

Subject: Fw: Statement of the Facts
From: "Brad P. Giordani" <militec@militec-1.com>
Date: Sat, 15 Nov 2003 07:48:16 -0500
To: "Michael C. Schexnayder \(\APG\)" <michael.c.schexnayder@us.army.mil>
CC: "Russ Logan" <militec@militec-1.com>, "Alan Roth" <alanroth@apdinc.com>
BCC: "Ted Mumm" <militecwest@brats.com>

Dear Mr. Schexnayder,

Thank you for accepting my phone call and your fax dated November 14, 2003.

We are very encouraged by your second paragraph of your letter that states " My request is that you communicate your small arms lubricant performance issues, concerns and recommendations to me - preferable in writing by letter or electronic mail. This will assist RDECOM by ensuring that we have the correct view of your thoughts and allow us to both effectively and efficiently address them".

I am forwarding to you an October 19, 2003 email message, **Subject Header**, "Statement of the Facts". This overview describes in detail certain facts pertaining to the way our small company has been dealt with since 1993. Please refer to <http://www.militec-1.com/militaryletters1.html> for supporting enclosures and additional official correspondence.

The reason I mentioned yesterday if you have looked at our website @ www.militec-1.com , was to learn if you have had an opportunity to understand our product, MILITEC-1 Synthetic Metal Conditioner, and if you were aware of the Army testing that has been performed and our federal customer base, including several dozen Army Units that currently use and purchase our product. I was not try to suggest that your knowledge base was not adequate, I was simply trying to help you better understand that we have a proven federal track record of performance which may help you, as your 14 November letter states " We are assembling a multi-service team of experts to accomplish this evaluation. RDECOM believes that it is best to formalize and focus communication during this evaluation so that the process is fair, efficient and productive for both industry and RDECOM".

Since learning that RDECOM has been assigned responsibility for evaluating the performance of small arm lubricants, I felt you and your team of experts may want to consider existing federal government data pertaining to the performance of small arms, especially evidence that has already been developed on our product during combat in Iraq, Afghanistan and Kuwait. The main reason for mentioning this is, the more factual end-user evidence you have on MILITEC-1 from current Army users and other federal users, may help your efforts in better understanding the performance characteristics of MILITEC-1 when you initiate the actual performance testing that you have planned. And finally, with scarce government resources, it may be prudent to utilize existing federal performance evidence on our product, so a duplication of efforts may be avoided.

I am hopeful you could answer the following questions in order for us to better understand and support your ongoing efforts in developing a new lubricant performance standard.

1. When and where will the performance tests be conducted.
2. Who are your team of experts.
3. Please describe the performance testing, types and amounts of weapons and the methodology.
4. Will industry be allowed to participate on any level of the testing program.
5. When will the performance testing be completed and a report be publicly released.
6. Will the different technology of lubricants be tested in the same manner.

I will be sending you additional information in an effort to better assist your group with the new performance standards that relate to a Synthetic Metal Conditioner.

Thanks again for your letter and time.

Very Respectfully,

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----- Original Message -----

From: [Brad P. Giordani](#)

To: [Padgett, Michael G COL \[AMSTA-AR-CC\]](#)

Cc: [COL. Michael J. Smith](#) ; [Frank Puzycki](#) ; [Goetz, Joseph Andrew P.E. \[AMSTA-AR-WET\]](#) ; [Gus Liggon](#) ; [Hays Parks](#) ; [Jeniolionis, Ernest \(DSCR\)](#) ; [Joel Goldman](#) ; [Kevin Hayes](#) ; [Leonard Trahan, Jr. Director Defense Hotline](#) ; [LT.COL. Robert Carpenter](#) ; [Perkins, Gil \(DSCR\)](#) ; [Richard Audette](#) ; [Russ Logan](#) ; [Smith, James LTC PM SOLDIER](#) ; [Spiers, Dana W. \(DSCR\)](#) ; [Virginia Ezell](#)

Sent: Sunday, October 19, 2003 9:58 PM

Subject: Statement of the Facts

For Immediate Release

Overview

On March 19, 2003, without justification, the Defense Supply Center Richmond (DSCR) reversed a standing eight-year-old directive by the Under Secretary of Defense, which allowed MILITEC-1, a Synthetic weapons oil to be requisitioned by all U.S. forces and federal agencies. This reversal was a collaborative act, done in concert, and at the direction, of Picatinny Arsenal, N.J. (ARDEC).

