM FOR Deputy Chief of Staff, Passenger Personal Property, Surface Deployment and Distribution Command, 200 Stovall Street, Alexandria, Virginia 22332-5000

SUBJECT: Request for Compelling Reasons Determination

1. On 4 March 2004, The Pasha Group (Pasha) was suspended from future contracting with any agency in the executive branch of the United States Government under Federal Acquisition Regulation 9-407. The basis for the suspension is the criminal information and plea agreement against Pasha filed in the United States District Court, Eastern District of Virginia, on 18 February 2004. The criminal information charges The Pasha Group with two counts: count one, 15 U.S.C. §1, Conspiracy to Restrain Trade, and count two, 18 U.S.C. § 371, Conspiracy to Defraud the United States.
2. On 4 March 2004, the following individuals and companies were also suspended based on their affiliation with The Pasha Group: George W. Pasha III, George W. Pasha IV, Pasha International, AFI/Pasha Worldwide Forwarders, Pasha Maritime Services, Pasha Distribution Services, Pasha AG, Rio Doce Pasha Terminal LP, Gateways International Inc., and Sig Wold Storage & Transfer.
3. Agencies shall not renew or otherwise extend the duration of current contracts, or consent to subcontracts, with contractors debarred, suspended, or proposed for debarment, unless the agency head or a designee authorized representative states, in writing, the compelling reasons for renewal or extension. FAR 9.405-1(c).
4. The Surface Deployment and Distribution Command (SDDC) submitted a request for a compelling reasons determination to continue to do business with Pasha (including affiliated individuals and companies) based upon the grounds stated in Enclosure 1. SDDC's request was referred to the Chief Trial Attorney (CTA), Contract Appeals Division (CAD), consistent with AFARS 5109.405. The CTA recommended approval of the request.
5. I have determined that SDDC has provided compelling reasons to continue to do business with The Pasha Group and its affiliated individuals and companies named in the suspension memorandum for 60 days from the date of this letter for the following reasons and for those enumerated in the enclosed documents:
 - a. Pasha is an integral part of SDDC's ability to ship DoD household goods between the United States and Germany.
 - b. Many carriers performing such services use Pasha as their general agent, and it is impossible in some situations and impracticable in others for SDDC to replace Pasha with another agent within 60 days.

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6. Pursuant to DFARS 209.405, written notification will be provided to the General Services Administration of this compelling reasons determination for SDDC to conduct business with a contractor that is suspended or debarred from procurement programs. Should you have any questions, please contact [REDACTED]

Encl

[REDACTED]
ROBERT N. KITTEL
Suspension and Debarment Official