



DEPARTMENT OF VETERANS AFFAIRS
Regional Office
1240 East Ninth Street
Cleveland OH 44199

April 15, 2002

In Reply Refer To: 325/262
Information Letter 26-02-07

TO: All Ohio VA Management Brokers

Subj: VA Management Broker and Affiliate Exclusion from VA Contract Work

1. **PURPOSE:** To maintain a strong and effective property management program, VA has always held that relationships with our management brokers remain free of the appearance of impropriety. Therefore, we are taking this opportunity to emphasize the importance of requiring that any work performed on behalf of VA be done by an entity unrelated to the interests of the VA Management Broker.

VA Management Brokers are not considered acceptable bidders on most repair and maintenance contracts because of their close association on a fee basis with VA. Further, this restriction applies equally to employees and family members of VA Management Brokers, as well as to any firm in which the VA Management Broker has an interest.

This prohibition does not include the performance of work of a routine recurring maintenance category (e.g. lock re-keying, grass re-cuts, or snow shoveling) that we have approved as an exclusion to the above prohibition. However, it must be demonstrated that fees for such services are competitive and not in excess of the prevailing fees in the area.

2. **ACTION:** VA Management Brokers must have obtained prior written approval for themselves, a family member, an employee and/or business affiliate to participate in these types of recurring property maintenance contracts.

Further, although approval may have been requested from or issued by VA in the past, we are requiring annual written disclosure and annual written approval. Therefore, even if you have requested approval or have been granted approval in the past, please submit a written, detailed disclosure and request for approval as soon as possible.

3. **YOUR PARTICIPATION:** Thank you for your continuing participation in our VA Loan Guaranty program.

/s/

JAMES L. BRUBAKER, JR.
Loan Guaranty Officer