Militec, Inc. submits four allegations stemming from this act:

First, That Picatinny Arsenal did not have the proper authority to direct DSCR to block our National Stock Numbers (NSNs). Further, DSCR knowingly followed the ill-advised directive by ARDEC with the full knowledge that their parent agency, Defense Logistics Agency, (DLA) implemented the original directive from the Under Secretary of Defense.

Second, that DSCR and ARDEC followed a pattern and practice of unprofessional conduct in managing the supply of a critical product requested by combat forces in theater and by forces preparing for deployment to Iraq and Afghanistan. We contend that the policy reversal was not the result of a logical, orderly decision-making process by the parties involved, but rather was done as retribution for an eight-year-old grudge held by certain civilians within DSCR and ARDEC.

Third, that this action not only damaged the reputation of our small company and caused us grievous financial damage (several hundred thousand and counting), but also directly contributed to the death and injury of military personnel that were denied access to MILITEC-1 as a safe alternative to the Army's twenty-three-year-old Military Specification (MilSpec) CLP weapons oil/solvent.

Fourth, that in spite of Militec's, advisories and warnings to DSCR, ARDEC, TACOM and the DOD IG of the dangers of using MilSpec CLP weapons oil/solvent in desert operations, no action has been taken. Furthermore, official After-Action Reports from Iraq supporting our claims have also been dismissed and

MilSpec CLP weapons oil/solvent is still being issued to troops in Iraq.

We strongly urge a swift and thorough investigation into these allegations, not only to redress the damage done, but most importantly to prevent additional injury and loss of life to our military forces.

Background

MILITEC-1 Metal Conditioner is a synthetic weapons oil that allows weapons to be fired dry without attracting sand and dust in desert environments. In contrast, the Army's mandated MilSpec weapons oil (called "CLP" because of its "all-in-one" action as a Cleaner Lubricant and Preservative) traps sand and debris like a magnet. In the blowing dust and sand of a desert environment, gunmetal quickly becomes coated with a thick sludge, rendering weapons inoperative. For desert operations, MilSpec all-in-one weapons oil has been proven to be defective by deployed forces, federal agencies and many weapon manufacturers.

MILITEC-1 has been used by military activities in every conflict since Desert Storm. The Secret Service, State Department worldwide, FBI, INS, NCIS, DIA, DCIS, USPI, USPP, Sky Marshals, Coast Guard, Capitol Hill Police and many other federal agencies, including our Special Operation Teams in theater, currently use MILITEC-1.

Concerning the First Allegation: July 29, 1995 the Under Secretary of Defense for Materiel Distribution and Management notified Congress that MILITEC-1 would be made available to all military activities, including federal agencies. On the September 18, 1995 DLA implemented the Secretary of Defense's direction. However, eight years later Gil Perkins and Ernst Jeniolionis of DSCR did not obtain the required authorization from the Secretary of Defense's office prior to canceling our war orders and blocking MILITEC-1's NSNs. Furthermore, DSCR officials followed the direction of Picatinny Arsenal with full knowledge that our NSNs were authorized by the Under Secretary of Defense and the implementation of our NSNs, by their parent agency, Defense Logistics Agency, (DLA). To this day, no one at the Army Materiel Command, (AMC), DSCR, or ARDEC can give us an answer concerning who had the authority to cancel the directive from the Under Secretary of Defense that had been in effect since 1995.

