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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

October 7, 2010

MICHAEL L. ALEXANDER, STAFF DIRECTOR
BRANDON L. MILHORN, MINORITY STAFF DIRECTOR AND CHIEF COUNSEL

The Honorable Karen G. Mills
Administrator
United States Small Business Administration
409 3rd Street SW
Washington, DC 20416

Dear Madam Administrator:

On July 6, 2010, I sent a letter to the Small Business Administration and 18 other federal agencies requesting information regarding the use of contractors to respond to Congress. A copy of this letter is enclosed for your convenience. However, because I have received similar questions from several agencies, I am writing to provide clarification regarding the Subcommittee's request.

The Subcommittee requested information about all contracts used to provide services relating to the preparation of Congressional testimony or the response to Congressional correspondence. The Subcommittee's request includes all contracts under which contractors are used to draft, research, or support the preparation of Congressional testimony or correspondence. This includes the use of contractors to gather and analyze data provided in response to Congressional inquiries.

The Small Business Administration provided a response to the Subcommittee's July 6, 2010 request on September 17, 2010. If, in light of the clarification above, your previous response is incomplete, please provide an update to the Subcommittee no later than November 15, 2010. If you determine that you will be unable to make a complete production by this date, please contact Subcommittee staff to discuss possible modifications to this schedule.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 73 (111th Congress).

Please contact Tesa Lanoy with the Subcommittee staff at (202) 228-3978 with any questions.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Contracting Oversight

cc: Scott Brown
Ranking Member
Subcommittee on Contracting Oversight

Enclosure

JOSEPH I. LIEBERMAN, CONNECTICUT, CHAIRMAN

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COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

July 6, 2010

The Honorable Karen G. Mills
Administrator
United States Small Business Administration
409 3rd Street SW
Washington, DC 20416

Dear Madam Administrator:

As part of the Subcommittee's ongoing oversight of contract management, I am writing to request information regarding the use of contractors to respond to Congress.

Under the Federal Acquisition Regulation (FAR), federal agencies are not permitted to use contractors to respond to Congressional requests. The FAR mandates that agencies shall not use contracts to perform "inherently governmental functions" including the "drafting of Congressional testimony [and] responses to Congressional correspondence."¹ The Office of Management and Budget has provided similar guidance:

Because of the appearance of private influence with respect to documents that are prepared for Congress or for law enforcement or oversight agencies and that may be particularly sensitive, contractors are not to be used for the drafting of Congressional testimony; responses to Congressional correspondence; or agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity.²

Last month, I learned that the Defense Department hired a contractor to gather and consolidate data in response to a request for information from the Subcommittee regarding counternarcotics contracts in Latin America. At the Subcommittee's hearing on that topic on May 20, 2010, Defense Department Deputy Assistant Secretary for Counternarcotics and Global Threats testified that the person responsible for legislative affairs in his office when he arrived was a contractor.³

¹ Federal Acquisition Regulation § 7.5.

² Office of Management and Budget, *Policy Letter 92-1* (Sept. 23, 1992).

³ Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Contracting Oversight, *Hearing on Counternarcotics Contracts in Latin America* (May 20, 2010).

Other agencies also use contractors to respond to Congress. For example, in 2009 the Department of Energy Office of Inspector General found that the Department of Energy had assigned contractor employees responsibility for providing information and responses to Congressional inquiries, which the DOE-OIG deemed inherently governmental.⁴

To help the Subcommittee understand the extent to which federal agencies use contractors to respond to Congress, I request that you provide a list of all contracts used by the Small Business Administration during fiscal year 2009 to provide services relating to the preparation of Congressional testimony or the response to Congressional correspondence. Please submit your response using the spreadsheet provided with the following information for each contract:

- (1) The contract number;
- (2) The name of the contractor and any subcontractors;
- (3) A brief description of the contract scope;
- (4) Whether work was performed under a task order and, if so, a brief description of the task order scope;
- (5) The timeframe to perform the work;
- (6) The name of the organization requesting the contract/task order;
- (7) A brief description of work performed;
- (8) A brief description of the Congressional request, including the date of the request and the name of the Member and/or Committee; and
- (9) The cost of the contract/task order, including ceiling and total amount spent.

In addition, please provide all audit reports performed by internal audit organizations or the Office of Inspector General regarding the use of contractors to provide services relating to the preparation of Congressional testimony or the response to Congressional correspondence, and any written guidance or policies regarding the use of contractors to provide services relating to the preparation of Congressional testimony or the response to Congressional correspondence.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 73 (111th Congress). An attachment to this letter provides additional information about how to respond to the Subcommittee's request.

Please contact Tesa Lanoy with the Subcommittee staff at (202) 228-3978 with any questions.

⁴ U.S. Department of Energy Office of Inspector General, *Management Controls Over the Use of Service Contracts at the Office of River Protection* (April 2009) (OAS-M-09-02).

Sincerely,

A handwritten signature in blue ink that reads "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent than the last name "McCaskill".

Claire McCaskill
Chairman
Subcommittee on Contracting Oversight

cc: Scott Brown
Ranking Member
Subcommittee on Contracting Oversight

Enclosure