Concerning the Second Allegation: July 2, 1993, MILITEC-1 was granted National Stock Numbers (NSNs) by DSCR. However, beginning in 1994, certain civilians within the Army tried to cancel our lawfully issued NSNs. As a result, on March 17, 1995, nineteen members of Congress sent the Secretary of Defense a joint letter supporting MILITEC-1 to ensure that supplies of MILITEC-1 would be made available to both DOD and non-DOD agencies. Seven months later, additional NSNs were granted and MILITEC-1 enjoyed a continuous, successful and problem-free history of delivery to our forces worldwide through DSCR for eight full years. Even our staunchest critic, Maurice LePera, the former DOD Executive Agent for Fuels and Lubricants, was in full agreement that MILITEC-1 could be used for weapon applications only.

Then, in March 2003, Militec, Inc. received initial orders worth over \$100,000 from DSCR. These orders were somewhat larger than historical orders had been, but as our forces were massing to invade Iraq, we did not consider them out of the ordinary and were excited to comply. We were also informed to be prepared for additional large orders, and were told by Dana W. Spiers of DSCR that the "approval for these orders had division backing," which we knew. We immediately packaged \$120,000 worth of specific sizes of MILITEC-1 in anticipation of the promised orders from DSCR.

However, the day after notifying us that our orders had division backing, DSCR summarily cancelled all orders for MILITEC-1. No explanation was given. The field commanders who placed the orders were neither notified by DSCR or ARDEC, nor given an explanation as to why their war orders had been cancelled.

Homeland Security orders were also cancelled without explanation. Further, the parties ordering MILITEC-1 were given no opportunity to request that their orders be reinstated, until after the war was declared over. We

have requested the customer list and other information from **Gil Perkins** at DSCR without success. Perkins has promised us answers through several email exchanges, but has yet to deliver, and was recently transferred to another department within DSCR.

The root cause behind these cancellations was that the individuals who initially tried to exclude MILITEC-1 from the supply system in 1994 had been outraged that Militec, Inc. had gone over their heads when help was obtained from Congress. When the current large war orders for MILITEC-1 started rolling in, their smoldering grudge against Militec, Inc. caused them to ignore the standing eight-year-old directive. They simply could not tolerate seeing Militec, Inc. succeed in their system. In a later phone conversation, Ernest Jeniolionis from DSCR informed Russ Logan of Militec, Inc. that the orders had been cancelled on his authority. Jeniolionis said he remembered when Congress had intervened on our behalf eight years earlier, and the current large volume of orders presented a perfect opportunity to “get even.” He also stated that he had not been working alone in this decision. Although these actions may have made Jeniolionis and his comrades excited to see us suffer, this was nothing more than a spiteful act that constituted an historical pattern and practice of unprofessional conduct.

Concerning the Third Allegation: Unfortunately, the desire to hurt Militec, Inc. financially and to damage our reputation was not the only result of the canceled war orders. We firmly believe and have strong evidence to prove that military personnel have been injured and killed as a direct result of being denied access to MILITEC-1, or other products, as a safe alternative to the mandated MilSpec CLP all-in-one oil/solvent.

As an example, the 507th maintenance company was using MilSpec CLP oil/solvent on their weapons when their position was overrun. The fact that all their weapons quickly jammed, making them unable to properly return enemy fire, has been thoroughly reported both in the media and by the military. If those troops had been allowed to use MILITEC-1 instead of MilSpec CLP oil/solvent, their weapons would have functioned properly, and injury, death and capture might have been avoided.

Thus, the soldiers in the field are the ones who paid the ultimate price because a few individuals at DSCR and ARDEC abused their authority in an attempt to further punish our small company.

Concerning the Fourth Allegation: Militec, Inc. has repeatedly advised Ernest Jeniolionis of DSCR, Col. Padgett of ARDEC, Major General Thompson of TACOM and Leonard Trahan the DOD IG Hotline director that MilSpec CLP oil/solvent is a defective product for desert combat operations. Our advisories included warnings from U.S. Government Contractors based in Kuwait (MPRI), who cited years of field experience training U.S. forces for desert combat operations, and also direct intelligence concerning injury and death to our forces. All evidence was ignored, including the compelling account of the dead Navy Seal whose jammed weapon was later found after his position was over-run by Taliban and Al-Queda forces in Afghanistan.

We anticipated decisive action to restore our forces’ free access to MILITEC-1 and to punish the individuals who had abused their authority by following the historical pattern and practice of unprofessional conduct in managing the supply and authorization of critical requisitioned war orders.

Instead, MG Thompson refused to listen. In spite of the fact that to this day weapons continue to malfunction in the Iraqi and Afghani theaters, no direct, immediate action has been taken to alleviate the problem. MG Thompson continues to view our evidence as “masquerading as a serious proposal” and mistakenly believes that MilSpec CLP oil/solvent represents “State-of-the-Art Technology.”

We were extremely frustrated because the agencies we notified were the ones tasked with the responsibility of insuring the safety of our forces. Finally, realizing the responsible individuals were not going to act, we made their refusals public by posting their emails and letters on our website (www.militec-1.com). When they realized we had allowed the world to see their obfuscation, their retaliation, bad-mouthing our product and

blocking our orders, have further harmed our forces and prevented our company from being awarded its rightful government contracts that we have worked for since 1988.

As Militec, Inc., of Waldorf, Md., has exhausted its options for definitive action within the appropriate military channels; we will now advise Congress to authorize a prompt investigation and hearings into a pattern and practice of unprofessional conduct at DSCR, TACOM and ARDEC.

Recent developments with Defense Supply Center Richmond and Picatinny Arsenal:

September 17, 2003: Bradley P. Giordani, President of Militec, Inc., sent a draft of a pending Congressional press release to Colonel Michael Padgett of Picatinny Arsenal, NJ. (Enclosure 1)

September 18, 2003: Colonel Padgett responded, stating, *"Brad, Recommend we meet to discuss. Someone from the government side will contact you in the next few days to set it up, probably in the DC area. The storm is slowing down our ability to fully coordinate the proposed meeting and contact you with our recommendations. Please give it a few days..."* (Enclosure 2)

A copy of the draft press release and Colonel Padgett's response of September 18 were forwarded by email to Alan Roth, Ph.D., a long-time MILITEC-1 distributor and minority shareholder in Militec, Inc.

Militec, Inc. requested that Dr. Roth approach his friend, General Kern, Commander of AMC, to see if Kern's office might want to coordinate the meeting with Col. Padgett, as Padgett is part of Kern's subordinate command at Picatinny Arsenal.

September 22, 2003: Dr. Roth met with Lew Ashley, executive assistant to General Kern and Ombudsman for AMC. Ashley started an investigation after receiving the pending press release and supporting documentation from Dr. Roth, and called Mr. Giordani at home on five separate occasions.

Initially, Ashley asked for a couple of weeks to set up the meeting. Ashley specifically requested that Militec, Inc. hold off going to Congress with the press release since he felt an agreement could be reached that would satisfy both parties. Militec, Inc. agreed.

However, after several more phone calls between Giordani and Ashley, both parties agreed that a meeting would not be necessary after all, as the matter could be resolved from Ashley's office.

October 14, 2003: Militec, Inc. received a one-sentence email message from Ernest Jeniolionis, Chief, Commodity Service Section JDTA at Defense Supply Center Richmond (DSCR), stating, *"Sir, as directed by the Army, effective immediately DSCR will begin processing all requisitions under the following NSNs: 9150-01-378-3058, 9150-01-378-3118, 9150-01-415-9112, 9150-01-415-9114, 9150-01-415-9111."* (Enclosure 3)

That evening at 5:45 PM, Lew Ashley phoned Mr. Giordani at home to ask if Giordani had heard anything concerning his efforts. Giordani told Ashley about the one-sentence email message from DSCR reinstating the NSNs, though three NSNs were missing that had originally been granted on September 18, 1995. Ashley explained those three NSNs had been cancelled because the Army did not want NSNs for MILITEC-1 the larger size containers. Giordani agreed to this position as a good faith gesture.

Giordani also informed Ashley that Militec had cleaned up its website, however, all of the Army content had not been removed, but rather was hidden until good faith was properly demonstrated. Ashley said thank you, and "please do not send any more nasty grams to Congress".

In a subsequent conversation, Giordani asked Ashley for a copy of the complete text of the Army's directive to DSCR. Giordani felt this was a straightforward request, as he hoped it would state the facts and

clarify exactly what the one-sentence email message meant. Giordani merely asked Ashley for a letter detailing the Army's directive to DSCR. Giordani indicated that even a letter identical to the one-sentence email message Militec, Inc. received from DSCR would be acceptable. Since Picatinny Arsenal directed DSCR to process all requisitions for MILITEC-1, Giordani felt the Army could and should go on record reflecting that new agreement.

Ashley was very reluctant to help with the letter. He said the email from DSCR was enough and suggested Militec, Inc. post the message on its website (which had already been done). Giordani said again that the letter could be a verbatim copy of the one-sentence email message from DSCR. Ashley wanted to know why the letter was needed. Giordani explained that a letter was necessary to keep Picatinny honest and to insure that the new deal was in fact what the one-sentence email message inferred. Also, one of the other reasons for the letter would be to allow Militec, Inc. to prove to our forces that the NSN issue had been properly resolved, and their future orders would not be cancelled.

Ashley further explained that the NSNs for MILITEC-1 might only be reinstated for a few months, since Picatinny was currently engaging in "independent tests" of various weapons lubricants. These tests would not only include mere laboratory testing, but would also include actual live-fire testing under supposed real-world conditions. If MILITEC-1 did not fare well in these "independent" lab tests, the NSNs might have to be withdrawn again, and Militec, Inc. would be forced to accept that possibility.

Giordani stressed again to Ashley that the only way to properly test a weapons lubricant is in the field over an extended period of time. The lab testing, which MILITEC-1 has already completed, supports the health hazards and chemical and physical properties. However, Picatinny has continued to fail MILITEC-1 based on a 1960-era salt-fog MilSpec test that does not correlate with field conditions, and has proven to be worthless in real-world circumstances. To support our claims concerning this out-dated Military Specification, Militec, Inc.'s federal customer list is attached. (Enclosure 4)

Ashley's reluctance to allow DSCR's one-sentence email to be put into writing makes it apparent to Militec, Inc. that the recent reinstatement of the MILITEC-1's NSNs is merely a ploy, deliberately planned to keep Congress off the Army's back while Picatinny devises additional inappropriate lab tests designed to show MILITEC-1 in a negative light. These prejudicial results will then be put in an official report contrasting MILITEC-1's shortcomings with other products and companies that have been blessed by Picatinny.

Furthermore, what the one-sentence DSCR message really means is that troops may be able to requisition MILITEC-1, but Picatinny has not approved it for use on weapons. In other words, in effect Picatinny is saying, you can buy it, but you shouldn't use it!

October 15, 2003: Mr. Giordani sent Lew Ashley an email through Dr. Roth highlighting the reasons why a letter from the Army to Militec, Inc. is required. Confirming the Army's directive to DSCR will put Militec, Inc. on a level playing field. (Enclosure 5)

October 17, 2003: Militec, Inc. received an email from Dr. Roth describing the reasons why Lew Ashley and certain staff at AMC believes a letter to Militec, Inc. is not in the Army's best interest. (Enclosure 6)

October 17, 2003: Militec, Inc. sent an email message to Colonel Padgett and Kevin Hayes at Picatinny requesting help with the needed Army letter. (Enclosure 7)

Our allegations of unprofessional conduct are supported by the following facts:

1. **July 2, 1993:** MILITEC-1 products were first granted National Stock Numbers (NSNs) by DSCR. (Enclosure 8)

2. June 6, 1994: MILITEC-1's NSNs were blocked with the Army's help. (Enclosure 9)
3. March 17, 1995: Nineteen members of Congress sent a joint letter to Secretary of Defense, William J. Perry that stated, *"the Defense Department will approve continued listings of MILITEC-1 in the Defense Supply Catalogue for use in DOD as a weapons lubricant and for machine shop applications, and will process all requisitions and orders from DOD and non-DOD agencies (emphasis added)."* (Enclosure 10)
4. June 29, 1995: The Under Secretary of Defense sent Congress a letter stating, *"Thank you for your letter of May 18, 1995, to Secretary Perry concerning MILITEC-I. I am pleased to inform you that the Defense Logistics Agency is in the process of establishing two new National Stock Numbers for the one-ounce and four ounce containers of MILITEC-I, for weapons grade and machine shop applications respectively. These two products will be made available to all activities within the Federal Government. The Defense Logistics Agency will advise MILITEC of the National Stock Number assignments when they occur (emphasis added)."* (Enclosure 11)
5. September 18, 1995: MILITEC-1 was granted seven NSNs through DLA. (Enclosure 12)
6. For eight full years, MILITEC-1 was supplied to DSCR and Army units without a problem.
7. March 19, 2003: MILITEC-1's NSNs were cancelled by direction of Colonel Padgett at Picatinny Arsenal, N.J. Colonel Padgett also directed DSCR to cancel over \$120,000.00 in war orders bound for Iraq without notifying the Commanders in theater. (Enclosure 13)
8. April 4, 2003: Militec, Inc. sent a letter to Major General Ross N. Thompson. (Enclosure 14)
9. April 16, 2003: Colonel Padgett and Major General Ross N. Thompson (CG-TACOM) support a 60-day window for requisitions originating only in Southwest Asia through DSCR. (Enclosure 15)
10. May 15, 2003: MG. Thompson's responded to Militec, Inc.'s letter of April 4 with a document filled with errors, innuendos and misleading facts. (Enclosure 16)
11. May 15, 2003 Operation Iraqi Freedom PEO Lessons Learned, commissioned by General Kern (MG Thompson's boss), was made public. An excerpt from the report stated: *"Lubricant: Soldiers provided consistent comments that CLP was not a good choice for weapons maintenance in this environment. The sand is a fine as talcum powder here. The CLP attracted the sand to the weapon. Soldiers considered a product called Militec to be a much better solution for lubricating individual and crew-served weapons."* (Enclosure 17)
12. June 1, 2003: Militec, Inc. sent a letter to MG. Thompson highlighting his many errors and misleading statements. MG. Thompson did not reply. (Enclosure 18)
13. August 21 2003: Colonel Padgett again allowed DSCR to cancel MILITEC-1's NSNs. This cancellation was implemented in spite of After-Action Reports from Iraq which support the benefits of MILITEC-1 in combat by our troops. (Enclosure 19)
14. October 14, 2003: MILITEC-1's NSNs were temporarily reinstated again in a one-sentence email at the direction of Colonel Padgett to Ernst Jeniolionis. (Enclosure 20)

There can only be two reasons why Militec, Inc. is being singled out and treated in such an unprofessional manner (a) Certain individuals are incompetent. (b) Those same individuals have a hidden agenda.

The Army must grant MILITEC-1 a MilSpec, or clarify in writing that MILITEC-1 is approved for

weapons use and include MILITEC-1 in the Army Log so the troops can order without fear or retribution.

In summary, not only is the Army unwilling to enforce or address the Under Secretary of Defense's directive of June 29, 1995, they will not even issue a letter repeating the same one-sentence text that Militec received from DSCR at the Army's direction.

The reason is clear: If such a simple letter became part of the public record, it would be very difficult for Picatinny Arsenal, NJ to cancel MILITEC-1's NSNs again. Also, and notwithstanding all the evidence contained in this document, Picatinny's new position, that troops can buy MILITEC-1 but it is not approved for use, exemplifies and proves a pattern and practice of unprofessional conduct.

Note: Militec, Inc. must promptly see a letter of good faith and must be treated fairly in the future.

Militec, Inc. will once again allow the system an opportunity to correct itself before this document is released to all printed and electronic media, and is tirelessly lobbied before both Houses of Congress with all the force Militec, Inc. can bring to bear.

October 19, 2003 DRAFT

Release date October 23, 2003